

Unit 16: Human Resource Management in Business

Unit code:	K/502/5445
QCF Level 3:	BTEC National
Credit value:	10
Guided learning hours:	60

● Aim and purpose

The aim of this unit is to introduce learners to methods of managing human resources in the workplace. Learners will use their knowledge of relevant human resources management theory and link it with current human resource management practices in organisations.

● Unit introduction

Human resource management is a dynamic activity in any organisation as it takes place against a changing economic, technical, legal and social background. It is important for learners to appreciate that effective human resource management means getting the best out of the people who work for an organisation in order to ensure the organisation fulfils its purposes, whether it is a football club winning the premiership, or a hospital increasing the success rates for medical operations.

Many organisations say that their employees are their most valuable resource because of their skills, knowledge and attitudes. As labour is both an expensive and valuable resource, it is important to ensure it is planned and that the best value is obtained from employees contributions. Human resource managers have to plan their human resource requirements against a background of internal and external factors which are dynamic and constantly changing. The first part of this unit introduces learners to the factors that influence human resource managers when they are planning current and future human resource requirements. It is important to ensure that once staff have been recruited, their contribution to the organisation is maximised. Learners will develop their understanding of the importance organisations place on gaining the cooperation and commitment of their employees. Managers need to understand how to motivate employees and gain their commitment to the organisation. The unit introduces learners to motivational theory, employee involvement techniques and the role that reward systems can play in gaining commitment from employees. Learners will explore the methods that managers use to measure and manage the performance of their employees.

● Learning outcomes

On completion of this unit a learner should:

- 1 Know the factors that are involved in human resource planning in organisations
- 2 Know how organisations motivate employees
- 3 Understand how to gain committed employee cooperation
- 4 Understand the importance of managing employee performance at work.

Unit content

1 Know the factors that are involved in human resource planning in organisations

Internal planning factors: organisational needs eg demand for products and services, new products and services, new markets, technological change, location of production; skills requirements; workforce profiles (age, gender, ethnicity, ability)

External planning factors: supply of labour (international, national, regional, local, long-term trends, short-term trends); labour costs; workforce skills; government policy; labour market competition; changing nature of work; employee expectations eg full-time, part-time, permanent, temporary, casual work; impact of automation; demand for products and services

Employee skills: people as organisational resources; skill sets eg job specific, generic; skill acquisition; skills audit, skill transferability; impact of technology

2 Know how organisations motivate employees

Motivation theory: theories of motivation eg Taylor, Mayo, Maslow, Herzberg, McGregor, McClelland, Vroom

Reward systems: pay; performance-related pay; pension schemes; profit sharing; employee share options; mortgage subsidies; relocation fees; bonuses; company vehicles; loans/advances; childcare; school fees; corporate clothes; staff discounts; flexible working; leave; health care; extended parental leave, career breaks; cafeteria incentive schemes; salary sacrifice schemes

3 Understand how to gain committed employee cooperation

Contracts of employment: contractual entitlements (pay, hours of work, leave, notice period, pension benefits); employee and employer rights; types of employment contract (full time, fractional, part time, temporary, casual); disciplinary procedures; grievance procedures; union membership; codes of behaviour

Employee involvement techniques: membership of work groups eg board, works councils, quality circles, intra-organisational groups (transnational, national, site specific); suggestions schemes; devolved authority and responsibility; open communications (formal, informal, top-down, bottom-up, lateral); types of communication (newsletters, company bulletins); organisational culture (ethos, values, mission); national accreditation (Investors in People (IIP), Charter Mark, International Standards Organisation (ISO))

4 Understand the importance of managing employee performance at work

Measuring performance: performance indicators (achievement against targets); goal theory; SMART (specific, measurable, achievable, realistic, time-bound) targets eg sales targets, growth targets, financial targets, waiting times, pass rates, punctuality, attendance; benchmarking

Managing performance: probation; appraisal; supporting employees eg mentoring, monitoring, buddying; occupational health; managing workloads; delegating authority; responsibility; capacity; competence; autonomy; linking rewards to performance; discipline; employee development (training, learning, job rotation, accelerated promotion, personal, professional)

Assessment and grading criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria for a pass grade describe the level of achievement required to pass this unit.

Assessment and grading criteria		
To achieve a pass grade the evidence must show that the learner is able to:	To achieve a merit grade the evidence must show that, in addition to the pass criteria, the learner is able to:	To achieve a distinction grade the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
P1 describe the internal and external factors to consider when planning the human resource requirements of an organisation [IE, CT]	M1 explain why human resource planning is important to an organisation	
P2 describe how the skills that employees require to carry out jobs in an organisation are identified		
P3 outline how an organisation motivate its employees [IE]	M2 compare the use of motivation theories in an organisation	D1 suggest, with justification, ways of improving motivation in an organisational setting [IE]
P4 explain how organisations obtain the cooperation of their employees		
P5 explain how employee performance is measured and managed. [SM]	M3 explain how the results from measuring and managing performance inform employee development.	D2 assess the importance of measuring and managing employee performance at work. [IE, SM]

PLTS: This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills applicable in the pass criteria. It identifies opportunities for learners to demonstrate effective application of the referenced elements of the skills.

Key	IE – independent enquirers CT – creative thinkers	RL – reflective learners TW – team workers	SM – self-managers EP – effective participators
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Essential guidance for tutors

Delivery

For this unit, learners will need to establish links with staff in the human resources department of an organisation. It is recommended that this link is established at the beginning of the teaching programme for this unit. Links with human resources staff will ensure that theory and practice can be integrated in a meaningful way.

The unit is designed to be taught using practical examples that may draw on learners' own experiences of employment from their work placement or part-time jobs. Current examples of human resources practice can be found in newspapers and journals which are a good source of topical examples.

After an introduction to human resource planning, and as an introduction to the first assignment, learners could research newspapers and journals in pairs and discuss and analyse current examples of internal and external factors that impact on human resource planning in organisations. One way of putting this into perspective is to invite a visiting speaker from a local organisation to talk about the current issues they face in planning their human resources requirements.

Learners will need to be familiar with current theories of motivation and the range of reward systems used by organisations. However, it is important that they understand the role that motivation theories play in helping to inform motivational practice. Group discussions using topical examples of current practice from newspapers and journals or case studies will help to contextualise this area of understanding. Once again, a visiting speaker would be an ideal way to bring this area of learning together. The speaker could discuss current examples of gaining employee involvement, using motivation techniques and the effectiveness of the reward systems currently used in the organisation.

For the second assignment, learners will need time to research human resource management practice in the organisation of their choice. As an introduction to the second part of the unit learners could discuss their own experiences of contracts of employment and employee involvement from their part-time jobs or work placement. Learners should be aware of the range of methods available to measure and manage employee performance. Group discussions using learners' own work experience and topical articles from newspapers are effective ways of introducing human resource management. A visiting speaker from a human resources department, ideally with management responsibility, will give learners an insight into the practicalities of managing employee performance.

Outline learning plan

The outline learning plan has been included in this unit as guidance and can be used in conjunction with the programme of suggested assignments.

The outline learning plan demonstrates one way in planning the delivery and assessment of this unit.

Topic and suggested assignments/activities and/assessment
Overview of the unit and structure of the programme. Whole class
Introduction to human resources planning. Whole class Internal factors External factors Employee skills Pair work researching newspapers for examples of internal and external factors and skills gaps
Visiting speaker from a local organisation – Human Resource Planning
Assignment 1: Human Resource Planning <ul style="list-style-type: none"> • Assignment launch. Whole class • Individual research on the organisation • Interviews with organisation HR staff • Writing up the article
Introduction to motivation and reward systems. Whole class <ul style="list-style-type: none"> • Theories of motivation. Whole class • Reward systems. Whole class • Pair work on motivation theory and practice • Pair work – researching examples of reward systems • Visiting speaker from local organisation on motivational practice and reward systems
Introduction to employee involvement and cooperation <ul style="list-style-type: none"> • Contracts of employment. Whole class • Pair work researching and comparing examples of contracts of employment • Employee involvement techniques. Whole class • Pair work researching and comparing examples of employee involvement techniques
Introduction to measuring and managing employee performance. Whole class <ul style="list-style-type: none"> • Measuring employee performance at work. Whole class • Managing employee performance at work. Whole class • Pair work comparing examples • Visiting speaker from HR department on managing employee performance
Assignment 2: Human Resource Management <ul style="list-style-type: none"> • Assignment launch • Individual research on the organisation • Interviews with HR staff • Writing up report
Supervised assignment work
Non-supervised study time and completion of assignments

Assessment

For P1, learners should examine how an organisation is developing and how changes which may arise from internal decisions and external events can affect the direction the organisation is moving in. This means human resourcing needs to be planned accordingly. There may be a gap between the demand for and supply of particular skills. Skills of existing staff can be audited and measures can be taken to bridge the perceived skills gap. As supermarkets move into selling financial services or pharmaceutical dispensing, different employee skills are needed.

Competition might lead to leaner, fitter organisations with flatter hierarchies where employees have more autonomy and a wider range of skills. Regulatory pressures (such as in the caring professions) mean that only employees with specific certificated skills can be employed to do certain jobs. Nurses are now trained to take over more work from doctors and can write prescriptions. The consequences of slimming down the civil service and merging Customs and Excise and the Inland Revenue require human resources to plan 10 years ahead, as significant expertise at a senior level is being lost. There will be examples of national and local organisations that are planning to use human resources in a way that takes account of the internal and external changes that impact on them. Evidence is likely to be in the form of a report or an article resulting from an investigation into an organisation. (P1, P2 and M1 are linked.)

For P2, learners will need to look at an organisation and consider the skill sets required of the employees. Employees begin work with a set of skills that will need to be adapted and modified as their skill requirements develop as organisations develop. Technological change, for example, has required many people to retrain or acquire new capabilities. Airline pilots learn to use fly-by-wire technologies and shelf stackers use hand-held data terminals to count and re-order stock. These are techniques that were not used a decade ago. Evidence is likely to be in the form of a report or an article resulting from an investigation into an organisation. (P1, P2 and M1 are linked.)

For P3, learners will show how the ideas of writers on motivation have shaped the way organisations motivate their employees. Some reward systems emphasise payment by results and are influenced more by ideas of scientific management and Taylorism. Other reward systems emphasise the personal and social nature of motivation and draw on ideas from Maslow and Herzberg. Organisations use reward systems because they believe they work in motivating employees, so a case study is likely to illustrate why an organisation chooses a particular approach to motivation. Learners can use their employer, the centre where they study or another suitable organisation as a case study. (P3, M2 and D1 are linked. It would also be possible to use a larger case study covering P3, P4, P5, M2, M3, D1 and D2).

For P4, learners need to understand what contracts of employment stipulate and how adherence to a contract can be managed. Most employees commit to an organisation by meeting their contractual obligations. At times it may be necessary to enforce the contract through disciplinary measures. A wide variety of schemes exist to tie employees to an organisation and learners should consider how employers involve their employees. Many people identify themselves strongly with their work and often define themselves in terms of the work they do and the company they work for. When asked 'what do you do?' most people are more likely to reply with their job title than say 'I'm a music lover'. The culture of an organisation makes its own demands on employees. Consideration should be given to how organisations create and maintain their culture. They may, for example, have strong community links (sponsoring sporting activities and clubs) or there may be an open management style with few signs of hierarchy (personal offices, reserved parking). A case study on a specific organisation, or different organisations, about how employee cooperation is obtained would be acceptable. For P5, learners will need to appreciate that the maximum contribution is required from each employee at work. Jobs often have specific performance criteria associated with them, so sales staff may have to generate £50,000 of sales per month. This may be because there is a business objective showing a sales target of £6 million for a sales team of 10 people. Individuals need to be monitored to ensure they are working effectively and meeting targets and standards set for them. Both above par and below par performance must be managed. A case study for a specific organisation, or different organisations, would be acceptable. (P5, M3 and D2 are linked.)

For M1, learners must explain why human resource planning is needed to ensure an organisation has employees with the necessary skills, knowledge and abilities to fulfil its purposes. The failure of Golden Wonder Crisps shows how a lack of marketing skills saw the market leader first lose its pre-eminent position and then fail over a period of 20 years.

For M2, learners must compare how different theories of motivation contribute to the techniques used for employee motivation in an organisation. The wage earned by a crew member at McDonalds is motivating in itself because it offers a reasonably well-paid hourly rate for a 16 year old. Being part of a crew recognises a person's social need to belong to a group. Managing a branch is not particularly well paid but has associated status.

For M3, learners must be able to identify suitable performance indicators to use with individual employees and show how the individual's performance can be improved through the use of performance management. Experienced teachers are not judged in the same ways as chefs, so different performance indicators are used to manage them. Examination pass rates might be used for the former and passing through a pay threshold may be the reward. The latter may be judged on good reviews, gaining Michelin stars or the gross profit margin of dishes. Attending a course on portion control may be needed to remedy poor profit performance. However, they might both have their punctuality and attendance monitored as these are basic requisites for working satisfactorily in both occupations.

For D1, learners must reach justified conclusions about how an organisation might modify and develop the motivational techniques and associated reward systems it uses.

For D2, learners must make judgements about the value of monitoring and managing employees. The benefits of performance management should be contrasted with the consequences of failing to manage performance.

Programme of suggested assignments

The table below shows a programme of suggested assignments that cover the pass, merit and distinction criteria in the grading grid. This is for guidance and it is recommended that centres either write their own assignments or adapt any Edexcel assignments to meet local needs and resources.

Criteria covered	Assignment title	Scenario	Assessment method
P1, P2, M1	Human Resource Planning.	Select an organisation and investigate the following aspects of their HR planning. How they identify their skills needs. How internal and external factors impact on their H/R planning. Why H/R planning is important to the organisation.	Produce an article for the Human Resource Manager to be included in the organisations annual report.
P3, 4, 5 M2, 3 D1, 2	Human Resource Management.	Use the organisation from Assignment 1 to explore the ways in which the organisation seeks to gain commitment from its employees. Using relevant theories and current practice, analyse the effectiveness of the HR management processes involved.	Produce a report for the human resources manager on your findings.

Links to National Occupational Standards, other BTEC units, other BTEC qualifications and other relevant units and qualifications

This unit forms part of the BTEC Business sector suite. This unit has particular links with the following unit titles in the Business suite:

Level 2	Level 3
Business Purposes	Business Resources
People in Organisations	Business Communication
	Recruitment and Selection in Business
	Aspects of Employment Law
	Development Planning for a career in Business
	Training in the Business Workplace
	Developing Teams in Business

This unit links to the Level 3 National Occupational Standards for Management and Leadership, particularly Units D1 and D2.

Essential resources

Learners will need access to organisations in order to research human resource management policies and practices. They will need access to computers to conduct web-based research.

Employer engagement and vocational contexts

Centres should develop links with organisations that can provide visiting speakers on topics related to human resources planning and management. The centre, as an organisation, is a valuable resource for visiting speakers and as a vehicle for learners to research into human resource planning and management. Learners can draw on their own experience through their part time jobs and work placements.

Indicative reading for learners

Textbooks

Cole G A – *Personnel Management: Theory and Practice* (Thomson Learning, 2003) ISBN 1 84480088 1

Graham H T and Bennett R – *Human Resources Management* (FT Prentice Hall, 1998) ISBN 02736340 1 1

Hall L, Torrington D and Taylor S – *Human Resource Management* (FT Prentice Hall, 2004) ISBN 02736871 3 1

Journal

Personnel Today

Website

www.Personneltoday.com A website which often has useful updates on legislation and HR practice

Delivery of personal, learning and thinking skills

The table below identifies the opportunities for personal, learning and thinking skills (PLTS) that have been included within the pass assessment criteria of this unit.

Skill	When learners are ...
Independent enquirers	researching into areas of human resource planning in organisations using the results of their research to analyse and assess the impact and effectiveness of human resource policies and practices in organisations
Creative thinkers	asking questions about human resource planning in different organisations
Self-managers	organising time and resources and prioritising actions when researching an organisation.

Although PLTS are identified within this unit as an inherent part of the assessment criteria, there are further opportunities to develop a range of PLTS through various approaches to teaching and learning.

Skill	When learners are ...
Creative thinkers	generating ideas and exploring possibilities on HR issues when working in groups questioning their own and other's assumptions when working in groups on HR issues
Reflective learners	inviting feedback and dealing positively with praise, setbacks and criticism when working in groups
Team workers	showing fairness and consideration to others in group discussions on HR issues
Self-managers	managing their emotions and building and maintaining relationships in group discussion on HR issues
Effective participators	act as an advocate for views and beliefs that may differ from their own in group discussions.

● Functional Skills – Level 2

Skill	When learners are ...
ICT – Use ICT systems	
Manage information storage to enable efficient retrieval	word processing and saving assignment work
Select and use ICT to communicate and exchange information safely, responsibly and effectively including storage of messages and contact lists	
English	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	participating in pair work or small groups to discuss human resource policies and practices in different organisations
Reading – compare, select, read and understand texts and use them to gather information, ideas, arguments and opinions	reading textbooks, journals, newspapers and web pages related to human resource policies and practices
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	writing reports and assignments on human resource management in organisations.