### SESSION PLAN

**COURSE:** ABE Level 6 Strategic HRM

**ELEMENT:** Element 1 – The emergence of a strategic dimension to people management

## **LEARNING OUTCOME 1**

**Analyse the role and importance of a strategic approach to HR management (Weighting 20%)**

1.1 Assess the nature, aims and characteristics of a strategic approach to people management in relation to organisational success

1.2 Critically analyse the concept of strategic alignment and its implications on practice and delivery of SHRM

1.3 Critically analyse evidence of the link between HR practices and organisational achievement

1.4 Evaluate the major theoretical approaches to SHRM

**NUMBER OF SESSIONS:** Four - approximately twelve to sixteen hours in total, plus self-study.

**SESSION TOPICS:** Session 1: The nature, aims and characteristics of a strategic approach to people management in relation to organisational success
Session 2: The concept of strategic alignment and its implications on practice and delivery of SHRM

Session 3: Evidence of the link between HR practices and organisational achievement

Session 4: The major theoretical approaches to SHRM

**Note to tutors: This is the recommended session plan for Learning outcome 1, element 1 of the ABE L6 Strategic HRM unit. You should follow the plan, using the resources (referenced as ‘slides’ here) and activities provided. It is important to enhance all sessions with local examples and case studies, involving the learners ACTIVELY wherever possible.**

**SESSION 1: The nature, aims and characteristics of a strategic approach to people management in relation to organisational success**

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| **Duration** | **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** |
| 3-4 hours total | Introduction to session and learning outcomes | **Use 6USHR Tutor Presentation E1.pptx.**Provide learners with an introduction to the learning outcome.Introduce the assessment criteria that will be covered over the next four sessions – shown above. Encourage leaners to ask questions and interact where appropriate.Ask learners why a business should have a plan and why HR also needs one.  | 1-4 | Learners to take notes and listen to content. |  |
|  | Defining strategy | There are a variety of definitions of strategy. The slide shows a few of these definitions of what strategy is. Go through the definitions with learners and provide a general understanding of strategy.Discuss with learners what their understanding of strategy is.Encourage discussion by giving your own take on strategy in business terms. | 5 | Offer suggestions about the definition of strategy.  |  |
|  | Further Definitions | Here, there are some further forms of strategy definitions, or associated terms which are linked to it. Go through and form a **Class discussion**.  | 6 | Ask learners for their own definition of the terms and what it means to them in a HR context.Contribute to **Class discussion**. |  |
|  | Implications of strategy | In general, a good strategy is a coherent set of actions and goals that are backed up by an argument and plan for achieving these goals.Form a **Class discussion** about what elements make up a good strategy? What aspects should go into it? How would things change in HR in regard to each of these? Any examples?Facilitate **Activity 1**.  | 7 | **Class discussion**: what elements make up a good strategy? What aspects should go into it?How would things change in HR in regard to each of these? Any examples?Complete **Activity 1**.  | **6USHR LO1 E1 Activity 1 -****Business strategy** |
|  | Importance of Strategy | So why is strategy relevant and important in business? We know that strategy refers to a plan and goals that a business has, and it’s important to have efficient and effective business strategies in place…but why? Three reasons are:1. Customer retention
2. Resources
3. Company Expansion

**Example of the importance of strategy in terms of customer retention**One of the quickest ways to lose customers is to not have an effective business strategy in place for customer service. Companies should develop a program for following up on customers, and for staying in touch with repeat customers to make sure their products are working properly. This is very important for HR too. Staff must have the correct skills to deal with customers and add value too. **Example of the importance of HR strategy in terms of resources**A good HR strategy can assure that company resources are used efficiently. Examples of company resources include personnel, reputation in the marketplace, customer base, company patents, manufacturing processes and logistics resources such as warehouses and shipping partners. Facilitate **Activity 2**.  | 8 | **Class discussion** on importance of HR and where it can be involved in different places and in different ways. Complete **Activity 2**. | **6USHR LO1 E1 Activity 2 -****Alignment of business strategy with HR strategy** |
|  |  | **Company expansion**A good business strategy is the ability to explore business opportunities outside of standard business practice to help inspire company expansion. For example, a computer repair company may see an advantage to also becoming an Internet service provider after market research among the company's clients. Expansion is one of the important ways that a company maintains its competitive edge. Staff need to be trained on this though, so there is always a reliance and importance for HR to be involved.  |  |  |  |
|  | HR and strategy | **Human resource management and strategy**We know what strategy is and why it is important so now let’s look at HRM and the implications that strategy has on it.Define Personnel, Versus HRM, versus SHRM. HRM is the function in an organisation that is designed to maximise employee performance. It has the following main functions* Selection
* Appraisal
* Development
* Reward

Ask learners to provide you with examples of HRM in their organisations or that they are aware of. **Class discussion**. Facilitate **Activity 3**.  | 9-11 | Provide the tutor with examples of HRM in any organisations you’ve worked in, or that you are aware of. **Class discussion**. Complete **Activity 3**.  | **6USHR LO1 E1 Activity 3 -** **Importance of an HR department** |
|  | Personnel, HRM and SHRM | **Human resource management and strategy** Facilitate **Class discussion** shown on-screen.Items to add might include resources, time, money, level of board level involvement would all be fine. | 12 | **Class discussion**: suggest another five rows to add to the table on the previous slide.  |  |
|  | Strategic Human Resource Management | Explain the concept of SHRM to learners. Use your own knowledge and examples to support slide content.In this section of the class discuss the main characteristics of SHRM.* Planning
* Focusing on long term goals
* Matching activities to strategies
* Resourced to be managed for competitive advantage

The main point to draw from this is that there are huge differences between personnel and SHRM. Emphasise the importance of being strategic, forward thinking, dynamic and proactive. Facilitate **Activity 4**.  | 13-14 | Ask learners, why should HR have Strategic element, what might they want to do in the future?Complete **Activity 4**.  | **6USHR LO1 E1 Activity 4 -****Types of HR approaches** |
|  | What is involved in SHRM | Work through slide content with learners and provide examples of some of the components.For example, training.SHRM may train a colleague in a certain field such as IT to improve their capabilities and move towards achieving the long-term goal in their employment. | 15 | Learners to take notes and ask any questions – offering examples where appropriate.  |  |
|  | Competitive Advantage  | Discuss how SHRM can gain competitive advantage via SHRM. Policies and practices, good training, passing on a good customer service, repeat business. <https://www.youtube.com/watch?v=5kNZhz_KQ1Q> | 16-17 | Learners to watch Chick-fil-a customer service video and ask, has anyone ever eaten somewhere with a similar approach to customer service.  | **6USHR LO1 E1 Activity 5****Competitive Advantage** |
|  | Hard and Soft HRM | There are two main types of approaches to HRM/SHRMHard vs. SoftExplain each approach and the positives and negatives of each.Ask learners, can you operate with just one form of HRM (i.e. EITHER hard or soft)? Use the ‘human poll’ where you ask learners to stand in one corner of the room for yes, and another corner for no.  | 18 | Provide your own examples from experience.Take part in the human poll to answer the question ‘Can you operate with just one form of HRM?’  |  |
|  | Summary | Summarise the key points. |  | Learners to ask any questions |  |

**SESSION 2: The concept of strategic alignment and its implications on practice and delivery of SHRM**

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| **Duration** | **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** |
| 3-4 hours total | Introduction to session and learning outcomes | **Use 6USHR Tutor Presentation E1.pptx.**This session will address assessment criterion 1.2.  | 19 |  |  |
|  | Competitive advantage | Offer a brief definition/understanding of competitive advantage.Ask learners why competitive advantage is important, have they got any experiences from their own career that they can share?Facilitate **Activity 6**. | 20 | Advise why competitive advantage is important, sharing experiences from your own career.Complete **Activity 6**. | **6USHR E1 LO1 Activity 6 - Ways to gain competitive advantage** |
|  | Rational strategies | The creation of a strategy is done in a systematic, planned, ‘rational’, manner. This is what is known as classic ‘strategic planning’. It is associated with the scientific or classic school of management which we studied at the start of the course.Strategic planning is a formulated series of decisions that lead to structured processes being carried out. It is popular in organisations where management wants employees to feel secure and confident about the future.Facilitate **Class discussion**. | 21 | Class discussion: advantages and disadvantages of this approach? ADV – Logical, systematic, sensible, means the business will have a plan. DISAD – Rarely happens in that order, might have to go back three steps first.  |  |
|  | Disadvantages of rational strategies | **Criticisms of the rational planning approach** Mintzberg has argued that such a precise approach to planning will inevitably ‘end in tears’!Facilitate **Class discussion**.  | 22 | **Class discussion**, who should be involved with business planning? |  |
|  | Emergent Strategy | This strategy sees an organisation failing to plan a strategy in a rational manner. Instead a strategy will emerge. Strategies emerge from particular patterns of behaviour. A variety of managers exhibit a range of different behaviours in the workplace. However, some of them will adopt fairly consistent approaches which will become an organisational strategy. Nobody ever sits down and writes out this strategy but it can be equally effective. | 23 | Discussion, what should a business do if it begins to realise that a strategy is failing? |  |
|  | Disadvantages of emergent strategy | There might not be a cohesive direction for the organisation overall. Employees can be confused about what they are expected to achieveA strategy might not emerge – which then leaves the organisation without any clear direction.Facilitate **Class discussion**. | 24 | Class discussion: learners to say if they can think of any business that might want to use an emergent strategy. Examples may include a smaller or more local business, or independent trader.  |  |
|  | Vertical integration | Explain to learners what vertical integration is and why it is of importance. Vertical integration refers to the links between HRM and the wider business strategy. An organisation which is ‘vertically integrated’ would demonstrate a high level of consistency between the strategy and objectives of the business and the initiatives being pursued by the HR function. Discuss with learners the problems an organisation faces if it is not vertically integrated:* Junior managers and supervisors regarding themselves as separate from, as opposed to a part of, the senior management
* Work overload
* Lack of training
* Desire on the part of supervisor for flexibility
* Inadvertent rule-breaking by management.
 | 25 | Discuss Starbucks example - using the overview on the slide, discuss the example given and how it demonstrates vertical integration. |  |
|  | Horizontal integration | What is horizontal integration?The degree of ‘fit’ between the different HRM practices and the extent to which they complement or contradict each other.A HR system is referred to as a horizontally integrated system if its different components, like the system, the tools, the process etc. are in synchronisation. This is vital for the effectiveness of HR in an organisation.For example: The HR functions like recruitment, policy formulation, building work culture etc. should be in sync, to make the HR department of the organisation effective. | 26-27 | Make notes and watch Virgin example – ask learners to identify the type of strategy from the selection just discussed what type is being used.  |  |
|  | Porters Five Forces theory | To understand how strategies are developed we are going to look at three relevant theoretical frameworks that have been developed: Porter, Miles & Snow, Schuler & Jackson.Porters Five Forces theory: A simple but powerful tool for understanding the competitiveness of a business environment and for identifying how profitably a strategy could be to a company.He identified five forces that make up the competitive environment, and which can erode your profitability. These are:**Competitive Rivalry.** This looks at the number and strength of competitors. How many rivals does a company have? Who are they, and how does the quality of their products and services compare?**Supplier Power.** This is determined by how easy it is for suppliers to increase their prices. How many potential suppliers does a company have? How unique is the product or service that they provide, and how expensive would it be to switch from one supplier to another?**Buyer Power.** Here, a company would ask how easy it is for buyers to drive your prices down. How many buyers are there, and how big are their orders? **Threat of Substitution.** This refers to the likelihood of customers finding a different way of sourcing a product. **Threat of New Entry.** A company’s position can be affected by people's ability to enter the market.  | 28 | Ask learners to select an industry and business of their choice and think about how easy or difficult it would be to enter that market in location of their choice.  |  |
|  | Miles and Snow | Miles and Snow produced three categories for a variety of HRM:* Defender
* Prospector
* Analyser

*Defender* organisations are typified by high volume, low cost, narrow, stable product ranges with an emphasis upon looking after employees to retain them in the long term and, therefore, they do little recruiting outside. Pay structures will be incremental to encourage retention.*Prospectors* are typified by new growing markets, with a rapidly changing product line up. They must recruit outside a lot to bring in quickly the new skills they need. Pay will be results-oriented to increase output and to encourage innovation.*Analysers* are a mix of the other two. They look outside for unfamiliar staff but also look after existing employees to ensure they do not leave. Pay structures are designed to keep existing staff happy and to be good enough to compare well with other companies. | 29 | Learners to learn about theory and make notes, asking questions where necessary.  |  |
|  | Schuler & Jackson | Schuler and Jackson suggest that to follow business strategy, the organisation must have a management team with the correct skill set to meet the desired plan. Some of the skills include quality, team work and the level of risk they are willing to take. If these skills are married to supportive HR policies and practices, and are mutually aligned to the rest of the business strategy, they will complement each other and be successful.Facilitate **Class discussion**.  | 30-31 |  |  |
|  | Summary | Summarise key points.  |  | Notes and tutor to ask any questions |  |

**SESSION 3: Evidence of the link between HR practices and organisational achievement**

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| **Duration** | **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** |
| 3-4 hours | Introduction to session and learning outcomes | **Use 6USHR Tutor Presentation E1.pptx.**Assessment criterion 1.3.  | 32 | Encourage learners to take notes and interact where appropriate. Highlight the importance of SHRM – if organisations get it right, it can make a massive difference to organisational success.  |  |
|  | Evidence of link between HR and organisational achievement | Why is HRM introspective:* The shrinking of workforces in many organisations has meant a shrinking of HRM, and as it shrinks, questions get asked about whether they can afford to keep it as a separate function. Again, it undermines the confidence of HRM professionals.
* HRM professionals work closely with line managers and are dependent upon those line managers to run the policies that they have devised, e.g. effective appraisal systems. If the policies do not work, the line manager can blame the HRM manager; but if it does work, the HRM manager rarely gets any credit.
 | 33 | Learners to take notes and discuss why it is so important to have ‘good HR’.Mixture of responses could be given, but is important to stress that good HR will always make a value-added difference to a business.  |  |
|  | Measuring Strategic contribution | HRM has one key aim: the improvement of business performance. We will look at some aspects of this, including:* improved productivity and profitability
* absenteeism
* quality of service.
 | 34 | Ask learners what more modern ways could be used to measure contribution.  |  |
|  | Improved productivity and profitability | Better management of human resources should result in increased output and business contribution per employee.Consider the Balanced Scorecard model.  | 35-36 | Ask learners to discuss examples of this and provide your own examples. What aspects would fluctuate – take absence, engagement and retention – they would all improve? |  |
|  | Absenteeism | It is clear that the use of most of the factors helping to raise productivity will also help to reduce the levels of absenteeism in any organisation.1. Whenever employee power is weakened by high unemployment, staff will be less likely to be off work without a good reason such as illness. It is easier to replace staff and, therefore, employees cannot afford to risk having time off for trivial reasons.
2. Employee participation and involvement in decision-making increases morale, and because employees are happier and more involved in everything, they are less likely to take time off.
3. Finally, career management, good training and development policies – especially the latter – demonstrate a caring approach by employers, and this may also raise morale and reduce absenteeism.

**Facilitate Class discussion.**  | 37 | **Class discussion**. Imagine you work in a call centre as a HR Manager and have a lot of absence to deal with. What methods would you use to try to improve absence?Some ideas:* More engagement
* Stress management
* Create promotion opportunities
 |  |
|  | Quality of Service | The same factors will also improve the quality of service provided by an organisation. Any economic pressure, be it the fear of unemployment or the threat of privatisation in a state-owned organisation, will make employees attend more to customer care. | 38 | Learners to make notes and have a class discussion on what role HR has in the improvement of Quality of Service. Answers should focus mainly on learning and development, training, micro-learning, engagement and customer service skills.  |  |
|  | Benchmarking | The best-known methods of measuring the quality of HRM’s contribution include: benchmarking, service level agreements and ratio analysis. The use of benchmarking includes: 1. Organisations can produce a series of statistics for each area of HRM which can be compared with nationally-produced data. For example:
	* What is the ratio between HRM staff and full-time employees?
	* How much does HRM in your organisation cost?
	* What are your absenteeism rates?
2. A survey can be carried out to find out the views of users of the HRM service.

The HRM department can have its policies and procedures audited to ensure that it is conforming to legal regulations and nationally set codes of practice. **Class discussion**. | 39 | **Class discussion**: learners to be asked – what activities could HR benchmark? Some examples may include, absence, salaries, rewards, benefits and perhaps annual bonus.  |  |
|  | Service Level agreements | Service standards must be defined very specifically so that:* The applicants know what resources they will need to get the contract and
* Those performance standards must be achieved by the contractor, or else they will be penalised financially.

Facilitate **Activity 7**. | 40 | Learners to make notes on SLAs – are there any benefits to be had, what should HR do if SLA agreements are not met?Open ended discussion, answer any additional questions. Complete **Activity 7**. | **6USHR E1 LO1 Activity 7 - Service Level Agreements** |
|  | Ratio Analysis, Human Capital Management | Fair (1992) devised a set of ratios – similar to ones used by accountants – which could be used to calculate the relative performance of different HRM departments. The obvious things to look at include:* Absenteeism
* Labour turnover
* Training and development
* Pay and benefits
* Organisational restructuring.

There are drawbacks in using analyses based only on figures such as the way that cost saving measures can cause non-quantifiable problems, like low morale. Another point is that if you can use ratios etc., to work out exactly what HRM costs to run, it will be a lot easier for senior management to contract it out. None of the above measures will make the staff in the HRM function more secure. | 41-43 | Learners to make notes on Ratio Analysis – are there any benefits to be had, can HR/SHRM be quantitative, if so, how and whyOpen ended discussion, answer any additional questions.Additional question – is it correct to use the term ‘human capital’. Would the group suggest an alternative? |  |
|  | Summary | Summarise key points.  |  | Tutor to ask any final questions |  |

**SESSION 4: The major theoretical approaches to SHRM**

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| **Duration** | **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** |
| 3-4 hours | Introduction to session and learning outcomes | **Use 6USHR Tutor Presentation E1.pptx.**Assessment criterion 1.4.  | 44 | General introduction, learners to listen and take notes |  |
|  | Best fit vs. best practice | There are two broad options which can be used by a business when it comes to organising resources, policies and practices.1. Best fit2. Best practice**Class discussion** on best fit vs best practice. |   | **Class discussion**: learners to identify what they think the difference between best fit and best practice is.  |  |
|  | Best fit | ***Best fit*** argues that no two businesses are alike, and as a result, policies and practices should be unique and suit that business in question. Add in examples and knowledge from your own experience. | 45 | Learners to listen and take notes. |  |
|  | Best practice | ***Best practice*** argues that ‘the text book says we have to do it this way’ therefore, all organisations should conform and align policies and practices in this way.Work through points on slide and add in examples and knowledge from your own experience. | 46 | Learners to listen and take notes. |  |
|  | Ulrich (1995) | David Ulrich argues that HR work deserves to be work which has outcomes, knowledge, competence, codes of behaviour and monitoring roles. Ulrich puts forward the view that effective HR is a combination of two variables: people and processesFrom this he highlights four key roles which are illustrated in the diagram. | 47-49 | Ask learners to discuss if what is depicted in the model is in practice today. Have they also seen a shift in the role types that can be seen on screen? Do they think that the changes have added any value at all? If not, how can it be improved? | **6USHR LO1 E1 Activity 8 – David Ulrich** |
|  | The Harvard Map of HRM | The model suggests that policies and practices are unique and cannot be replicated elsewhere. See **page 31 in the Study Guide** for the map. The model has a unique role for stakeholders in the sense that the model assumes, that policies and practices will created, design and implemented around their needs.In this sense, it fuses these needs into unique policies and practices. The criticism of the model though is that the topic is hard to define and doesn’t consider things such as politics and culture and how this impact on the design of practices used in HR. * **Human resource flows** - recruitment, selection, placement, promotion, appraisal and assessment, promotion, termination, etc.
* **Reward systems** - pay systems, motivation, etc.
* **Employee influence** - delegated levels of authority, responsibility, power.
 |  | Discuss with class the importance of strategic goals, policies and practices in HR – looking at the Harvard Map, and the other models, do they believe that this will enhance the performance of the business with good SHRM?Learners to take notes and have a discussion.  |  |
|  | Summary | Summarise key learning points. | 50 | Tutor ask answer any last questions. |  |