

Template business issues essay sample

[Business](#), [Organization](#)



Learning Outcome 1: Understand key contemporary business issues affecting the HR function within private, public and third sector organisations.

Assessment Criteria

1. 1 Explain types of organisations and the roles of management in them.

Indicative Content: Understand key contemporary business issues affecting the HR function within private, public and third sector organisations. Types of organisation; the role of management within them; ways in which HR is delivered; the main functional areas of management; the search for sustained organisational performance, business profit and efficiency; analysing, evaluating and drawing conclusions from financial and non-financial data; balanced scorecard or similar performance measurement tools; managing the change agenda.

There are three sectors within the economy which most organisations fall into. They are the private, public and third sector also known as voluntary or charitable sector. Organisations within the private sector are privately owned by individuals or groups. Usually the aim of these businesses is to survive by making a profit and organisations such as Tesco and Coca-Cola fall into this sector. Organisations that fall into the public sector are those that are owned or funded and controlled by the government and tend to provide services to the public such as the NHS and the Metropolitan Police Service. The third sector consists of organisations that are not for profit and non-governmental. These organisations tend to be charities that have philanthropic goals and are value driven. Usually reinvesting any surpluses generated back into their businesses in pursuit of their aims. Organisations such as the UNICEF and NSPCC fall into this sector.

Each organisation will have a unique hierarchy to align with their strategies and business needs. There are usually basic layers of management within most organisations. Top level management is the highest level of management. Some of the roles considered to be at this level are roles such as Directors, Chief Executive Officers and Chief Operational Officers. These managers are responsible for overseeing the entire organisation and the direction of the organisation. They develop business goals, strategies and policies and make important decisions regarding the organisation. These managers are also accountable to the shareholders and general public.

Middle level management consists of roles such as General Manager, Branch Manager and Regional Manager. These managers are responsible for filtering down and achieving the goals set by the top level management. They do this by setting goals and targets for the respective departments and help to motivate first line management to achieve business objectives. Being in the middle, these managers have the ability to communicate upward and can offer suggestions and feedback to top level management. First level management are sometimes referred to as line managers or supervisors. Roles within this level of management consist of Office Managers, Department Managers and Store Managers depending on the size of the organisation. These managers are responsible for the employees at an operational level. They assign tasks, provide guidance and supervise employees with their day to day activities. 1. 2 Analyse how HR is delivered and describe the main functional areas of management. There are numerous ways of delivering Human Resources to an organisation depending on its size.

e. g. Small scale private sector

e. g. Large scale private sector

Generalists:

Specialists:

Have broad spectrum of responsibilities like staffing the organisation, managing workforce, compensation, training and development, developing policies and procedures, ensuring that internal policies and procedures abide to all laws that affect the workplace. Are usually required by larger Organisations, they are equipped with technical knowledge along with the basic HRM skills. Most common areas of specialisation are: workforce planning and employment, HR development, Risk Management – developing health and safety programmes for the organisation.

Smaller organisations tend to have generalist staff who cover the core areas of Human Resource Management. Some larger organisations choose to break down their Human Resource management down into generalist and specialist categorisation.

Where the HR function is large, there would typically be a HR Director within the structure that works with the other top level executives to analyse the organisation in order to determine and plan its staffing needs to achieve the long term goal and strategic aims. It is at this level where other options should be explored to determine the actual need to recruit as there may be other options for the organisation such as job redesign. The area of staffing falls within the HR function where the recruitment and selection of human resources for the organisation is carried out. On selection, Recruitment

advisors are involved in developing and administering methods that enable managers to decide lawfully which candidates to select and which to reject for the given jobs.

A learning and development function provides employees with the opportunities to gain and enhance their skills and knowledge to enable them to perform in their jobs effectively. In addition to providing training for new or inexperienced employees, organisations often provide training programmes for experienced employees whose jobs are undergoing change. Larger organisations often have development programmes which prepare employees for higher level responsibilities within the organisation. This can be linked to succession planning to determine which employees have the potential to progress within the organisation and fill key business leadership roles on a short and long term basis. Learning and development programmes provide useful means of assuring that employees are capable of performing their jobs at the level needed to reach the overall business goals.

To ensure the workforce performs efficiently and effectively within their role, the HR function implements and encourages processes such as performance appraisal and career development. They also provide a rational method for determining how much employees should be paid for performing certain jobs. Sometimes organisations provide benefits to the employees as another form of compensation. Some are legally required such as a Pension scheme and some are solely for the employees benefit such as childcare vouchers, healthcare and wellbeing packages and life assurance. These are some of the benefits that help to attract and retain employees.

1. 3 Evaluate business performance and the change management agenda.

There are many ways to evaluate business performance and the change management agenda. A tool that is widely used to measure performance and align business strategy is the balanced scorecard as it offers a framework that provides performance measurements and helps the leadership team identify what needs to be done and what should/ needs to be measured. By analysing and reviewing financial and non-financial data from four key areas; Financial Performance, Efficiency, Knowledge and Innovation and Satisfaction the organisation should be able to translate their strategy / vision into key strategic aims or an “ action plan”. See below pic a. for the basic structure of the balanced scorecard.

Adapted from Robert S. Kaplan and David P. Norton, “ Using the Balanced Scorecard as a Strategic Management System,” Harvard Business Review (January-February 1996): 76. The HR function is responsible for change management and by collaborating with the senior leadership group, the HR Business partners are able to understand and incorporate organisation insights into policies to drive change in people management practices whilst also advising the business on the people implications of specific changes and making recommendations where necessary on alternative ethical solutions to issues and challenges that may arise. East Thames Group has just set its vision for the year 2020 which is “ To be a top performing Housing Association providing high quality homes and services in East London and Essex” which has been introduced by our new Chief Executive. This is the beginning of a journey that will strive to take the group from “ Good to Great”. This is a major project and it will affect the whole organisation and

the way we work. Great for East Thames looks like the following: Striving to be better everyday

Having a clear vision

Cherishing our social values

Demonstrating a drive to continuously improve

Providing excellent customer service

Having a positive brand and reputation

Becoming an organisation we can take pride in

In order to achieve this, we are reviewing how we communicate within the business between departments and if it is effective, the ownership of processes and the various tools used across the business with a hope that many of these processes will be streamlined. We are also reviewing all roles and responsibilities to ensure that we have the right people on board to help us achieve our goals. Below is a diagram of how East Thames intends on building a winning team.

Learning Outcome 3: Understand the role of HR in the managing of contemporary business issues and external contexts.

Assessment Criteria

3. 1 Analyse the forces shaping the HR agenda.

Indicative Content Understand the role of HR in the managing of contemporary business issues and external contexts. Forces shaping the HR agenda; models of the HR function; HR insights, strategies and solutions to support sustained organisational performance; relationships of HR with

senior management and line management; basic issues of ethics, accountability and good governance. I have identified that one of the major forces currently shaping the HR agenda at present are the difficulties experienced with recruiting the right individuals into the organisation with the skillset and experience required by the group, in order to achieve the strategic aims. East Thames customers' expectations are continuing to increase, so it is essential that we recruit the greatest people as possible with extensive experience and knowledge to work with us in order to continue delivering our services efficiently and effectively. Some of these difficulties are similar to the evidence found in the CIPD & HAYS Resourcing & Talent planning survey 2013, refer to Appendix A.

The survey explains that “ As in previous years, the main reason for recruitment difficulties was a lack of necessary specialist or technical skills. Looking for more pay than could be offered was another common problem.” East Thames is currently facing both of these issues. The current market is extremely competitive and local government funding for social housing has been reduced which has had a major impact on the budgets allocated within the organisation including recruitment and salary costs. So it falls down to the HR function to explore alternative recruitment methods whilst trying to improve the groups' corporate identity in order to attract the best possible candidates with the resources available. Another item I feel is high on the agenda is the development and retention of the workforce.

It is important for the organisation to understand and recognise that supporting and developing the workforce is of great benefit not only to the

individuals but also the organisation. The staff turnover is increasing so the need to deliver competitive development opportunities and benefits is essential in retaining the workforce. HR needs to work together to promote these benefits throughout the organisation. Personal development can enable individuals to reach their maximum potential whilst increasing productivity and performance within the organisation. Once this is understood the organisation is able invest in their people and help to grow and shape future leaders.

3. 2 Explain how HR contributes to organisational effectiveness. In a bid to deliver HR more effectively East Thames' HR function undertook a restructure in 2012 to reshape the department. As a result a new structure was implemented that is largely influenced by Dave Ulrich's HR Model of human resource management " commonly referred to as the ' three legged stool' which has become regarded as best practice. The most common interpretation of the model is based on three means or mechanisms of service delivery: HR organisation partners, HR centres of expertise and shared HR services" (Swift. G, CIPD). The HR Organisation Partnering and HR Shared Services modules were introduced along with a new HR People Strategy refer to Appendix B to help align and achieve the strategic aims.

3. 3 Examine HR's roles and functions in management structures.

3. 4 Examine HR's contribution to business ethics and accountability.

Learning Outcome 4: Understand how organisational and HR strategies and practices are shaped and developed.

Assessment Criteria

4. 1 Review the role of HR in strategy formulation and implementation.

Indicative Content: Understand how organisational and HR strategies and practices are shaped and developed. How corporate and HR strategies are shaped by the business and external contexts; organisational insights and sustained organisational performance; strategy formulation and implementation; emergent strategies; techniques and tools to analyse organisational and business environment; vertical and horizontal integration. The CIPD states in their HR Business Partnering factsheet that “ HR organisation partnering is the process in which HR professionals work closely with organisation leaders and/or line managers to achieve shared organisational objectives. Organisation partners are senior or key HR professionals. They are usually embedded in the organisation unit where they work in partnership with operational managers within that organisation unit to influence and steer strategy and strategy implementation”.

This partnership increases knowledge and understanding of the business in order to provide a better, responsive and adaptive HR service. Firstly there needs to be an understanding of the environment. East Thames group falls into the housing sector, so when formulating a strategy there are various factors that need to be considered such as welfare reform and cuts in local authority grants. The impact of these factors on the organisation and HR function need to be identified so they can be addressed. By defining a HR strategy the organisation will outline how it will leverage its staff to address and achieve its objectives and by using succession planning the partners will be able to identify critical roles needed to achieve their desired results. Each

work force segment should be assessed and programmes should be developed in line with a service tailored to those needs. It is essential for the HR budget to be prioritised and for all HR projects to be identified to establish their cost, benefit and primary focus to properly allocate scarce resources.

The HR function should focus on value adding activities to support the group to meet its objectives by designing and implementing HR solutions that are critical to ensure the execution of the HR strategy for every phase of the workforce lifecycle e. g. Recruitment. The organisation then needs to ensure it has the right HR delivery model to ensure that the HR service provided meets the business needs and objectives. This is achieved by identifying the key delivery enablers such as systems, processes and infrastructure. The next stage is to establish the HR capabilities by identifying the skills and competencies required to deliver the HR strategy. A skills gap analysis could be conducted to develop training and recruitment plans to fill any critical gaps.

4. 2 Describe the techniques and tools used to analyse organisational and business environment. A technique frequently used within HR is a PESTLE analysis. PESTLE is an acronym that stands for Political, Economic, Sociological, Technological, Legal and Environmental and is used to analyse the current external environment of the organisation. A PESTLE analysis can offer HR an overview of where the organisation stands and what risks if any organisation may be in. By analysing the different environments, the HR function is able to obtain vital information and produce an assessment of the

influences affecting the organisation. The organisation is then able to use the information as a guide to strategic decision making and by understanding these environments it helps reveal the bigger picture. When conducting a PESTLE analysis it is important to include as many different stakeholders across the organisation as to obtain multiple perspectives.

Example areas of analysis:

POLITICAL (funding, grants, local authority, legislation, government policies, political trends, shareholder/stakeholder needs/demands) ECONOMIC (home economy, taxation, disposable income, job growth/ unemployment, internal finance) SOCIAL (demographics, population shifts, ethical issues, diversity, immigration, attitudes to work, organisation culture) TECHNOLOGICAL (technology solutions, information and communication, information technology, internet, e-learning) LEGAL (current/ future legislation, regulatory bodies and processes, environmental regulations, employment law) ENVIRONMENTAL (local, customer values, management styles, staff morale, engagement and attitudes, stakeholder values)

The findings of the analysis should identify the most important environmental issues affecting the organisation to establish contributing factors that will help create and shape a strategy. Another tool also used is a SWOT matrix. The SWOT matrix is described as “ a structured planning method used to evaluate the strengths, weaknesses, opportunities and threats within the organisation”. The type of analysis used depends on the circumstances of the organisation at the time of conducting the SWOT.

4. 3 Explain vertical and horizontal integration.

It is important for the organisation to have vertical and horizontal alignment of strategies. Vertical alignment relates to the effectiveness of HR. In order for the East Thames strategic aims to be reached within the organisation they have to be translated into HR policies that direct people to ‘do the right thing’ in order to achieve the required goal.

Horizontal integration is about the efficiency of HR function and how its components (strategy, systems and tools) are aligned with each other. This needs combination of the different HR processes required to realise the people development. Policies for job appraisal, for instance, can be linked to personal development. Personal development can then also be linked to the compensation policy, etc. It is all about enabling people to ‘do things the right way’.

A new pay and grading structure has also been implemented alongside the competency framework. The new structure is split into job families that consist of Customer and Organisation Support, Professional, Manager and Care and Support. In Each job family there are 3-5 bands. Each band is then broken down to a level; Development, Experienced or Expert thus indicating career paths. Each role within the organisation has been evaluated and allocated to a job family, band and competencies. Objectives are set at the beginning of the financial year and the workforce is encouraged to undertake projects, training and development opportunities in order to progress within their role, and achieve performance and personal objectives. This is a clear example of horizontal integration within East Thames Group.

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- [7] <http://www.legislation.gov.uk/ukpga/2010/15/section/4>

Appendix

Appendix A – CIPD & HAYS Resource and Talent Planning Survey 2013

Appendix B – East Thames Group HR People Strategy 2011-2015 Appendix C
– East Thames Strategic Plan 2013-2016

Websites

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