

Organisational performance and culture in practice

AC 1.1 Evaluate the advantages and disadvantages of both a divisional structure and a matrix structure. Within the evaluation, you should include the reasons underpinning each structure.

A divisional structure within a workplace is when the company is divided and split into multiple different departments. The advantages of using divisional structures within the workplace are the separate departments within the business can have better flexibility and responsibility for the changes within their own department, the department would have better accountability for the structure of their performance, and they would be able to see a more focused approach to specific products. Another advantage is that the management team have smaller teams to focus on, and you get specialised members of the team who are dedicated to their job role, for example, the IT department has technician specialists. (AIHR, 2024)

There are disadvantages to this approach, this can include the potential for departments to duplicate their own work and findings with another department or HR. Departments can become solely focused on their own needs and agendas, however this can lead to becoming forgetful of the overall business strategy. Departments with their own challenges and focuses can also become more strained when looking to coordinate and focus on the same company goal.

A matrix structure in an organisation is when staff work in multiple job roles and departments. These staff report to multiple different managers and not just one. The advantage of using a matrix structure within the business includes the greater flexibility for staff members within the organisation, allowing for talented employees to be able to be utilised in a dual role, which helps to share knowledge. An additional advantage is the aid of better communication within departments with dual role employees sharing how other departments operate as well as useful information and to enhance the decision-making process within departmental teams.

Potential disadvantages would include role confusion for the employee, having two or more managers with difference of opinion can create confusion and potential conflict of interests for the employee. Management may also compete for the employee; this can make creating rotas more challenging when separate departments have high demand or sickness. (Tingsager, C and Smith, F)

AC 1.2 Analyse the extent to which the organisational strategy in your organisation (or an organisation with which you are familiar) helps to ensure products or services meet customers' needs.

In my organisation we have a three-year plan with KPIs (key performance indicators) and OKRs (objectives and key results) for our separate departments to hit. Our strategy allows us to see where we have hit our targets and our long-term goals. It shows us the number of guests welcomed, our NPS (net promoter score), how many we employ and how much money we have raised for local communities. Alongside this it shows us our ten-year target, which is to be the UK's most-loved holiday destination of choice. Within the three-year goal the targets the directors and CEO want to make the organisation an employer of choice, promoting a salary far beyond the living wage.

It shows the plans to be more accessible, inclusive and diverse. It allows us to see where the business is with its digital evolution and plans for future refurbishments and the next exciting developments and plans. It shows how the business is very mindful of the environment with opening their new solar farm. There are additional plans for an energy island of wind turbines also. At the end of the strategy, it shows how much profit the business made and how much they would like to create at the end of the three-year strategy.

The business wants to increase employee and guest NPS and how to invest on increasing our secondary spend on resort. Additionally, it allows us to see the vision canvas and the purpose of making people happy naturally. All the above comes from regular guest feedback and QR codes plus additionally the business 3-month staff

survey. By listening and being reactive to the guest feedback the organisation has seen trends in what the consumer wants. The consumer wants more exciting buildings with better leisure facilities, a revamp of the swimming pool and refurbishment of the older lodges. Going through and reviewing this feedback is vital as it allows returning guests to see that their ideas and information is being investigated and through meetings with the finance team budgets get created to allow for such exciting products. Staffing being able to see this strategy naturally gives them a sense of place, as it shows where each department lies in getting to the end goal. (Bluestone National Park Resort 2024) Moreover, this contributes to the satisfaction of consumers' needs as staff are given the motivation to help contribute to this goal, therefore encouraging better working performance which overall leads to improved customer satisfaction.

AC 1.3 Analyse the current impact of interest rates, inflation and one other external factor on your organisation (or one with which you are familiar). Identify organisational priorities arising from your analysis.

Within my organisation, information on how interest rates affect the consumers can be evidenced and accessed via our finance team. With higher interest rates you notice a trend of guests not willing to part with money for secondary spend items. For example, during times of higher interest rates guests coming to stay with us will primarily only spend on the accommodation revenue, focusing less on secondary spend items such as eating out in restaurants on site or paying for additional retail or leisure activities. During these times the business tries to implement schemes to get people spending, such as kids eat free in the restaurants, discount cards for guests to spend on activities or even allowing the shows in the theatre to be free in order to encourage people in one place to allow them to buy drinks and food etc. (Pestle analysis team, 2024)

Inflation affects the organization in several ways, for example it can affect the price of the items sold and delivered. Higher inflation would unfortunately mean higher costs to the accommodation and services offered on park. Staff may be more inclined to ask for a higher salary to keep up with inflation, as with the increase of the cost of living staff will be expecting an increase in wages. Increasing wages would also increase staff satisfaction, benefitting staff retention, however by not allowing for staff wages to increase staff may feel dissatisfied, caused particularly by the cost of living crisis putting more pressure on staff to make their pay stretch further.

Higher inflation and interest rates affect our secondary spend and what the consumer wants. This can have a negative impact of the staffing and payroll. Within leisure, if the guests do not book on to the activities the business may send staff home if they have hit their contracted hours which can create pressure on staff who rely on that wage. (McKinsey & company, 2024)

The way my organisation can counter this is by offering dual roles for staffing. Staff may work three busy days in the activities department and do the other two in housekeeping. By doing this the staff keep their wages but it eases the need to recruit, which leads to a decrease in spend during the recruitment process.

Government regulations also affect the business, such as taxation. Changes in corporate tax and tax policies will impact the business by means of their profitability. Lower taxes mean more profitability and an ability to spend more, whereas higher tax creates more restrictions and challenges.

When tax is high the business puts almost a stop to spending on external factors to ensure all costs are minimised. An example of this is at present the line managers have a certain amount they can spend on goods such as equipment, uniform etc. During higher taxes the line managers must get these costs authorised by the directors to ensure everything is streamlined. (Walden way & co, 2024)

AC 1.4 In February 2024, Peter Cheese, current CEO of CIPD stated, “AI is transforming jobs, careers and workplaces. People professionals have a key role to play in encouraging safe experimentation and rapid learning, so that we can reap the benefits and mitigate the risks.” Assess the extent that AI is, or could be, used in your organisation (or an organisation with which you are familiar) and assess how AI impacts work.

AI in many ways can benefit the work force and aid with simple tasks. Examples of useful ways AI can aid the business are through chat bots. Chat bots can help ease the workload of employees helping customers with basic needs, such as making payments or pointing customers to the right direction for their query. Within a people services profession AI can help to scan through CVs to assess if the new recruits’ details match the job description. AI can also be beneficial for tracking the performance of the current employees to see trends in training and development. (Waite, K. et al. 2021)

Within my organisation we benefit by using artificial intelligence in a HR specific role, the advantages we have found is the time saved on simple tasks. We also use this to help with writing job descriptions and putting together interview questions. Furthermore, AI is also used in our recruitment team, for example it is currently being used to screen applicants and arrange interviews. This allows us additional time to focus on more demanding tasks.

AI can additionally be used when creating policies and procedures. HR can document the basics of what they want to come across and allow an AI bot to write up the new policy for them. AI is not perfect however and must be read through after creation to ensure it is accurate, and can also raise the question of whether AI generated text may count towards plagiarism.

Another use for AI to be utilised is by creating return emails to guests with enquiries. This can be a useful tool in cutting down the amount of time used to reply separately to every email.

2.1 Explain Charles Handy’s model of organisational culture and explain David Rock’s SCARF theory.

The Charles Handy model of organisational culture focuses on the key aspects of different cultures that are within a business. These would include the different types of leadership styles in the various departments, the operational dynamics within the departments and the structures within them. This model helps to indicate if there are any trends in data and how decisions are made within the organisation. The cultures involved are power culture, role culture, task culture and person culture. (Faraccio, M)

The power culture focuses on a strong leader, or a small team of staff who would focus on making decision making. This culture tends to get less insight from the team and comes to the decisions quickly. The positives to this involve quick thinking and decision making however the draw backs to this approach would involve quick thinking without putting all the thought into the process, leaving being decisions made which may not be beneficial. Also, the department can become reliant on the individual to take charge, which leaves the team members potentially waiting for guidance.

The role culture focuses on a team of staff who have their own responsibilities and strengths. This method also can be demonstrated through a management structure, for example you may have a manager who oversees the department at the top, with branches below depicting managers on duty who focus on HR, HSO and training. This would demonstrate who had the responsibility of each criterion. This method primarily focuses on teamwork and mutual discussions. The positives to this would be efficiency and a more stable working department. The weaknesses to this method would include that the managers could be more resistant to change while they focus on their own needs and not the overall business strategy.

The task culture focuses more so on the overall project of the business. They focus more on getting specific tasks finished. The business would hire or promote individuals who have expertise in the individual sectors.

This would give the individual more power and focus less on a hierarchy of control. The benefits to this include extreme flexibility and also helps with innovation to come up with ideas. The weaknesses can be a lack of stability within the business, additionally this can create conflict when certain people want control and compete for staffing or resources.

The person culture focuses more so on the staffing of departments, giving them more importance in the business. The organisation helps to support the individuals within it and places this as a higher priority. The strengths would include the creativity of the individuals and helps to promote development for the staffing however the weaknesses would include the challenges with managing the staff. Plus, the staff may be more reluctant to structure.

The Charles Handy model illustrates to us that no individual method is better than the other however it would be up to how the organisation wants to reach their goals and hit their own company strategy. Most companies would have a variety of staffing from all sorts of individual cultures. (L and D hero 2023)

David Rock's scarf theory is a framework that focuses on understanding human behaviour in social situations. There are five main influences in which we respond to threats or rewards. These include Status, Certainty, Autonomy, Relatedness and Fairness. These are as follows;

Status – This is regarding a person's importance within an organization. Such as through promotions. When a person feels valued, it automatically will give reward status within the brain. However, when the person gets a threat or feeling of unimportance it triggers a threat. People are highly sensitive to status and will seek to look after it.

Certainty – This is when a person's brain will need to predict and understand what future events are available to the employee. People with this status will constantly need clarity and understanding, with the threat of uncertainty creating a sense of anxiety. A structured and sometimes repetitive workplace lowers the stress of the individual.

Autonomy – This is when an employee feels a sense of control of their surroundings. They also enjoy the idea and control of being able to make choices. When this individual feels a sense of control, they feel empowered and a sense of pride. However, a lack of control can make this person feel a sense of helplessness.

Relatedness – This refers to the sense of connection and trust they feel with others. When they feel included and involved in a group setting, they get a feeling of reward. Social exclusion will make the individual feel disconnected - trust is crucial.

Fairness – This involves the perception that things are just and equitable. Individuals are attuned to fairness with others and when decisions are made, even if difficult, this takes away any negative feelings. (CIPD, 2017)

By understanding this theory and utilising the SCARF model, managers can be helped to understand and therefore motivate the team efficiently. By ensuring the staff have a sense of status, certainly, autonomy, relatedness and fairness, managers can reduce stress and create an open and fair environment. This further promotes productivity and engagement. The Scarf method shows a good understanding of how human behaviour is deeply tied to social dynamics. This emphasises the importance of emotional and psychological need. (David Rock, Mindtools)

AC 2.2 Assess how employee selection or employee development impacts organisational culture and behaviour in your organisation (or one with which you are familiar).

Employee development has a significant impact on my organisation at Bluestone, it helps to shape behaviours within the staff. These would include things such as a business's commitment to development, which helps with employees' learning curves. Within my organisation, this helps employees feel the need for continuous growth and to feel more valued. As a result, this helps when delivering feedback, as staff will become more open to this as they will want to learn and progress. When employees see a clear path for development, the ones who want to develop and get the promotion will show more signs of loyalty, dedication and willingness to the organisation. At my organisation we have an academy which enrolls people on to continuous training inhouse, but also external training such as enrolling on apprentices on CIPD or NEBOSH courses. We have difficult conversation training, Bluestone Way Conversation training and future leader programmes, all of which help to improve leadership, communication and teamwork. The development my organisation focuses on in leadership aspect helps to ensure organisational values and strategy are communicated. (Culture amp, 2024)

By allowing staff members to understand and realise that we are dedicated to their training and development, the employees feel appreciative and supported with an increased focus to continue developing, again aiding the improvement of staff retention.

AC 2.3 An organisation is planning a change relating to hybrid working. Many employees moved to home working during the Covid-19 pandemic. Whilst this approach worked well at the time, the organisation now wants all employees to work at least two days a week on site. Explain how Kotter's approach to managing change could be used to successfully implement this change.

Using Kotter's 8 step approach to this situation can be beneficial when a business is trying to implement this change. By using this method line management can help the business with the change and speak to any staff that have any worries. This method outlines the importance of communication, ensuring that the staff understand why this change is needed and required. With this approach it is imperative to get staff and team leaders on board with the idea. Getting these important influencers and role models on board can aid the team a huge amount, and will help when the staff are unsure of the company's decision. (CIPD, 2023)

The employee must ensure there is a purpose and strategy to the move. Allowing staff to see the reasons for the change and what benefits it can bring such as improved teamwork. However, it is important to still maintain a level of flexibility. By allowing the staff to see why these changes are coming in allows the staff to understand how hybrid working can help benefit both them and the business.

Having regular catch ups, 1 to 1s and team meetings is vital to ensure the vision is communicated seamlessly. Using email and other forms of communication is equally as important such as new policies and the creation of toolbox talks. Clearly explain to the staff the opportunities available when coming back to site, and additionally the potential for progression and promotions is also an important factor.

It is also important to ensure any challenges the employees may come up against are addressed, these can range from transport to onsite working limitations. By addressing these concerns and coming up with ideas prior to the move will benefit the morale of the staff.

The employer should also create targets the staff onsite can work towards, for example a project they all work toward, once achieved the business should recognise the success of the staff. By doing this it allows the staff to see the importance of being onsite.

It is always crucial to keep reviewing the change and the impact. By gathering feedback and adjusting this will allow the staff to see that there is still some flex in the organisation and that it is not all put in stone.

Employers must ensure they recognise the success of the staff in the hybrid working environment and ensure their value is noted and praised. This will set an example for all staff and allow the organisation to build momentum but also demonstrate the newfound norm of the business. (Waite, K. et al. 2021)

AC 2.4 Using the Kubler-Ross change curve, discuss how change is experienced.

Using the Kubler-Ross method in a HR profession of an organisation is useful when investigating further into how employees change emotionally. There are five steps to this method, and they include denial, anger, bargaining, depression and acceptance.

When new policies and procedures are introduced to the department staff can often go into denial. They often do not believe the change is necessary or may not last. Within the people services role, HR can be utilised to explain the need for the change and to provide clear factual information to the staff.

When the employees notice that the change that has been implemented is real, they may resent the change and start to show emotions of anger towards this. Changes could range from routine changes or job security. HR play a key role with this, and they must be willing to show empathy and active listening to the worried employees. People services must ensure they clarify the information and show how the change aligns with the company's long-term goals.

When the staff get to the bargaining stage, they may try their best to get around the change. It is imperative that HR take note of any requests and show the importance of these new changes. HR may show some flexibility with the changes however it is important to be as equal as possible. HR may implement some short term reasonable adjustments for certain employees however it is vital to review this and check on the employee to assess how the reasonable adjustments are working.

The depression stage is when staff may face low morale, where a change has been put in place and the staff may feel overwhelmed with such change. HR must support the employees. They can do this by offering training and support, with 1-2-1s and check ins also proving to benefit them at this stage.

Finally, acceptance. When staff embrace the change, they transition from displaying nervousness to acceptance. During this time, you may find staff are looking for more development within their roles. HR must ensure to keep morale at a high and that they acknowledge so called 'little wins' and offer continuous support.

By learning and knowing the Kubler-Ross approach, people services can be more empathetic towards the staff and ensure a smooth transition is put in place. (Umar, T 2019)

AC 2.5 The CIPD's Health and wellbeing at work survey 2023 found the percentage of organisations that have a standalone wellbeing strategy has risen from 40% in 2018 to 53% in 2023. Although the percentage has increased, this means that 47% of organisations do not have a standalone wellbeing strategy. Assess the importance of wellbeing at work and assess how good work could impact wellbeing.

When employees feel well-supported in the workplace, and they have good physical health and mental health. The staff members productivity will naturally increase. Staff with a high level of wellbeing will naturally feel more motivated and be more focused on their job role. This will lead to better performance levels. (CIPD, 2023)

Staff experiencing stress and burnout are far more likely to take time off work, thus putting more strain on the organisation as the business tries to cover their absence. If the business has strong wellbeing values this can help to reduce the level of absence. With the lack of absence from the staff, this will help promote better production levels for the company. When employees feel a sense of place and value, their work performance will naturally increase, this will help with higher productivity and a more can-do attitude to the job. Wellbeing events and putting systems in place like employee assistance programmes will help when it comes to supporting employees. Staff feeling more relaxed in their role will help with less confrontation and help with things such as teamwork. Burnout and other factors can decrease morale and increase the levels of staff leaving. Helping staff with flexible working agreements, assistance programmes or sign posting can reduce and help with these issues. (Factsheet, CIPD, 2024)

By having mental health first aiders working for the organisation, staff can be sign-posted to these professionals who will have a better understanding of the staff's needs. These professionals will have the knowledge and experience on what to do with the situation and point or signpost them towards the right help. (Murphy, N 2021)

AC 3.1 Provide a brief overview of the employee lifecycle and discuss people practice roles at the recruitment, development and separation stages of the lifecycle.

The employee cycle refers to the main six stages an employee goes through with an employer. By having knowledge on each sector, HR can efficiently manage each stage efficiently. The employee life cycle includes attraction, recruitment, onboarding, development, retention and separation. The HR department plays a key role and factor with these stages. HR works with departments to create accurate and legal job descriptions, as well as helping to create job adverts, and ensuring everything is accurate for legal reasons and help with right to work and ensuring important documents such as interview forms are accurate.

After interviews are completed, and the new employees are recruited the HR department can help with training the employees. Putting on detailed training programmes and developing the staff for future career progression. This can be training such as company inductions, company visions, sustainability and guest experience.

HR can set clear goals and can help conduct performance reviews and hold probationary meetings if they are required. HR can also aid and help the management team with engagement; implementation of recognition programmes, team build initiatives, employee of the month policies etc play a crucial role in benefitting the growth of staff engagement.

During the end of an employee's time within the business, HR can aid with exit interviews which are crucial in uncovering if there are trends to why the staff are leaving the organisation. HR can also help with ensuring the

business property is handed back such as uniform and help with ensuring payroll is accurate. Furthermore, HR can also look to see if the employees have any annual leave entitled to them. (Velinden, N)

AC 3.2 Analyse how people practice supports organisational strategy through vertical integration and how people practice supports wider people strategies through horizontal integration.

Using vertical and horizontal approaches in line with the company strategy is important when looking at a few key factors. Vertical integration is used to look more closely into company targets, business goals and to ensure HR investigate the whole organisation strategy. When using horizontal integration this helps with ensuring HR are aligned with ensuring the employees feel supported and to show consistency. By using both aspects of integration it will allow the business to strive towards their targets. (Tarver, E 2024)

Vertical integrations look more closely at the company strategy. Allowing sectors like HR, recruitment and training to all be aligned with each other. For example, if the business wanted to have individuals who were creative, when putting out a job description and conducting interviews they can be more selective with this approach. By conducting practical work alongside an interview, they can see if the individual is aligned with the company's long-term goals.

Horizontal integration takes a slightly different approach and looks more so to improve processes and the standards of the business. For example, horizontal integration would focus more on the staffing, ensuring that all staff are on the same page and are well aligned. This can be done by ensuring all staff are adequately trained, HR also doing this by holding training sessions or organising presentations for the staff members. Another way HR can use horizontal integration is by ensuring the company has their policies and procedures standardised. Ensuring all staff members are following the same guidelines.

Vertical and horizontal integrations are very important and are crucial to ensuring the organisation is aiming towards their strategy. Both integrations help to convey to the management team the ideas from the staff but also on HRM practices. (Christina, S 2017)

AC 3.3 An organisation is planning to introduce a four-day working week. Discuss the processes the people function could use to consult and engage with managers and employees to understand their needs when moving from a five-day to four-day working week.

When looking to change from a five-day working week to a four it is important that research has been done prior to ensure that this is the correct course of action for the business. Additionally, flexible working requests are useful when people have individual needs that need addressing. If the whole organisation was to change from five to four it is important that the people services department engages with the staff and managers. (Broom, D 2023)

HR should hold regular workshops to talk through the dynamics of the change and to explain why the change is needed. Additionally, team discussions or morning briefings are beneficial when talking about the change and hearing anyone's concerns. HR should implement ways of getting feedback, this can be done through surveys, which will be beneficial when looking into aspects such as morale etc. HR can use question and answer sessions to go through any concerns within the team, where they can act on the staffing concerns, demonstrating yet another way to increase morale. In these sessions HR should explain about the benefits of a four-day working week, productivity should excel and the staff get an additional day off. Through all of this, HR should be continuously looking through data to ensure the change is working and review often.

Management should emphasise the benefits to working a four-day working week, with an additional day off staff get more time at leisure, by having one less working day staff will improve their productivity at work. (Willmott,B 2022)

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