

PRINCIPLES OF RESOURCE MANAGEMENT

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Introduction

HR Functions

Human resource management within a business is considered to be a critical aspect, as the businesses that are effectively using and managing the people of their organisation can efficiently and effectively have a competitive edge in its competitors (Agustian *et al.*, 2023). Effective human resource management helps in better attraction and retention of top talent as per the needs. The organisation with an effective talent recruitment strategy is able to gain more revenue growth. They also help in increased productivity with decreased turnover, aligning with improved customer satisfaction. In addition, the effectiveness of HR functions like recruitment, training, and performance management within an organisation helps in building a positive workplace culture, effective management, mitigation of risks and improving organisational performance. It has been noted that HR plays a crucial role in the management and motivation of employees while providing developmental opportunities so that the overall performance of the business can be maintained. They also play an important role in building employee relations based on the maintenance of a positive work culture.

Report Structure

The report will deal with the identification of the impact of the analysis of the internal and external environment based on the use of SWOT analysis of a business organisation. The organisation that will be used for the analysis of the impact of SWOT is M&S.

Internal and External Environment

Business Environment Model

An internal and external analysis can be referred to as the strategic analysis of the current state of the organisation based on the internal and external factors that affect the operations and the performance of the organisation (Olsen, 2026). The chosen internal analysis method is SWOT. Some of the internal factors include the organisational resources, capabilities, and the employees of the organisation. The advantage of SWOT analysis is that it helps in the facilitation of the understanding of the strengths and weaknesses of the organisation. At the same time, it helps in the development of strategic thinking, thus allowing the organisation in the anticipation of the threats that can be faced in the future and develop strategies to mitigate or minimise those threats (CIPD, 2026). However, there are certain limitations as well, which include the fact that access to quality internal data sources can be time-consuming while lacking a standardised structure (CIPD, 2026). Therefore, it can be mentioned that the analysis of the internal environment, along with its competitors, helps in the development of relevant strategies so that they can mitigate the weaknesses and the threats based on the strengths and the opportunities of the organisation.

Link to HR Functions

Internal analysis helps in the identification of the strengths, opportunities, weaknesses and threats that affect the operations and performance of the organisation. In this context, it can be mentioned that the implementation of SWOT analysis for the internal analysis helps in identifying the issues and challenges that are being faced by the employees. It has been noted that supporting a working environment along with strong employee-leadership relationships and maintenance of the promotional initiatives in maintaining the performance of the employees (Borman *et al.*, 2025). Thus, this helps in maintaining the organisation in the effective exploitation of the external opportunities so that it can gain a competitive edge in the market. It also helps the organisation in the development of strategies that can be used for the mitigation of threats, so that the overall performance of the company can be maintained. Furthermore, it helps in aligning the human resources with the broader objectives and the goals of the business, based on the internal factors so that the core competencies can be transformed in actional strategies for talent acquisition, retention, development, and compliance.

Organisation Application:

Organisation Introduction

M&S is a leading British retailer that aims to bring exceptional quality, great value food, clothing and homeware to millions of customers around the world. It has been noted that the number of employees associated with M&S is 64000, 1059 UK-owned and franchise stores and 70 international markets (Marks and Spencer, 2026ba). The group revenue of the company has been noted to be £17.3 bn with a fashion market share of 10%, a food market share of 4.1% and 58% of application percentage of the online orders (Marks and Spencer, 2026b). In the recent news of the company, it has been noted that they have invested over £30 million so that they can reduce the price of the weekly shop essentials of the population based on the purchasing history of the consumers, thus ensuring the families of the country can afford healthy food for less (Marks and Spencer, 2026c).

HR Practices

It has been observed that M&S is one of the most trusted retailers, which is known for quality, innovation, and its obsession with its customers. The company believes on stinting high bar and then raising it itself by driving an innovative work culture. Employee benefits in M&S include a well-being hub, giving back, pay, colleague discount, time-off, bonus, life assurance, workplace savings, mu choices, cycle to work, and smart tech, along with family and friendly policy (Marks and Spencer, 2026d). Thus, these benefits allow the organisation to maintain the motivation of the employees and maintain their performance to directly maintain the satisfaction of the customers. In addition, it has been noted that M&S has a personalised treatment process, based on which they are matching the recruitment of the top talent based on the needs of the organisation (Marks and Spencer, 2026e). M&S uses ***Equal Employment Opportunity (EEO) policies*** on a global stage so that they can ensure a flexible working policy to support different working practices, such as working hours and the place of work (Marks and Spencer, 2026h). The company has launched a policy of ***Not Just Any Career***, in which it has mentioned providing training to 1000 people in graduate-style training places for 18–24-year-olds so that they can build skills and confidence (Marks and Spencer, 2026i). Thus, all these processes help in the effective management of talent and the performance of employees for the maintenance of the competitive edge of the organisation.

Application of the Model

Impact on Organisation

In the case of the chosen organisation, some of the strengths that can be noted for the organisation are the development of the business strategy that helps in meeting the needs of the audience. The company is considered to be one of the trusted retailers in the UK, and the group revenue of the company has been observed to be £13.8bn in the year 2025 (Marks and Spencer, 2025). This highlights that the company is able to maintain its operational costs while clarifying its debts and building financial resilience. Furthermore, customer reviews indicate that they highly trust the quality of the company's products and services, which can also be considered one of the company's strengths (Trustpilot, 2026). This helps in maintaining the conversion rates of the organisation, thus guiding the motivation of the organisation for better innovation. Maintaining a high-end quality of the foods and services on the engagement of the consumers helps in maintaining the trust and the loyalty of the consumers, thus attending to the values of the company. Another strength that has been noted for the organisation is the presence of loyal customers that are maintained based on the loyalty rewards and programmes. They earn points based on the shopping that is done by the customers; thus, this affects the profit margin of the company positively. This will help the organisation in maintaining the engagement and the loyalty of the consumers, while gaining a competitive advantage in the market.

However, there are certain weaknesses of the company, which include the inability of the company to maintain its expansion policy as it dominates the USA, UK, and European markets. There have been certain negative comments from the customers in terms of the quality and experience with the M&S (Trustpilot, 2026). Thus, these affect the development and overall performance of the organisation in the market. On the other hand, it has been noted that there has been a fall in the fashion sales of the company based on the cyber-attack fallout (Butler, 2026). On the other hand, the stability initiatives that are being highlighted in the UK are some of the opportunities. At the same time, the development of awareness regarding sustainability is also considered an opportunity. This will impact the organisation negatively as this will lead to the closure of the stores based on fashion products and also lower the conversion rates. The expansion of the e-commerce market by 9.72% CAGR is also a point of opportunity (Mordor Intelligence, 2025). In addition, it has been noted that 41% of people are looking for maintenance of sustainability in the food producers (Mintel, 2025).

This will also provide the company with the opportunity to meet its sustainability aspects and its profit margin. Lastly, some of the threats can be mentioned in the context that the company is high competition in the market from some of the existing companies in the market like Primak, Asda, and Sainsbury's (Zoominfo, 2026). Another threat is the disruption in the supply chain, and the company has been investing in automation so that it can deal with the disruptions (Reuters, 2025). This affects the workforce agility of the organisation, and also creates high pressure on the employees in the management of the inventory, thus aggravating mental health conditions, highlighting the need for the implementation of technological development and training. Therefore, the internal analysis highlights that the company has various opportunities for growth in the market.

Country Differences

The ***impact of culture*** has been considered to be an important aspect, as this helps the organisation in maintaining the inclusion and diversity aspect of the organisation. The diversity and inclusion strategies of M&S are effective as they believe that positive inclusion and diversity help in maintaining the loyalty of the employees, which reflects effective performance and enhanced consumer satisfaction (Marks and Spencer, 2026f). The presence of cultural diversity within the organisation helps in driving innovation with a broader perspective, while it also leads to operational challenges (Zhang *et al.*, 2023). The Legal Regulations also have an impact on the operations and performance of the company. In the case of M&S, the company maintains Responsible Sourcing and Human Rights in Fashion, which helps them in maintaining their CSR responsibility (Marks and Spencer, 2026g). This allows the company to meet the requirements of the suppliers while improving the working conditions for the people associated with the organisation. The impact of economic conditions is also evident on the performance and the profit margins of the organisations. For example, the rate of inflation in a country, this might affect the purchasing power of the population. The company is committed to developing sustainable business, and in that case, it maintains diversity and inclusion. It mentions that the People Principles are the same for all geographical locations where they are performing, as they are mindful of international standards and benchmarks (Marks and Spencer, 2026j). Thus, culture, legal regulations and the economic conditions as external factors have an influence on the performance and profit margin of the organisation.

Conclusion:

Summary

Based on the above discussion, it can be concluded that the examination of the internal factors of the organisation helps in the determination of the strengths and weaknesses of the organisation along with its opportunities and threats. This further allows the organisation to develop strategies on the part of the organisation so that it can overcome the threats based on opportunities and mitigate weaknesses based on its strengths. In the context of M&S, the strengths of the organisation are based on the loyalty of the consumers and the quality of the products and the services that are being provided by the company. Some of the threats include competition, while the weakness is based on the fall in the sales of the fashion group of the company. In addition, it has been noted that culture, legal regulations and the economic condition of the country of operations also affect the operations and the performance of the organisation.

Future Implications

The future implication can be the implementation of AI in the management of the workforce in an organisation. This will assist the HR in better managing the recruitment and retention of employees within the organisation. This will help in making better decisions, also faster, by empowering the employees to take action, so that they can take risks based on rewards (IBM, 2026). Thus, these aspects will help in the maintenance of the level of performance by reskilling and upskilling.

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