

Unit 2: Principles of People Management

Unit reference number: R/506/1937

QCF level: 3

Credit value: 6

Guided learning hours: 34

Unit type: Knowledge

Unit summary

This unit is designed to give new and aspiring junior managers the skills and understanding needed to deal with management responsibilities with confidence. This unit focuses on the principles of people management.

A manager's most important, and most difficult, job is to manage people. You must lead, motivate, inspire, and encourage them. In this unit, you will develop your knowledge of how to deal with an important resource – staff. The modern workplace has a diverse range of people within it, and all members of staff must feel they have equality of opportunity within the organisation and feel they are included. Ensuring this happens is an increasingly important role. You will look at the theory of team development and gain an understanding of how to successfully build and manage workplace teams. You will gain an understanding of how an effective performance management system works. Training and development is another area of importance to managers who want to improve and retain their staff and you will gain an understanding of setting targets and reviewing achievements. Finally, you will consider types of reward systems, and the concept of 'total reward'.

Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

Learning outcomes	Assessment criteria
<p>1 Understand the principles of workforce management</p>	<p>1.1 Explain the relationship between Human Resources (HR) functions and other business functions</p> <p>1.2 Explain the purpose and process of workforce planning</p> <p>1.3 Explain how employment law affects an organisation's HR and business policies and practices</p> <p>1.4 Evaluate the implications for an organisation of utilising different types of employment contracts</p> <p>1.5 Evaluate the implications for an individual of different types of employment contracts</p>
<p>2 Understand equality of opportunity, diversity and inclusion</p>	<p>2.1 Explain an organisation's responsibilities and liabilities under equality legislation</p> <p>2.2 Explain the benefits that effective equality of opportunity, diversity and inclusion policies bring to individuals and organisations</p> <p>2.3 Explain the language and behaviour that support commitments to equality of opportunity, diversity and inclusion</p> <p>2.4 Explain how to measure diversity within an organisation</p>

Learning outcomes	Assessment criteria
<p>3 Understand team building and dynamics</p>	<p>3.1 Explain the difference between a group and a team</p> <p>3.2 Outline the characteristics of an effective team</p> <p>3.3 Explain the techniques of building a team</p> <p>3.4 Explain techniques to motivate team members</p> <p>3.5 Explain the importance of communicating targets and objectives to a team</p> <p>3.6 Examine theories of team development</p> <p>3.7 Explain common causes of conflict within a team</p> <p>3.8 Explain techniques to manage conflict within a team</p>
<p>4 Understand performance management</p>	<p>4.1 Identify the characteristics of an effective performance management system</p> <p>4.2 Explain the uses of specific, measurable, achievable, realistic and time-bound (SMART) objectives and priorities</p> <p>4.3 Describe best practice in conducting appraisals</p> <p>4.4 Explain the factors to be taken into account when managing people's wellbeing and performance</p> <p>4.5 Explain the importance of following disciplinary and grievance processes</p>

Learning outcomes	Assessment criteria
<p>5 Understand training and development</p>	<p>5.1 Explain the benefits of employee development</p> <p>5.2 Explain the advantages and limitations of different types of training and development methods</p> <p>5.3 Explain the role of targets, objectives and feedback in employee development</p> <p>5.4 Explain how personal development plans support the training and development of individuals</p> <p>5.5 Explain how to make use of planned and unplanned learning opportunities to meet individuals' preferred learning styles</p> <p>5.6 Explain how to support individuals' learning and development</p>
<p>6 Understand reward and recognition</p>	<p>6.1 Describe the components of 'total reward'</p> <p>6.2 Analyse the relationship between motivation and reward</p> <p>6.3 Explain different types of pay structures</p> <p>6.4 Explain the risks involved in the management of reward schemes</p>

Unit amplification

This content has been written in an expanded format to facilitate both onscreen testing and portfolio assessment. Learners presenting work for portfolio assessment are not expected to evidence all of the amplification. Learners who are to be assessed by the onscreen test could be tested on any aspect of the amplification.

AC1.1: Explain the relationship between Human Resources (HR) functions and other business functions

- *Human Resources (HR) functions:* recruitment and selection; training and development; employee relations (dispute settlement, grievance redressal, industrial relations); compensation and benefits; compliance with employment laws and regulation; workplace safety; managing performance appraisal review process; maintaining staff personal records
- *Other business functions:* research and development; production and quality; distribution/logistics; sales; marketing; IT; buying/purchasing; finance; administration; audit
- *Relationships:* supporting and advisory relationship; providing guidance, information and advice on employment issues; facilitating the recruitment of employees with the right skills and experience; supporting the achievement of functional objectives and targets; supporting the smooth running of functional activities through implementing organisational policies and procedures; maintaining good management worker relations; help to retain and motivate employees

AC1.2: Explain the purpose and process of workforce planning

- *Workforce planning process:* identifying and addressing the gaps between the current and future human resource needs; based on organisational strategy:
 - o *workforce planning activities:* skills audit job analysis; job design; multi-skilling; talent management; succession planning; career planning; labour supply and demand forecasting
- *Purpose:* ensure a workforce that can deliver short and long-term organisational objectives; make informed staffing decisions in line with strategic and operational goals; enable an organisation to maintain and develop its workforce

AC1.3: Explain how employment law affects an organisation's HR and business policies and practices

- *Employment legislation:*
 - o *National Minimum Wage Act 1998:* governs workers' (over 16 years old) legal right to receive a minimum hourly rate
 - o *Working Time Regulations 1998:* governs weekly working time, daily and weekly rest periods and employees' entitlements to paid leave

- o *Equality Act 2010*: details the nine personal characteristics protected by law and the behaviour considered as unlawful
- o *Employment Rights Act 1996*: outlines statutory employment rights of workers and employees; employment contract; unfair dismissal; redundancy provisions; dismissal notice period; protection of wages; time off work for public duties
- o *Flexible Working Regulations 2014*: covers employees' rights to flexible working arrangements; responsibility of employers to consider request for flexible working
- o *Health and Safety at Work Act 1974*: covers work-related health and safety; employers responsibility for the health and safety of their employees
- o *Impact on an organisation's policies and procedures*: transparent process for recruitment and selection; HR policies that comply with legal requirements (pay, terms of employment contract, working hours, employee entitlements); written disciplinary and grievance procedures; mechanisms for informing workers of their legal responsibilities and rights (employee handbook, intranet); organising training for line managers; providing facilities to support flexible working; clear policy on equality and diversity that is shared with all staff (bullying, harassment); leave policy; health and safety policy and related procedures

AC1.4: Evaluate the implications for an organisation of utilising different types of employment contracts

- *Contract of employment*: agreement between employer and employee; outlines terms and conditions of employment; verbal or in writing; forms basis of the employment relationship
- *Implications of different types of employment contract*:
 - o *full time*: set amount of working hours and terms and conditions; minimum hours set by the employer, usually 35 hours or more per week; covered by employment laws; permanent employment; attracts high-calibre workers; greater employee loyalty and commitment; better staff retention; higher associated employment costs; more difficult to terminate
 - o *part time*: work fewer number of hours than full time; covered by employment laws; human resource flexibility to meet periods of high demand; helps to retain valued employees; additional administration and induction costs; potential lack of continuity in work activities; potential communication problems
 - o *fixed term contracts*: last for only a certain length of time; set in advance and end when a specific task is completed or when a specific event takes place; useful to cover set projects or periods of time; allows employment of people with special skills to meet particular needs; can be expensive to terminate if they do not contain notice arrangements; limit on how long an employee can be on a fixed term contract

- o *zero hours contracts*: usually for 'piece work' or 'on call' work; employees called to work when needed; employees are not obligated to work when asked; more cost-effective for ad-hoc tasks; human resource flexibility; cheaper alternative to agency fees; employer responsibility for employee health and safety
- o *agency staff*: classed as workers rather than employees; supplied through an employment agency; contract with the employment agency not the organisation; reduced administration with recruitment and termination of contracts; flexibility to increase or decrease work force at short notice; agency responsibility for compliance with working time regulations; potentially expensive option
- o *contractors*: self-employed; not generally covered by employment legislation; access to particular technical skills or knowledge not readily available; useful for project-type work; comparatively more expensive; organisation responsible for health and safety

AC1.5: Evaluate the implications for an individual of different types of employment contracts

- *full-time contracts* – access to full range of employment benefits (staff discounts, health insurance, company cars); job and financial security; access to greater career and personal development opportunities; better integration with colleagues; job satisfaction; difficult to move to new employment
- *part-time contracts* – greater employment flexibility; same employment rights as full-time permanent staff; greater control of working life; better work life balance
- *fixed-term contracts* – same employment rights as full-time permanent staff; offers flexibility in commitment to work; often higher rates of pay; rights to permanent employee status if the contract is renewed over a number of years
- *zero-hours contracts* – entitled to the same basic terms of employment; access to employment experience and skills; more open to abuse than other types of contracts; no guaranteed level of regular earnings; difficulty in managing work life balance
- *working for an agency* – same rights to pay and most benefits after working for a period of 12 weeks; entitled to the same basic terms and conditions as direct employees; greater employment flexibility
- *contractor* – not entitled to the same rights as employees; can command a higher rate of pay due to the specialist nature of work; employment flexibility

AC2.1: Explain an organisation's responsibilities and liabilities under equality legislation

- *Equality legislation*: Equality Act 2010
 - o *nine protected characteristics* – age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief; sex; sexual orientation

- o unlawful behaviour – direct discrimination; indirect discrimination; harassment; victimisation
- *Responsibilities*: inform all staff of the legal requirements for equality and diversity; make regular checks that employees are adhering to the policy; provide staff training on equality and diversity; make reasonable adjustments to remove barriers for people with disabilities; investigate and take necessary actions regarding discrimination and harassment complaints
- *Liabilities*: employer legally responsible for employee and agent acts of discrimination, harassment and victimisation; legal responsibility not dependent on awareness or approval of the unlawful action; no legal responsibility for unlawful actions if reasonable preventative actions were taken

AC2.2: Explain the benefits that effective equality of opportunity, diversity and inclusion policies bring to individuals and organisations

- *Equality of opportunity in the workplace*: ensuring that employment, pay, or promotion is offered equally to all, without discrimination as to race, colour, age, gender, national origin, religion, or mental or physical disability
- *Diversity*: respecting and valuing all types of difference in individuals; creating a culture and work practices that respect and value differences
- *Inclusion*: positively striving to meet the needs of different people; taking deliberate action to create environments where everyone feels respected and able to achieve their full potential
- *Benefits to organisations*: employee retention; positively enhance brand reputation; employees become more engaged and productive; increases creativity, innovation and competitiveness; comprehensive understanding of the needs of staff; improves employee morale and motivation
- *Benefits to individuals*: improved job satisfaction; reassurance that there is no workplace discrimination; access to facilities and tools to meet particular needs; better working relationships among staff; accommodating work environment

AC2.3: Explain the language and behaviour that support commitments to equality of opportunity, diversity and inclusion

- *Supportive language and behaviour*: has a clear equality policy and action plan that is monitored and reviewed regularly; incorporates diversity and inclusion in the wider organisational strategy; senior management supportive of inclusive strategies; uses positive, non-discriminatory language and images in communications; provides appropriate training for staff; benchmarking against organisations with good practice

AC2.4: Explain how to measure diversity within an organisation

- *Quantitative measures:* workforce profiling to show percentages and trends relating to gender, race, disability, age, sexual orientation, gender identity, religion and belief
- *Qualitative measures:* individual employee satisfaction surveys; employee groups; customer feedback; organisational cultural analysis

AC3.1: Explain the difference between a group and a team

- *Group:* a collection of individuals who coordinate their individual efforts; work independently of each other; not necessarily working towards a specific goal
- *Team:* a group of people organised to work together interdependently and cooperatively to achieve shared goals; common team purpose; joint accountability; mutual trust and respect; combine team talents to achieve purpose

AC3.2: Outline the characteristics of an effective team

- *Characteristics:* sense of purpose; prioritisation of team goals; members have clear roles; clear lines of authority and decision making; conflict dealt with openly; personal traits appreciated and utilised; group norms set for working together; success shared and celebrated; trained and skilled members; good interpersonal relationships; all have opportunity to contribute

AC3.3: Explain the techniques of building a team

- *Determine team membership and roles:* team members have the required skills (technical and role-based skills); establish leadership and clear lines of authority
- *Clarify purpose and set clear goals:* team members working towards a common goal; communicate and agree goals
- *Give support and access to resources:* fair and equal access to resources; provide support to team members when needed
- *Foster good work ethics and mutual respect:* encourage team to deal with challenges without complaining; lead by example; deal with interpersonal conflicts swiftly; encourage members to support each other
- *Be proactive with feedback:* help to keep team performance on track; consistent feedback, not just when there are problems (formal and informal)
- *Acknowledge and reward:* recognition for good performance; reward in line with organisational policy and individual preference; be genuine
- *Celebrate success:* reflect on accomplishments and lessons learned; success as a part of team culture; the team focuses on success and expects it

AC3.4: Explain techniques to motivate team members

- *Providing work that is meaningful and challenging:* clarify value and contribution of work to organisational goals; matching scope of work to individual's capabilities and strengths; delegation
- *Showing respect for the team and its members:* creating a working environment that promotes respect of team members' values and beliefs
- *Competitive remuneration packages:* competitive pay and fringe benefits; job satisfaction
- *Engaging members in decision making:* collaborative decision making; giving responsibility for tasks
- *Access to training and development opportunities:* improved employee confidence; employees more engaged in the working environment; job satisfaction
- *Appraising and rewarding the team as a whole and individually:* providing regular positive and supportive feedback; acknowledging and recognising team success

AC3.5: Explain the importance of communicating targets and objectives to a team

- *Importance:* creates a shared vision; helps work to proceed smoothly and efficiently; enhances cooperation among team members; encourages feedback; promotes openness and trust between management and staff; supports fairness and transparency in performance management

AC3.6: Examine theories of team development

- *Belbin's nine team roles:* identification of people's behavioural strengths and weaknesses in the workplace to provide a balanced team; contributions and allowable weaknesses of each role:
 - o *plants* – source of original ideas, suggestions and proposals; usually unconventional; forgetful
 - o *resource investigators* – bring ideas and information to the team; team's salesperson, diplomat, liaison officer and explorer; forgetful
 - o *monitor-evaluators* – logical and impartial; objective; overly critical and slow moving
 - o *coordinators* – clarify group objectives; establish priorities; promote decision making; potential over delegation
 - o *implementers* – turn decisions and strategies into defined and manageable tasks; efficient; disciplined; perfectionist; inflexible
 - o *completer-finishers* – conscientious; attention to detail; deliver on time; reluctance to delegate; inclined to worry
 - o *team workers* – cooperative; diplomatic; indecisive
 - o *shapers* – provide focus to the team effort; drive to overcome obstacles; may be argumentative

- o *specialists* – have in-depth knowledge of a key area; narrowly focused
- *Honey's five team roles*: based on Belbin's nine team roles:
 - o *leader* – ensures that the team has clear objectives; makes sure everyone is involved and committed
 - o *challenger* – questions effectiveness and presses for improvement and results
 - o *doer* – committed to action; carries out practical tasks
 - o *thinker* – ideas generator; solves problems; weighs up and improves ideas from others
 - o *supporter* – eases tension; maintains team harmony
- *Tuckman's four stages of team development*: the link between the relationships in the group and the focus on the task
 - o *Forming* – no shared understanding of tasks and objectives; little care for others views or values; roles not yet developed
 - o *Storming* – team becomes more inward looking; more concern for the values, views and problems of others in the team; competition
 - o *Norming* – confidence and trust; greater valuing of people; clarification of purpose; establishing objectives
 - o *Performing* – includes flexibility; leadership decided by situations, not protocol; basic principles and social aspects of the organisation's decisions are considered

AC3.7: Explain common causes of conflict within a team

- *Bell and Hart's eight causes of conflict*: conflicting resources; conflicting work style; conflicting perceptions; conflicting goals; conflicting pressures; conflicting roles; different personal values; unpredictable policies
- *Non-Compliance with Rules and Policies*: personal non-compliance or disregard for company policy by colleagues (discriminatory behaviour, unacceptable language, poor attendance and timekeeping)
- *Misunderstandings*: poor communications leading to misunderstandings
- *Competition/rivalry*: competition instead of collaboration; results in anti-productive behaviour

AC3.8: Explain techniques to manage conflict within a team

- *Non-intervention*: the team manages the conflict themselves; allowing the conflict to run its course
- *Intervention*: deal with situation quickly; protect employees; remove disruptive employees; resolution; follow-up
- *Facilitation*: one-to-one and group discussions; clarify positions and facts with individuals

- *Use of official processes:* formal disciplinary procedures; explain processes to employees concerned; investigate conflict situation; escalate issues to senior management
- *Negotiation:* seek and agree a solution with team members; concessions from all parties

AC4.1: Identify the characteristics of an effective performance management system

- *Characteristics:* clearly defined organisational goals (SMART); provides valid, reliable and consistent data; standardised process with well-defined performance standards; focus on job-related behaviour and performance; mutual trust and cooperation; competence of people managing the process; economical and efficient process; feedback and participation of employees

AC4.2: Explain the uses of specific, measurable, achievable, realistic and time-bound (SMART) objectives and priorities

- *SMART objectives:* specifying objectives in specific, measurable, achievable, realistic, time-bound terms
- *Priorities:* business objectives ranked as business critical; ranking based on the level of impact on achieving strategic goals; shared with stakeholders
- *Uses:* creates a sense of shared purpose among employees; aligns employees personal goals with organisational strategy and vision; provides clear direction on expected outcomes; quantifies organisational progress and performance; provides focus for operational planning and decision making; challenges and motivates employees; supports individual performance reviews; enables feedback and learning; enables the organisation to be proactive in strategy implementation

AC4.3: Describe best practice in conducting appraisals

- *Appraisals:* on-going process of evaluating employee performance; objective process
- *Best practice:* agreement on performance expectations; properly planned by both parties; clarity about the purpose and process of the appraisal; focused on performance and improvement; facilitate regular relevant job feedback; clearly links performance to compensation; evaluate performance and deliver incentives in a fair and consistent manner; provide appropriate learning and development opportunities

AC4.4: Explain the factors to be taken into account when managing people's wellbeing and performance

- *Non-work factors:* finance, family and relationships; lifestyle
- *Individual factors:* personal resilience; ability to cope; personal behaviours and attributes; experiences; attitudes; personality; physical and mental health

- *Work environment factors:* work demands; level of control; level of support; role clarity; working relationships; degree of organisational change
- *Work performance:* productivity; engagement and motivation; error rate; absences

AC4.5: Explain the importance of following disciplinary and grievance processes

- *Disciplinary process:* procedure to deal with employee misconduct or unsatisfactory performance
- *Grievance procedure:* framework for the quick and effective resolution of workplace issues
- *Importance of following disciplinary and grievance processes:*
 - o *ensures reasonable standard of behaviour on both sides*
 - o *reduces the likelihood of breach of contract claims*
 - o *adherence to the processes is considered in an employment tribunal case*
 - o *impact on the amount awarded by an employment tribunal (between 0 and 25 per cent) ; ACAS code*

AC5.1: Explain the benefits of employee development

- *Benefits:*
 - o *Improves productivity and efficiency:* increased output; improved levels of customer service
 - o *Stimulates growth of employee thinking and personal attitudes:* improves employee problem solving capabilities; prepares employees for promotion
 - o *Engages and motivates the workforce:* greater job satisfaction; higher motivation; better morale; less absenteeism
 - o *Builds employee loyalty:* employee satisfaction; employee retention: reduced recruitment and training costs
 - o *Attracts new recruits:* positive reputation; attracts talented people

AC5.2: Explain the advantages and limitations of different types of training and development methods

- *Formal:* course, workshop or training session; led by someone other than the learner; mostly off the job; external to the employer organisation
 - o *Advantages:* learner can focus and commit to the learning; uses a variety of learning methods; set structure with goals and learning objectives; formal recognition on completion; trainers with expertise and recent experience; learner feels motivated and valued

- o *Limitations:* may be away from the workplace; potential negative impact on productivity; skills learned are less likely to be job specific; cost implications for the organisation or learner
- *Informal:* casual, incidental and naturally occurring; often on the job
 - o *Advantages:* takes place alongside colleagues; trained with in-house methods; cost effective; skills learned are often job specific; relationships are formed between the learners and trainers in the workplace
 - o *Limitations:* often has no specified training goals or formal recognition; no formal structure or time frame; in house trainer may not have the appropriate level of expertise

AC5.3: Explain the role of targets, objectives and feedback in employee development

- *Role of targets and objectives:* links learning and growth to skills needed in work; outline the expectations to be accomplished; gives dates for review and achievement; connects employee's performance and organisational goals
- *Role of Feedback:* highlights where and why performance was not in line with expectations; explores how performance may be improved; positive way of improving future performance; provides positive reinforcement

AC5.4: Explain how personal development plans support the training and development of individuals

- *Personal development plan (PDP):* a tool that identifies areas for further development; encourages lifelong learning
- *How PDPs support training and development:* specifically targets the training/development needs of the individual; provides a structured framework for skills development; helps to identify suitable learning opportunities to meet particular learning needs; encourages self-directed development

AC5.5: Explain how to make use of planned and unplanned learning opportunities to meet individuals' preferred learning styles

- *Learning styles:* ways in which individuals prefer to learn
- *VARK learning model:*
 - o *Visual learners:* learn through seeing
 - o *Auditory learners:* learn through listening
 - o *Reading writing learners:* learning by processing text
 - o *Kinaesthetic learners:* learning by doing
- *How to make use of planned and unplanned learning opportunities:* working with individuals to identify and prioritise learning needs; helping individuals to identify their personal learning style(s); providing support in researching learning activities to meet learning needs; match learning needs and styles to formal courses; identify unplanned experiential activities in the working environment to meet individual learning needs; evaluate effectiveness of learning opportunities

AC5.6: Explain how to support individuals' learning and development

- *Supporting learning and development:* create appropriate learning opportunities; remove barriers to learning in the workplace; provide constructive feedback; use of personal development plans; mentorship and coaching; encourage sharing of learning and ideas; engage individuals in identifying their own learning activities

AC6.1: Describe the components of 'total reward'

- *Total reward:* a strategy that brings together both intrinsic and extrinsic rewards; tools that may be used to attract, motivate and retain employees
- *Components:*
 - o *Compensation:* monetary reward (salary and wages); employee profit sharing and restricted stock schemes
 - o *Benefits:* healthcare and welfare plans (medical, dental, life insurance)
 - o *Work-Life balance:* workplace flexibility; paid and unpaid time off; health and wellbeing support; community involvement
 - o *Performance recognition:* system of recognition; performance reviews, service awards and employee of the month awards
 - o *Developmental and career opportunities:* learning opportunities; on the job training; coaching and mentoring; advancement opportunities such as internships and apprenticeships

AC6.2: Analyse the relationship between motivation and reward

- *Maslow Hierarchy of Needs Theory* – employees motivated by satisfied needs; needs organised in a hierarchy (physiological, safety, love and belonging, self-esteem, self-actualisation); lower-order needs satisfied before higher order needs
- *Relationship based on Maslow's Hierarchy of Needs Theory:*
 - o junior and lower paid staff motivated by higher monetary rewards
 - o monetary reward becomes relatively less important as employees earn more
 - o needs higher up in the hierarchy become more important as lower level needs are fulfilled; intrinsic rewards (non-financial) become more effective
- *Herzberg's Two Factors Theory:* job satisfaction and job dissatisfaction act independently of each other; motivator factors affect job satisfaction; hygiene factors affect job dissatisfaction; both sets of factors must be addressed to motivate staff;
 - o motivator factors – recognition and status; opportunity for promotion; greater responsibility; stimulating work; sense of achievement
 - o hygiene factors – good working conditions; job security; relationship with manager and colleagues; wages, salaries and fringe benefits

- *Relationship based on Herzberg's Two Factors Theory:*
 - financial reward – only a temporary motivator; employees will quickly become demotivated
 - achievement, recognition for achievement, the work itself, responsibility and growth or advancement are more effective motivators

AC6.3: Explain different types of pay structures

- *Types of pay structures:*
 - *narrow-graded pay structures:* large number of grades with jobs of broadly equivalent worth slotted into each of the grades; progression through service increments
 - *broad-graded pay structures:* fewer grades; greater scope for individual employees to progress along a pay grade
 - *broadbanding:* small number of pay bands; greater pay flexibility than traditional graded structures
 - *pay spines:* similar to narrow-graded pay structures; long grading structures based on a series of incremental points; allows for service-related pay progression
 - *career families, career grade structures:* emphasis on career paths and career progression

AC6.4: Explain the risks involved in the management of reward schemes

- *Extrinsic rewards:* direct financial payments; indirect financial payments; benefits; incentive programmes; working conditions
- *Intrinsic rewards:* recognition; empowerment; role development; personal fulfilment; sense of contribution
- *Strategic risk:* the misalignment of reward strategy to the organisation's goals; inability to attract and retain the right employees; generates adverse publicity; conflicts with other HR policies and activities
- *Behavioural risk:* the misalignment of reward strategy to employee needs and behaviours; does not engage or motivate employees; rewards inappropriate or unproductive organisational activity and behaviour; creates division among employees
- *Financial risk:* poor value for money; results in reduced profitability; organisation not able to meet reward payments
- *Operational risk:* poor implementation; inefficiency or inaccuracy of system; inaccuracy of benchmark data; failure of reward systems and reward processes

Information for tutors

Suggested resources

Books

Muller-Camen, M., Croucher, R., Leigh, S., – *Human Resource Management: A Case Study Approach* (CIPD, 2008) ISBN 9781843981657

Websites

www.acas.org.uk – the Advisory, Conciliation and Arbitration Service offers free advice on employment topics and a variety of case studies

www.cipd.co.uk – the Chartered Institute of Personnel and Development (CIPD) has a range of guidance on HR, learning and development and employment law issues. Membership is required for full access

www.gov.uk – the government services and information website where specific Human Resource Management guidance can be found and guidance on the Equality Act 2010

www.mindtools.com – the Mind Tools website offers free online skills training on topics such as team management

www.worldatwork.org – WorldatWork® is an American website that provides a free online resource centre to cover frameworks such as total rewards. Membership is required for full access to journals and publications

Assessment

This unit can be assessed internally through a Portfolio of Evidence, or it can be assessed externally through an onscreen test. More information about each method of assessment is given below. This should be read in conjunction with *Section 8 Assessment*.

External assessment

External assessment is through an onscreen test. Pearson will set and mark this test. The test lasts for 60 minutes and is worth 50 marks. The assessment is available on demand.

The test assesses all of the learning outcomes and uses each individual assessment criterion and the associated *Unit amplification* as a base for the questions.

Internal assessment

Internal assessment is through an internally and externally quality assured Portfolio of Evidence. To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should follow the *Unit assessment guidance* given below.

There are no sector-related assessment requirements for this unit.

Unit assessment guidance

Due to the nature of the individual learning outcomes and the size of the unit, different types of assessment are needed to produce sufficient and appropriate evidence to demonstrate achievement of the learning outcomes. The following are the required assessment methods for this unit.

Learning outcomes 2, 4, and 5 can either be assessed by a structured written assessment or professional discussion. If written assessment is used, it should allow the learners to contextualise and relate the concepts to their own working environment and work experiences. The written assessment can take the form of a single project or a series of linked or separate tasks, and learners can provide evidence in different formats such as reports, presentation slides, workbooks, directed assignments and reflective accounts, as long as they allow the learner to present the evidence required to meet the assessment criteria. If professional discussion is used then this should be integrated, as far as possible, with the assessment of work-based competencies in related competence units. For example, learning outcome 2 could be holistically assessed with the competence unit titled '*Promote Equality, Diversity and Inclusion in the Workplace*'. The professional discussion must be recorded and supported by a signed witness statement from the assessor and the learner's notes or visual aids. The assessor must ensure that the signed statement includes sufficient detail to support the assessment decisions for the learning outcomes and the related assessment criteria.

Learning outcomes 1, 3 and 6 must only be assessed by structured written assessment to allow the learners to demonstrate the depth and breadth of evidence required to meet the assessment criteria. This could be one single project assignment or a series of linked or separate tasks. While the learning outcomes mainly require the learner to demonstrate generic and theoretical knowledge and understanding, there are still opportunities for learners to relate this to their working environment and working experiences and this should be utilised in the design of the assessment. Evidence could be presented in a range of formats similar to those stated above. The use of a reflective account would be appropriate for the assessment of learning outcome 3 if the learner has applied the theories and principles indicated in the related unit amplification to their work practices. If used, the reflective account must cover the learning outcomes content and meet the level of demand of the related assessment criteria.