

Activity 1

1.1 Compare two different types of organisation and their operational/business purpose

For the purpose of this report I will compare the NHS, as this is a public sector organisation and Bluestone Resorts as this is a private sector organisation. A public sector organisation is a part of the country's economy and is controlled by the government; they are funded by the tax payer and their purpose is usually to serve people, they have far more legislations and regulations to abide to than private sector organisations. The private sector companies are owned by private individuals, families or in the case of Bluestone, employee shareholders and exist to make profit; they also have fewer restricting rules.

NHS (England, 2020) state that their long-term plan is to 'give everyone the best start in life; deliver world class care for major health problems, such as cancer and heart disease, and help people age well'. To achieve this, they must secure more funding, recruit more staff and have more resources. HR's main role in this will be to ensure the recruitment process is effective; ensuring the people they are employing are qualified and the right fit to enable them to achieve their long-term goals. However, there are factors which will affect how this is done; (Taylor and Woodhams, 2016) state that there have been recruitment freezes, reorganisations and redundancies in recent years to reduce the government's financial deficit. This means that despite the need to recruit, they can't or are very limited to only fulfilling very specialist roles such as surgeons, and not recruiting floor staff that assist patients. This has an impact on the basic care of patients and the perception of the NHS by the public.

Bluestone Resorts want to be the 'UK's most loved short break destination' and achieve a minimum turnover of £28.0M. This achievement relies on Bluestone making a profit from those visiting guests in order to deliver more of the products the guests love, and making more and more profit in a perpetual cycle. To do this Bluestone's HR team must also employ the right staff but are not affected by the government deficit like the NHS. Bluestone's recruitment process will be affected by the need for the position versus the individual departments' budget and the business profits. The NHS is funded by the tax payer and government in order to provide the service to people; Bluestone relies on people choosing to pay to visit them so they make profit and can provide the service.

1.2 Assess how business type and purpose affects the HR function

As Bluestone resorts is a large private sector organisation with the purpose of being the UK's most loved short break destination and aiming to achieve a profit of £28M, the HR function and role in achieving this is crucial. HR will need to consider the company's strategy and profit of the organisation when implementing new approaches, and managing people to meet this purpose. As with most private organisations the HR teams are smaller and tend to consist of generalists, a manager, Head of HR and a Director of HR, which means basic administrative HR work gets delegated to line managers (Taylor and Woodhams, 2016). HR have become more strategic, focus on the long-term decision making and support the business in achieving its objectives becoming less administrative; some organisations centralise or use shared service agreements to assist with the

admin work. As the HR teams are becoming more strategic and have lesser administrative duties, there is room to be more creative in how they achieve the organisations goals; they are not as restricted as their private sector counterparts and allows for them to operate in the opposite fashion to bureaucracy.

The NHS is a public sector organisation with the aim to provide an exceptional health service with plenty of resources to care for those who need it. Public sector organisations usually have a large HR function that is manager heavy but also has specialists and generalists; this enables them to follow good HR practice in respect of legal compliance as stated in (Taylor and Woodhams, 2016). HR have evolved in the private sector to become more strategic and business focused but a lot of private sector HR teams have not and follow an old style; this leads them to being criticised and deemed as bureaucratic and finite in their worth. This could be due to the amount of policies that must be strictly followed by all, meaning that managers can be less spontaneous in their management styles as they have to abide to a strict set of rules. Public sector organisations are keener to follow this bureaucratic approach as unlike private sector HR teams, they cannot pay people off to avoid tribunal proceedings being recorded.

1.3 Explain how different organisational structures and management roles can impact on the HR function

The NHS has a mechanistic structure as roles, management levels, hierarchy, departments and functions are clearly defined, whilst Bluestone resorts is more organic as there is more of a need for team working, departments with broader boundaries and managers have a wider span of control.

With organic organisations like Bluestone, managers are empowered to make decisions themselves and are provided with the tools and advice needed from their HR team. It is important that line managers and HR have a good working relationship as the line managers are the first point of contact for the employee and will usually only ask for advice when faced with a difficult situation that they have not faced before. If the line managers are competent in their roles and can deal with the majority of people issues themselves, this frees up the HR team and more time can be devoted to strategic issues thus proving HR's worth (Taylor and Woodhams, 2016). The NHS has a mechanistic and more bureaucratic structure where there are policies for everything and managers will be expected to follow those policies, only asking for advice if it doesn't cover what they need to know.

Other models of organisational structures include, Bureaucratic which is a traditional triangular structure with assistant level employees at the bottom and Director/CEOs at the very top; Divisionalisation structure, which allows for more decision making within the departments of an organisation; Matrix organisations structure, which are generally short term projects where employees have dual reporting relationships rather than the traditional hierarchy; Networks structure where more than one organisation combines to provide a service; virtual organisation structure where there is no physical assets and all business is done online as the members are geographically apart and finally, strategic alliances where there is a long/medium term relationship working together to produce a service.

These different organisational structures can impact on the HR function as there are many things to consider varying from the structure itself as discussed above, to where the site is based and if there are multiple sites; company's will need to consider recruiting for specialist roles may become difficult or easier depending on things like location. For example, the NHS have many sites across the UK which would make recruiting for particular demographics easier whilst Bluestone only has one site in a rural area which makes it far more difficult to recruit for specialist roles.

3.2 Explain the role of the HR function in formulating organisational strategy

Firstly HR and the organisation decide what kind of approach to use that best fits the type of business; the three approaches are: rational/classical, emergent/ logical incrementalism and symbolic/radical. The rational approach is assigned to senior managers to continually evaluate internal and external environments of the organisation, often using SWOT or PESTLE analysis and to use this information to formulate goals, aims or objectives for the organisation (Taylor and Woodhams, 2016).

Emergent strategies look at what actually happens in organisations. Some of the realities that the organisation responds to despite attempting to take on the rational approach mean that the organisation could pursue a different strategy. Whilst the senior managers set the objectives the responsibility of delivering the strategy relies on the people working in the organisation to respond to situations as they arise and intervening factors. The symbolic approach is quite opposite to the other two as this approach requires the business to form a strategy based on response to trialling things that worked well. This approach requires little strategic leadership as it is reactive as opposed to proactive in creating its strategy. Bluestone is a complicated organisation with slow change so would suit an implementers formulate approach as there are lots of different departments within one business such as food & beverage outlets, the swimming pool, activity centre, housekeeping and maintenance all with different requirements but all working towards the same goal. The climate is generally slow changing as the demand for UK breaks are increasing. Bluestone also have a lot of returning customers and the ability for customers to book breaks in advance which allows to predict park occupancy throughout the year.

The reason there are different approaches is that the business will need to take different approaches based on the climate of the organisation at different times and the external factors that play a part in how stable an organisation is. Some organisations operate in a stable climate due to being small or uncomplicated whilst others are complicated and fast changing. Some organisations are complicated but the change is slow and some are uncomplicated but fast changing. You may match symbolic approach to a fast changing, complicated organisation to react to the climate and a rational approach to a slow changing, uncomplicated organisation as the climate is relatively predictable and secure. (Bamberger, 2014) states that 'corporate strategic planning is most effective when the HR function is involved in the formulation of organisational strategy.' Corporate strategy cannot be formulated without HR's input as the information stems from the internal analysis carried out by functional units such as HR. Whilst HR doesn't have direct influence on corporate strategy it does have the ability to influence the information it receives such as technological, economic, demographic, cultural and values and beliefs which HR provide the organisation with when creating the organisational strategy. HR suggests the factors that may have an impact on the organisation to

the senior managers who are tasked with creating the strategy including things like the labour market and legislative change.

3.3 Explain how organisational strategy is translated into HR strategy and policy

(Strategic Human Resource Management | Factsheets | CIPD, 2020) state that 'the way in which people are managed, motivated and deployed, and the availability of skills and knowledge, should all shape the business strategy'. This is because 'Human capital' is an organisations most important asset as individuals will have valuable skills, experience and knowledge that the organisation needs. The role of the HR function is to translate from the business strategy to the HR strategy for example; one of Bluestone's objectives in the business strategy states the need to achieve a higher employee stability of current staff employed for more than 12 months. This could translate as ensuring all staff are given development opportunities and training at 12 months service to ensure they retain those staff. One of the NHS strategy objectives are to have more resources, this could translate into their HR strategy as to up skill current employees to give them the ability to provide those extra resources. The climate of the organisation and its complexity will play a role in achieving the strategy as some organisations work in and slow change, low complexity climate which can allow them to plan their strategy years in advance; some organisations work in a fast change/high complexity climate meaning that they will need to adapt their strategy as and when needed due to demands (Taylor and Woodhams, 2016). HR will need to be able to respond to these climates and utilise contingency thinking to match their strategy to the organisation's strategy. There does however need to be some clarity for the HR strategy to be meaningful and supports the organisational strategy.

Activity 2

- 1. Identify and organisation of your choice, and using 2 analysis techniques, such as PESTLE and SWOT, identify the current external factors impacting on the organisation. Your analysis should, as a minimum, consider market forces, social trends, technological developments, legislation and globalisation/international factors.**

The organisation I have chosen is Bluestone Resorts in the private sector in leisure and hospitality.

Political: Brexit – Brexit makes it much more difficult to employ people from the EU which may lead to skills shortages (Pryke, 2016). Bluestone generally employ local people but there are certain job roles where they need to look further than their local demographics. If there is a skills shortage in an area such as IT this could impact on the business financially.

Economical: Market forces – Market forces are affected by the economy and can impact on the leisure and tourism industry massively. If the economy is good and people have more money to spend on leisure the leisure industries flourish, however if the economy is poor they don't and leisure and tourism industries fail (Pratap, 2018). Market forces for Bluestone are; supply - supply

comes from mainly local businesses where possible to support local businesses; demand – comes from guests to ensure they keep returning; threat of new entrants – other similar sites that start providing similar service like Folly Farm who are creating lodges for guests to stay; threat of substitutes – although Folly Farm offer a similar service, this could potentially take away Bluestones customers; and bargaining power of customers – if there is more choice of similar products in the same area the prices need to be competitive and guests may attempt to bargain with you to get what they want but at a cost to Bluestone. However, if Bluestone's competitor is a company that has international/ globalisation advantage like Centre Parcs; there is more risk that customers will go there as the name is known internationally/globally, they have more money to spend on advertising and Bluestone can't compete in the same ways yet. Globalisation allows organisations to become more interconnected as a result of massively increased trade (What is globalisation? - Globalisation - GCSE Geography Revision - BBC Bitesize, 2020)

Sociological: There has been a rise in consumer's preference in lodging in recent years (Pryke, 2016). More and more people want 'staycations' so there's is less need to travel abroad. This could be due to people being more aware of their carbon footprint, or because with the rise of terrorism, they feel safer staying in their home country. Either way, this trend is good for UK tourism, leisure and hospitality like Bluestone Resorts at present however, if travelling abroad became more popular again and less people stayed in the UK the tourist attractions and hospitality organisations like Bluestone Resorts would collapse affecting jobs and the UK economy.

Technological: If for example, the Bluestone website is not user friendly and difficult to navigate, this will be off putting for potential customers and may act as a deterrent rather than an enabler. It is important to ensure that people within the organisation have the right skills to overcome obstacles such as an ineffective website as this will lose business and revenue. If you lose revenue due to inefficiency such as a website you won't have the money to put it right and always be at a disadvantage and stuck in a catch 22.

Legal: Employment Law change – from 1 April 2020 new employees must have their contract of employment at the latest on the first day of employment. If things like this are done effectively it creates a positive view of the business however, if new legislation isn't followed and someone is employed at Bluestone but doesn't have their contract at the right time this can have a negative impact on the individual and on the organisation. If these types of things happen often then Bluestone would get a bad name and the local people won't want to work there.

Environmental: Sustainability - Bluestone has employed a small team of corporate responsibility staff who ensure we are doing everything they can to be sustainable and ethical and manage waste and the impact Bluestone has on the local community and environment. If Bluestone tells people that they do this but in actual fact they don't, this could lead to non returning guests and bad PR resulting in a loss of revenue and impacting on staff, guests and the local economy. It is more and more important that organisations consider their sustainability as more people are researching this prior to making a booking.

Strengths:

- Bluestone has over 90% occupancy all year round as the current market means more people want to stay home to go on holiday
- Employs over 750 local people which helps the local community and local economy
- Is proactive in achieving its sustainability goals which have a positive effect on the environment
- Has a charity; *The Bluestone Foundation*, that supports local charities

Weaknesses:

- Competitors such as Centre Parcs are globalised and are better known
- Pay rates aren't competitive in Bluestone/Pembrokeshire in comparison to cities
- Local demographics make it difficult to recruit for specialist roles
- There is only one Bluestone site based in Pembrokeshire which means it only caters to people who want to visit Pembrokeshire. It's far to travel for people from northern England

Opportunities:

- Opportunity to create another site – this has been spoken about for North Wales to attract new customers who don't live on the M4 corridor
- Market themselves different from Centre Parcs to attract different customers
- Up skill staff and create a good reputation for doing this and helping the local economy
- Ensure technology is advanced to enable customers to visit

Threats:

- Similar organisations emerging in the area
- Lack of skilled staff leaving roles unfilled and impacting on efficiency and revenue
- Negative change in economy and market resulting in less people visiting UK tourism sites
- Bad reputation through continuous poor employment strategies or customer dissatisfaction

2. When you have completed stage 1 of the analysis (point 1 above) you should further consider how the specific forces impacting on the organisation, might affect the organisation's HR function.

The above factors could have an impact on HR's recruitment process as Brexit makes it more difficult to employ people from the EU which could leave Bluestone with skills shortages. If Bluestone has skills shortages in a particular area this will impact on revenue, staff satisfaction, guest satisfaction and so on.

As Bluestone isn't an international or globalised organisation they rely on the return of previous customers, good reviews, word of mouth and small amounts of TV advertising to attract customers. The more customers Bluestone attracts the more revenue they make which means salaries are better for staff; without competitive salaries Bluestone won't attract the right staff and the right

staff won't stay. This will impact on the HR function as there firstly, will be less HR staff if money is restricted and secondly, those HR staff will spend more time on day to day issues and recruitment than on strategy to develop the organisation. If HR is spending more time on day to day issues they may miss new employment law and legislation updates resulting in more issues and potentially resulting in bad PR where less people will want to work.

3. *Write a short report briefly explaining the analysis techniques/tools you used and summarising the conclusions from both stages (points 1 & 2 above) of your analysis*

I used PESTLE and SWOT to analyse current external factors impacting on Bluestone Resorts. PESTLE is an audit of six external influences on an organisation (CIPD, 2018). Organisations use PESTLE to gain insight to understand external factors that may impact on their strategy and use the knowledge to inform decisions. Organisations that complete PESTLE analysis on a regular basis often see trends and new obstacles before other organisations giving them a competitive advantage. PESTLE is used for strategic business planning, workforce planning, marketing planning, product development, organisational change and people strategies, reports and projects.

I also did a SWOT analysis on Bluestone Resorts which is a simple way of understanding the organisations current strengths, weaknesses, opportunities and threats. This analysis helps identify external factors that are either supportive or unfavourable to achieving that objective (CIPD, 2018). Whilst a SWOT seems quick and easy to complete in a meaningful way it requires a lot of effort and knowledge as the information can also be opinion rather than fact (CIPD, 2018).

To summarise, the current market and competitive factors that impact on Bluestone are to continue to source products from local business to support them without paying above the odds for the products. The current demographics make it difficult to recruit for skilled roles as there are 125,000 people living in Pembrokeshire, 17% are under 16 so cannot work at Bluestone, 25% are 65+ so are at retirement age, and only 73% of the population aged 16-64 are in employment (Data and Statistics, 2020). This leaves a limited pool of people for Bluestone to employ that are 'right' for the company. Currently the social trends are in favour of Bluestone as more people want to remain in the UK to go on holiday as there was a 5.1% increase on people staying in the UK to go on holiday between 2014 and 2016 (Travel trends - Office for National Statistics, 2016).

A social trend that could have a negative impact is sustainability as Bluestone need to demonstrate to customers that they are ethical and care about the environment otherwise this could have an impact on brand if Bluestone say they are sustainable but aren't. Current technological trends affecting Bluestone is the website; it is currently not very user friendly and key staff working in IT are trying to fix this as it will have an impact on revenue if customers find it hard to or can't book to stay. Key current legislation such as new employee receiving their contract of employment by the first day they start from 1 April 2020 is important for the employee and business. This is law and must be followed otherwise there could be consequences for the employer and a negative impact on the employee. Bluestone isn't a globalised/international organisation and therefore less potential customers know about it and are more likely to go to competitors who are globalised due to having

a household name. Each of these factors will affect the HR function in different ways such as recruitment; if the demographics in the local area are poor and Brexit limits people coming to the UK, there is potential for skills shortages. At the same time as Bluestone aren't an international company they cannot attract the same level of qualified staff, including HR staff. HR may consist of staff that aren't qualified or lack skills and rely on their best judgement; there will also be less of them to deal with issues. This can impact on the organisation if the HR function is weak as processes won't be followed well and they may demonstrate poor practice.

Rough notes for Activity 2

Political

- Brexit/any legislation change

Economical

- Minimum wage increase

Sociological

- Retaining and attracting talent
- Competing with other business for attracting talent
- Local demographics meaning limited recruitment pool

Technological

- App/website poor – loss of revenue/bookings – social media. Tripadvisor – influencing potential customer's opinions negatively – bad PR.

Legal

- Employment Law changes

Environmental

- Coronavirus/worldwide disease – affects what people can do and businesses have to close to minimise spread of disease
- Extreme weather – storms/heat waves can affect certain businesses such as farming/outside attractions

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