

22725C

Strategic Human Resource Management

Unit code: D/602/2326

QCF Level 7: BTEC Professional

Credit value: 10

Guided learning hours: 30

Unit aim

This unit provides the learner with an understanding of how the effective strategic management of human resources supports the achievement of organisational purposes and provides the skills to apply this understanding in an organisational context.

Unit introduction

Strategic human resource management is concerned with the management of human resources in ways that support an organisation's strategy and contribute to the achievement of organisational goals. It takes a long-term perspective on how human resources can be matched to organisational requirements and considers broader matters such as the quality and commitment of the human resource to an organisation.

Human resource planning provides the mechanisms through which organisations can ensure that they have sufficient staff of the right quality now and in the future to enable their successful functioning. Issues such as the recruitment of staff, the retention of staff, developing staff and succession planning, as well as downsizing and relocation, need to be accommodated in human resource plans.

The nature of the changing business environment requires adaptable strategic human resource plans. Organisations have a range of human resources policies that explain how human resources are managed. In many cases, there is a legal or regulatory requirement that insists on the existence of these policies. In other instances, organisations may wish to demonstrate good corporate practice in matters relating to employment.

The structure and culture of organisations affects human resource management. The publication of lists of companies that are good employers indicates how structure and culture affect personnel and how the perceptions of other parties are shaped by how employees feel about working for particular organisations. Organisations that are good employers are more likely to attract and keep good staff.

By examining human resource management, learners will understand how human resource strategy and policies enable personnel to work in ways that contribute to the overall effectiveness of organisations in both the short and long term.

Learning outcomes and assessment 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 determine the standard required to achieve the unit.

On completion of this unit a learner should:

| Learning outcomes | Assessment criteria |
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| 1 Understand how the strategic management of human resources contributes to the achievement of organisational objectives | 1.1 explain the importance of strategic human resource management in organisations 1.2 assess the purpose of strategic human resource management activities in an organisation 1.3 evaluate the contribution of strategic human resource management to the achievement of an organisation's objectives |
| 2 Be able to develop human resource plans for an organisation | 2.1 analyse the business factors that underpin human resource planning in an organisation 2.2 assess the human resource requirements in a given situation 2.3 develop a human resources plan for an organisation 2.4 critically evaluate how a human resources plan can contribute to meeting an organisation's objectives |
| 3 Understand human resources policy requirements in an organisation | 3.1 explain the purpose of human resource management policies in organisations 3.2 analyse the impact of regulatory requirements on human resource policies in an organisation |
| 4 Be able to examine human resources management in an organisation | 4.1 analyse the impact of an organisational structure on the management of human resources 4.2 analyse the impact of an organisational culture on the management of human resources 4.3 examine how the effectiveness of human resources management is monitored in an organisation 4.4 make justified recommendations to improve the effectiveness of human resources management in an organisation |

Unit content

1 **Understand how the strategic management of human resources contributes to the achievement of organisational objectives**

Human resource management (HRM): definition; characteristics of HRM approach; models of HRM eg contingency model, best practice model, Harvard Framework, D Guest, M Patterson; HRM activities; HRM and personnel management

Strategy: organisational strategy; HRM strategy; benefits of HRM strategy for organisations; alignment of organisational and HRM strategies; impact of organisational strategy on HRM strategy; influence of HRM strategy on organisational strategy; human capital management; HRM strategy and organisational performance; creating value; business focus of HRM strategy; efficient human resource management

2 **Be able to develop human resource plans for an organisation**

Business factors: business growth; business decline; business change; labour cost control; capital for labour substitution; location of operations; changing nature of work; impact of technology; increase in productivity; increase in efficiency; business competition; labour market competition; employee development

Human resource requirements: identifying personnel requirements (numbers, skill sets, experience, qualifications); match personnel to organisational requirements; internal factors eg labour requirements, skill requirements, workforce profiles; external factors eg demand for labour, supply of labour; government policies eg employment, education, training, industrial, regional; labour market competition

Human resource planning: purposes (recruitment, retention, employee development; re-skilling, upskilling, succession planning); outcomes; resources required; criteria for success; milestones; planning horizons (short, medium, long-term); business case eg costs, benefits; setting SMART (specific, measurable, achievable, realistic, time-based) targets

3 **Understand human resources policy requirements in an organisation**

Human resource management policies: recruitment and selection; health and safety; equality and diversity; pay; rewards, benefits and expenses; working time and time off; training and development; maternity/paternity; bullying and harassment; discipline, dismissal and grievance; performance improvement; change management; intellectual property (patents, copyrights); confidentiality of information; whistleblowing/protected disclosures; smoking, drugs and alcohol; purposes of policies

Employment legislation: legal and regulatory requirements relating to pay, discrimination, equality, employment rights and responsibilities, contractual terms and conditions and data protection (up-to-date legislation must be used)
– Employment Act 2008, Employment Relations Act 2004, Work and Families Act 2006, Employment Rights Act 1996, Sex Discrimination Act 1995/1997, Race Relations Act 1992, Race Relations Amendment Act 2000, Equal Pay Act 1970, Disability Discrimination Acts 1995 and 2005, European Working Time Directive, National Minimum Wage Act 1998, Data Protection Act 1998

4 Be able to examine human resources management in an organisation

Structure and culture: theories of organisational structure eg Weber, Mintzberg, Handy; forms of structure and the impact on HRM eg functional, product based, geographical, divisional, matrix; centralisation; decentralisation; theoretical models of culture eg Handy, Hofstede, Schein; organisational culture; relationships between culture and the HRM function

Effectiveness: HRM components to be monitored (HRM strategy, HRM policies, HRM operations); contribution of HRM to achievement of organisational goals; costs; benefits; human resource use; efficiencies; inefficiencies; gathering information about HRM performance; developing performance indicators; evaluating HRM performance using performance indicators; quantitative measures eg productivity, output per person, employee retention, staff turnover, cost savings; qualitative measures eg employee attitude surveys, stakeholder perspectives; benchmarking HR performance; HRM service level agreements and standards; utility analysis to evaluate the costs and benefits of HRM activities; proposing improvements

Essential resources

There are no essential resources required for this unit.

Indicative resource materials

Textbooks

Armstrong M – *Strategic Human resource Management: A Guide to Action, 4th Edition* (Kogan Page, 2008) ISBN 0749453753

Holbeche L – *Aligning Human Resources and Business Strategy, 2nd Edition* (Butterworth-Heinemann, 2008) ISBN 0750680172

Saunders M, Millmore M, Lewis P, Thornhill A and Morrow T – *Strategic Human Resource Management: Contemporary Issues* (Financial Times/Prentice Hall, 2007) ISBN 027368163X

Journals/newspapers

Management Today (Haymarket Business Media)

People Management (Chartered Institute of Personnel and Development)

Professional Manager (Chartered Management Institute)

The Economist (The Economist Newspaper Ltd) has articles on human resource related topics from time to time

Websites

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| www.businesslink.gov.uk | Business Link – information on human resource management policies |
| www.cipd.co.uk | The Chartered Institute of Personnel and Development has a range of material on strategic human resource management |
| www.managementhelp.org | Free management library with links to human resource management articles |