

HUMAN RESOURCE MANAGEMENT

Assessment 1

CRITICALLY ANALYSE CURRENT AND PREDICTED CHANGES IN THE EXTERNAL ENVIRONMENT AS THEY RELATE TO PEOPLE RESOURCING STRATEGIES

CH&CO CATERING GROUP LIMITED

VENUE: MANSION HOUSE

The CH&CO is a group of chefs, nutritionists and people with a shared passion for food. As an independent hospitality caterer, they employ more than 6,200 people and with a turnover of £300m, they operate at over 750 venues across the UK and Ireland.

The Mansion House venue: In this venue are permanently employed 35 people, 10 of them are on permanent contract and 25 with zero contract. The employees at zero contracts include chefs, waiters and porters. Hired people via agencies /cooks, waiters and porters/ are with higher pay rate to the agency from the staff with zero contract. Staff allocation during the events is 20% zero contract to 80% from agencies. The group's employment of 20% is with more responsibilities during the events because they need to explain the specifics of the work to the temporary (agency) staff. Permanent staff, some of them act as team leaders and supervisors, receive the same payment as the agency staff.

The events in Mansion House include dinners, conferences, lunches, meetings, charity events. All of them are private and important. Depending on event attendees could be from 20 to over 500 people.

The Mansion House – CH&CO staff structure

Year	Board	Manager	Chef	Office	Staff	Porter
20-25				1	•	•
25-35		3	• 3		•	•
35-45	1				•	•
45-55	2				•	•
55-65						
free		• 1				

- All the staff on zero contract and agency staff work at same hourly rate.
- Team leaders act as line managers for all staff /hired and zero contract/ but they don't get paid for those duties.
- No promotion for the staff.
- No special selection for the staff.

- No feedback to the agencies for the temporary staff in order to keep better ones, resulting in low retention and higher turnover.
- No training provided from the company.
- One important vacant position - Senior Assistant Banqueting Manager – CH&CO.

EXTERNAL ENVIRONMENT

External environment includes forces like economic, labour market, legal, technological, social, demographic etc. these exert considerable influence on HRM.

- Demographic:

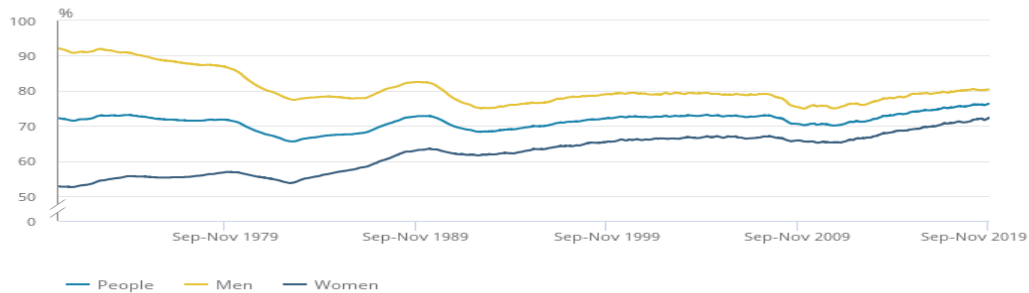
Demographics include gender, age, literacy, etc. In this group, HR examines men, women, literacy, qualifications. There are more and more cases of job positions without requirements for experience and specific qualifications in certain sectors and particularly in the hospitality. Depending on the dynamics of the particular geographic location demand is different. In certain industrial sectors, emphasis is given to people who have skills and knowledge while in other areas to young and inexperienced, where training opportunities are provided. Different approaches exist depending on the particular job requirements. For example, when you read in the advert "start immediately", "no experience required" means that this job advertisement is aimed at young and perhaps not highly qualified people. In the demographic model of HRM we can include the population from the point of view of education, ethnic identity, religion, social affiliation. "In a survey by the CIPD in 2009 one in 12 (8%) of the respondents were still actively recruiting migrant workers to fill vacancies in spite of the recession (CIPD, 2010a)" (M. Foot and C. Hook 2011). "HR environment affects talent growth. It also examines the immediate role of talent growth in the relationship between HR environment and regional attraction. These findings enhance the literature on HR environments, regional attraction, and the concentration of talent." (Weng, Qingxiong' McElroy, James, C., 2010)

- Labour market can be local, national or international

We should also include an increase in the working age, the ratio of female-male in employment and factors like the need for knowledge or skills for the different professions, as well as the labour and immigration legislation and how this impacts the jobs offered.

"The employment relationship is sometimes explained by labour process theory. Thompson and Harley (2007: 149) noted that: 'The notion of the workplace as contested terrain is a central motif of labour process theory. However, they did comment that: 'In the employment relationship there will always be (actual and potential) conflict, but simultaneously there will be shared interests' (ibid: 156). And they suggested that: 'In an environment where employee skills and commitment are central to organizational success, it is precisely by giving more that organizations will gain more' (ibid: 149). "(M. Armstrong and S. Taylor, 2014)

March 1971 to September to November 2019



(Fig. 1) (D. Leaker, 2020)

The statistics on the number of employees between 16 to 64 years of paid work for September to November 2019 (Fig. 1):

- the estimated employment rate for people was a record high of 76.3%;
- the estimated employment rate for men was 80.4%;
- the estimated employment rate for women was a record high of 72.3%;

The increase in the employment rate for women in recent years is partly a result of changes to the State Pension age for women, resulting in fewer women retiring between the ages of 60 and 65 years. Opportunities for men to look after their children if the woman's profession is more stable and with better possibility of career progression, and if women have higher paid job and can afford a sitter. New opportunities to work from home. Estimates for September to November 2019 show a record 32.90 million people aged 16 years and over in employment, 359,000 more than a year earlier.

Competing in a "tight" labour market: interaction between employers and employees in a supply-demand fashion is a Labour market. The balance of demand and supply in the labour market is reflected in the level of wages, salaries, flexibility, develop opportunity. This including inflation, economic growth, productivity.

- Legal:

The political-legal environment covers the impact of political institutions on the HRM department. To be specific, HR planning, recruitment and selection, placement, training, remuneration, employee relations and terminations are governed by the constitutional provisions (Equality ACT 2010). HRM involve legal factors. Legal environment reflect that everyone is equal and no one is discriminate. HRM has to make sure that recruitment, selection, training, career and development, are equal and everyone has the same rights and opportunity of employment. HRM is responsible for the selection, recruiting, training, employment legislation, human rights, pay equity, pension, healthy, safety. Regulations regarding the legality of piece-work systems, vacation requirements and working hours. Since 2000: protection agency staff.

HUMAN RESOURCING STRATEGIES

The history of personnel management begins around the end of the 19th century, when welfare officers (sometimes called 'welfare secretaries') came into being. They were women and concerned only with the protection of women and girls.

"HRM can be defined as a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organizations. It was defined by Boxall and Purcell (2003: 1) as 'all those activities associated with the management of employment relationships in the arm'. A later definition by Watson (2010: 919)" (M. Armstrong and S. Taylor, 2014). Starting to examine HR practices at Mansion House-CH & Co with the lack of presence of HR "Human capital developers recognise people as critical assets and are concerned with developing this human capital through promoting learning opportunities to enable employees, and the organisation, to be successful in the future." (S. Pilbeam and M. Corbridge, 2010)

HRM is a better model for people management than personnel manager or personnel administration because it is strategic.

Another basic strategy in HR is planning. Being a large organization with large-scale structures, in the same way the smaller units from this company make internal planning depending on the specific of their work. "It is not necessary to have a grand plan to be strategic, although clearly a plan provides direction. Torrington and Hall (1998) were quite revealing on HR strategy." (S. Pilbeam and M. Corbridge, 2010). HR planning identifies current and future human resources needs for an organization to achieve its goals. HR planning should serve as a link between HRM and the overall strategic plan of an organization. Any planning can be complicated and changes can occur from rapid changes in the environment or the free will of people. HR planning needs to consider flexible plans, involvement of all stakeholders in the planning process.

Human Resource Plans

- Talent plans
- Organization and structure plans
- Employee utilization plans
- Learning and development plans
- Performance and motivation plans
- Reward plans
- Employee relations plans
- Communications plans

HR covers a large part of the management of a company. Starting with recruitment, planning, development of various management systems and improvement of work process efficiency, employment and regulatory compliance, employee orientation, development and training of employees according to their qualities and opportunities for promotions,

development of documentation, need for relationship with workers and feedback on needs and changes, necessary norms and laws for the safety of employees.

“The best fit model seems to be more realistic than the best practice model. As Dyer and Holder (1988: 31) observed: ‘The inescapable conclusion is that what is best depends.’ But there are limitations to the concept. Paauwe (2004: 37) ‘It is necessary to avoid falling into the trap of “contingent determinism”. There is, or should be, room for making strategic choices.” (M. Armstrong and S. Taylor, 2014)

“The goals of HRM are to:

- support the organization in achieving its objectives by developing and implementing human resource strategies that are integrated with the business strategy (strategic HRM);
- contribute to the development of a high-performance culture;
- ensure that the organization has the talented, skilled and engaged people it needs;
- create a positive employment relationship between management and employees and a climate of mutual trust;
- encourage the application of an ethical approach to people management.” (M. Armstrong and S. Taylor, 2014)

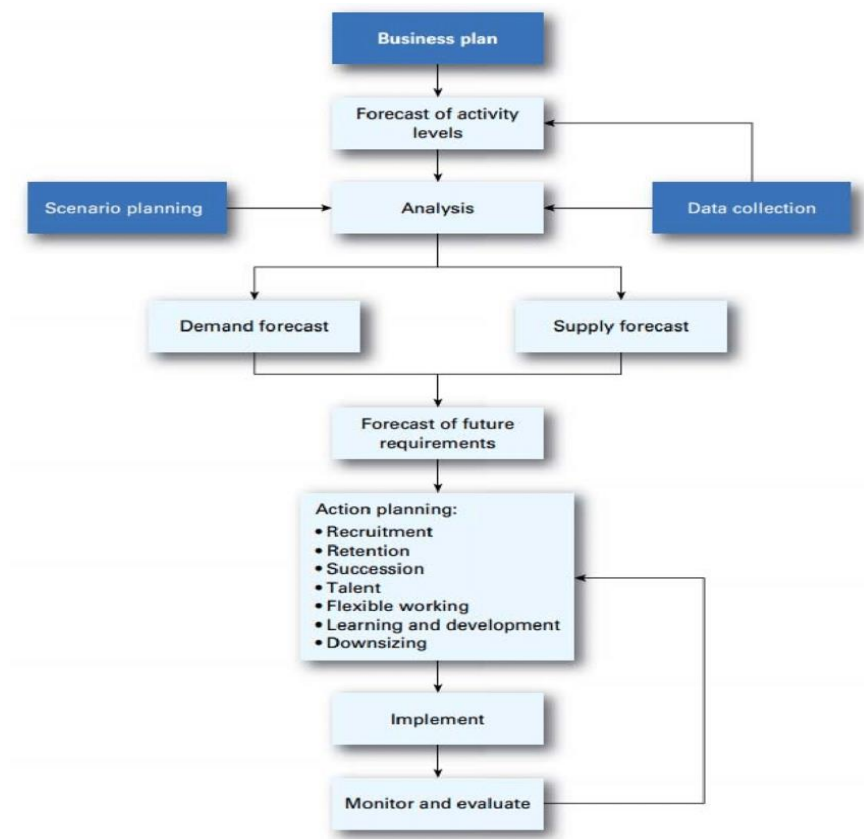
The need for deeper scrutiny and extension of the Harvard model of HR is essential “The Harvard model of HRM Beer et al (1984) produced what has become known as the ‘Harvard framework’. They started with the proposition that: ‘HRM involves all management decisions and actions that affect the nature of the relationship between the organization and employees – its HR’ (M. Armstrong and S. Taylor, 2014).

The hospitality sector is more clearly affected by the “hard” model of the HR “Conclusions on hard and soft models of HRM – Truss et al (1997: 70) Even if the rhetoric of HRM is ‘soft’, the reality is almost always ‘hard’, with the interests of the organization prevailing over those of the individual. In all the organizations, we found a mixture of both hard and soft approaches. The precise ingredients of this mixture were unique to each organization, which implies that factors such as the external and internal environment of the organization, its strategy, culture and structure all have a vital role to play in the way in which HRM operates.”(M. Armstrong and S. Taylor, 2014), The CH&CO case in particular is quite good example in this matter. Not accurate reporting of hours worked due to their recording by hand, long working hours not recognised as overtime (sometimes 12-16 hours a day) due to poor work planning, not anticipating and omissions in the planning of the respective events by the managers and limited investment in learning and development.

“The research (AlHrout & Mohamed, 2014) analysed the behaviour i.e. employee-employer relationship, of the employees in a hospitality industry in general and the front-line staff’s behaviour is linked to hotel’s business and can improve the quality of the services rendered by them. The social external factors (Ongori, Iravo, & Munene, 2013) not only

provide ultimate employee satisfaction but also provides various opportunities in career that has important effect on employee morale and motivation. (Kingir & Mesci, 2010)

Workforce planning is an integral part of business planning.



(Fig. 2) (M. Armstrong and S. Taylor, 2014)

Data collection used in workforce planning can be collected under the following category:

- Qualitative internal data: business information on market developments, HR information on people (skills, performance, etc).
- Quantitative internal data: workforce data on turnover, absence, demographics, skills audits, etc.
- Qualitative external data: PESTLE analysis covering the following factors: political, economic, social, technological, legal and environmental.
- Quantitative external data: labour market – demographics, skills availability.

Workforce diversity means similarities and differences among employees in terms of age, sexual orientation, physical abilities and disabilities, religion, gender, and race.

A PESTLE analysis helps an organisation establish the external factors that could impact decisions made inside the organisation.

Advantages:

- It can enable an organisation to anticipate future business threats and take action to avoid or minimise their impact.
- It can enable an organisation to spot business opportunities and exploit them fully.

Disadvantages:

- Insufficient or excessive amount of data could lead to wrong conclusions.
- The pace of change makes it increasingly difficult to anticipate developments that may affect an organisation in the future.

Conclusions:

As hospitality companies are increasingly characterized by diversity in their workforce, attracting, retention and using different people has become a priority. Companies need to be active in the diversity of the workforce.

From Social factors in this unit, they employed a relatively equal number of male and female, both by people of zero contract and by managerial staff.

Political and Legal factors have influence as a large part of the staff is from foreigners, this includes the hired staff from agencies and perhaps it will cause changes in the future as a consequence of Brexit.

Negatives of the tight labour market: new workers tend not to be as productive as the experienced skilled worker and it's expensive to train and retrain.

Recruitment and selection decisions are heavily influenced by individuals and attention should be paid to this process. Selection methods should be valid. The Internet may greatly change the application process, using job advertisements on the internet which will lead to a large selection of candidates and finding and hiring the right ones.”1. Development and implementation of management control system and procedures. 2. Introduction of new technologies in the department. 3. Develop strategies to combat discrimination, poverty, apartheid and privileges” (M. Cook, 2004:21).

Building a strong employer branding strategy is essential if you want to attract great candidates.

Depending on the strategy HRM activities are assumed to reflect the distribution of power in the system. Life circle model - if the company grows and develops HRM practices, programs and procedures must change to meet its needs.

As an asset can be noted the good communication between the different units of the company and the functional flexibility. There is a possibility for transfer of staff from one unit to another or from one facility to another when more people are needed. This provides an opportunity for more efficient employment management.

Looking at an organization where people work, we need first to be aware of the strategic vision of the organization, how it views human resources, whether as capital or as a workforce, as well as all external factors affecting its activities. With workflow planning depending on whether we are talking about a product or service. Development of databases linking external and internal factors would improve HRM practices. Employee rights and obligations. Analysing all the components needed to further grow the company, a good base for responding to unforeseen events related to external and internal influences. A prosperous and well-established company, which is present on the market and in the society, behind all this is HRM.

Suggestions:

Improving recruitment and selection In CH&CO Ltd.:

- strengthening the employer brand;
- attracting the applicants - improvements in the digital media channels, advertising agency, job centres;
- quickly fill the vacancies by building talent pool databases;
- educational standards development of a competency framework used for competency-based selection;
- training and promotion opportunities
- future changes to the economic and legal environment related to Brexit;
- contingency plans for the new UK immigration policies;

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