Purpose and aim of unit
Human resources (HR) professionals need to understand key developments in the business and external contexts within which HR operates. This unit enables learners to identify and review the business and external contextual factors affecting organisations and to assess the impacts of these factors on the HR function. The unit also examines HR’s role in strategy formulation and implementation. The unit is designed to encourage learners to adopt a critical perspective of these contexts and to provide workable organisational and HR solutions to address them.

This unit is suitable for persons who:
- seek to develop a career in HR management and development
- are working in the field of HR management and development and need to extend their knowledge and skills
- have responsibility for implementing HR policies and strategies
- need to understand the role of HR in the wider organisational and environmental context.

Learning outcomes
On completion of this unit, learners will:
1. Understand key contemporary business issues affecting the HR function within private, public and third sector organisations.
2. Understand the main external contextual factors impacting on organisations and the HR function.
3. Understand the role of HR in the managing of contemporary business issues and external contexts.
4. Understand how organisational and HR strategies and practices are shaped and developed.
5. Know how to identify and respond to short-term changes in the business and external contexts.

Guided learning hours
The notional learning hours for this unit are 60 in total. If the unit is provided by attendance mode, the guided learning hours would normally be considered to be 30 with an additional 30 hours of self-directed learning for reading and the preparation of assessment evidence.

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1 Equivalents in Ireland = 7, Scotland = 9
CIPD unit 5BIC - Version 1.0 - 04.05.10
Unit content
Indicative content is provided for each of the learning outcomes of the unit. The content is neither prescriptive nor exhaustive but should enable achievement of the learning outcomes.

1 Understand key contemporary business issues affecting the HR function within private, public and third sector organisations.
   Types of organisation; the role of management within them; ways in which HR is delivered; the main functional areas of management; the search for sustained organisational performance, business profit and efficiency; analysing, evaluating and drawing conclusions from financial and non-financial data; balanced scorecard or similar performance measurement tools; managing the change agenda.

2 Understand the main external contextual factors impacting on organisations and the HR function.
   The market and competitive contexts of organisations; principal demographic, social and technological trends; globalisation and international factors; government policy and legal regulation; the European Union (EU) and other international bodies.

3 Understand the role of HR in the managing of contemporary business issues and external contexts.
   Forces shaping the HR agenda; models of the HR function; HR insights, strategies and solutions to support sustained organisational performance; relationships of HR with senior management and line management; basic issues of ethics, accountability and good governance.

4 Understand how organisational and HR strategies and practices are shaped and developed.
   How corporate and HR strategies are shaped by the business and external contexts; organisational insights and sustained organisational performance; strategy formulation and implementation; emergent strategies; techniques and tools to analyse organisational and business environment; vertical and horizontal integration.

5 Know how to identify and respond to short-term changes in the business and external contexts.
   HR’s role in business planning and review; environmental scanning; sources of data and business information; handling, analysing and reviewing complex business data; interpreting trends, patterns and metrics in the organisation, and identifying obstacles and risks; responding to change: short-term imperatives and long-term horizons; preparing position and policy papers; communicating with senior, middle managers and staff.

CIPD unit 5BIC - Version 1.0 - 04.05.10
Unit assessment
To achieve this unit, the evidence the learner presents for assessment must demonstrate that they have met all the learning outcomes and assessment criteria.

<table>
<thead>
<tr>
<th>Learning outcomes</th>
<th>Assessment criteria</th>
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</thead>
<tbody>
<tr>
<td>The learner will:</td>
<td>The learner can:</td>
</tr>
<tr>
<td>1  Understand key contemporary business issues affecting the HR function within private, public and third sector organisations.</td>
<td>1.1 Explain types of organisations and the roles of management in them.</td>
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<td></td>
<td>1.2 Analyse how HR is delivered and describe the main functional areas of management.</td>
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<td></td>
<td>1.3 Evaluate business performance and the change management agenda.</td>
</tr>
<tr>
<td>2  Understand the main external contextual factors impacting on organisations and the HR function.</td>
<td>2.1 Review the market and competitive contexts of organisations.</td>
</tr>
<tr>
<td></td>
<td>2.2 Evaluate the demographic, social and technological trends affecting organisations.</td>
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<td></td>
<td>2.3 Explain the nature of globalisation and international factors affecting organisations.</td>
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<td></td>
<td>2.4 Describe the impact of government and EU policy and regulations on organisations.</td>
</tr>
<tr>
<td>3  Understand the role of HR in the managing of contemporary business issues and external contexts.</td>
<td>3.1 Analyse the forces shaping the HR agenda.</td>
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<td></td>
<td>3.2 Explain how HR contributes to organisational effectiveness.</td>
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<td>3.3 Examine HR’s roles and functions in management structures.</td>
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<td></td>
<td>Understand how organisational and HR strategies and practices are shaped and developed.</td>
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<tr>
<td>4</td>
<td>4.1 Review the role of HR in strategy formulation and implementation.</td>
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<td></td>
<td>4.2 Describe the techniques and tools used to analyse organisational and business environment.</td>
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<td></td>
<td>4.3 Explain vertical and horizontal integration.</td>
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<tr>
<td>5</td>
<td>Know how to identify and respond to short-term changes in the business and external contexts.</td>
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<tr>
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<td>5.1 Identify HR’s role in business planning.</td>
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</tbody>
</table>

CIPD unit 5BIC - Version 1.0 - 04.05.10
Learning resources for CIPD unit 5BIC 04.05.10

Learning resources for unit: 5BIC
This section provides suggestions for suitable resources for this unit. The list is indicative only and should not be considered as prescriptive or exhaustive.

Essential reading

Key textbooks
Key journals

1. Human Resource Management Journal
   Available at: www.cipd.co.uk/journals

   Available at: www.cipd.co.uk/journals

3. People Management
   Available at: www.cipd.co.uk/journals

Online resources


Websites

1. www.bankofengland.co.uk
   website of the Bank of England

2. www.berr.gov.uk
   website of the Department for Business, Innovation and Skills

3. www.cbi.org.uk
   website of the Confederation of British Industry

4. www.cipd.co.uk
   website of the Chartered Institute of Personnel and Development

5. www.equalityhumanrights.com
   website of the Equality and Human Rights Commission

6. www.eurofound.europa.eu
   website of the European Foundation for the Improvement of Living and Working Conditions

7. www.europa.eu.int
   website of the European Union

8. www.oecd.org
   website of the Organisation for Economic Co-operation and Development

   website of the Office for National Statistics

10. www.statistics.gov.uk/products
    website of labour market trends

11. www.theworkfoundation.com
    website of the Work Foundation
Ref No 5BIC 102001 – Core Unit Assessments

CIPD Assessment Activity

<table>
<thead>
<tr>
<th>Title of unit/s</th>
<th>Business Issues and the Contexts of Human Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit No/s</td>
<td>5BIC</td>
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<tr>
<td>Level</td>
<td>5</td>
</tr>
<tr>
<td>Credit value</td>
<td>6</td>
</tr>
<tr>
<td>Assessment method</td>
<td>Written report (for a Chief Executive Officer)</td>
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<td></td>
<td>Professional discussion (mixed mode delivery only)</td>
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</table>

Learning outcomes:

3. Understand the role of HR in the managing of contemporary business issues and external contexts
4. Understand how organisational and HR strategies and practices are shaped and developed
5. Know how to identify and respond to short-term changes in the business and external contexts

Assessment brief/activity

You have been commissioned by a Chief Executive Officer (CEO) of an organisation to examine and report on the role of the HR function in managing the organisation and to demonstrate how the organisational and HR strategies are shaped and developed within it. You are also required to indicate how the organisation measures its performance in these areas and how it communicates this to managers and staff.

Your report is expected to cover the following issues:

- an identification and analysis of the major forces shaping the HR agenda within the organisation
- an examination of HR’s roles within the organisation and the extent to which HR contributes to sound business ethics, effective accountability and organisational effectiveness
- a review of the organisation’s business and HR strategies, incorporating SWOT and STEEPLE analyses, and a commentary on the extent to which there is vertical and horizontal integration of strategies within the organisation
- an assessment of how the organisation measures the effectiveness of these strategies and communicates them within the organisation, including the provision of costs where appropriate.

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<tr>
<th>Assessment Criteria</th>
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<td>3.1</td>
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<td>3.2, 3.3, 3.4</td>
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<td>4.1, 4.2, 4.3</td>
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<tr>
<td>5.1, 5.2, 5.3</td>
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</table>

Evidence to be produced/required

A written, evidenced based report of approximately 3000 words in length, together with a list of cited References and a separate Bibliography of sources consulted but not specifically mentioned (but these should be excluded from the word count.)

Professional discussion (transcript and supporting information) equating to approximately 3000 words.
Assessment guidance

<table>
<thead>
<tr>
<th>Unit title and No:</th>
<th>Business Issues and the Contexts of Human Resources – 5BIC</th>
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<tbody>
<tr>
<td>Credit value:</td>
<td>6 credits</td>
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</table>

**Generic guidance:**

The assessment activities for this unit may take a variety of forms. These include: a written report; an individual or group presentation; a case study or a professional discussion.

Whatever the format candidates need to relate academic concepts and theories and professional practice to the way organisations operate, in a critical and informed way, and with reference to key texts, articles and other publications and by using organisational examples for illustration.

Work presented for assessment by candidates should equate to approximately 3000 words in total.

**Assessment Criteria guidance:**

**AC 1.1, 1.2, 1.3**  
Candidates are expected to identify and describe different types of organisations, describe different ways in which HR is organised and delivered within them, and must identify and review the tools that organisations use to review business performance. Organisations are normally described as private businesses, public services and voluntary or welfare organisations, where management are responsible for organisational efficiency and effectiveness. The contribution of HR is to optimise the people resource for the benefit of the organisation, its stakeholders and society. HR is delivered in a number of ways such as business partner, shared services, outsourcing, vendor management and centres of excellence. The tools used for reviewing business performance include financial and non-financial data, balanced score cards and other similar performance indicators.

**AC 2.1, 2.2, 2.3, 2.4**  
Candidates are expected to identify the external contexts of organisations and analyse, discuss and review the impact of these contexts on organisations. Organisations have to cope with turbulent and changing external contexts. They are driven by a competition and change agenda. The external contexts driving organisations today are socio-cultural, technological, economic, environmental, political and legal ones, as well as global factors. Successful organisations need to continually review their external contexts to maintain their market position and competitive advantage.

**AC 3.1, 3.2, 3.3, 3.4**  
Candidates are expected to identify and explain different models of the HR function, the forces shaping them and evaluate the role of line managers in delivering HR. Candidates must also review and assess the importance of ethical considerations and issues of effective governance in HR decision making. HR has had to continually evolve and change its priorities and its activities in response to market and global imperatives. This trend continues today and a number of models of the HR function have been proposed to meet changing demands. These include the Harvard model, Michigan model, the Ulrich model and others, with the HR agenda being shaped by...
changes in labour markets, employment legislation, public policy and the
search for flexibility. There are pressures on HR to promote ethical
management practices and policies and good governance, in the light of
pressures on the eco-system and global resources.

| AC 4.1, 4.2, 4.3 | Candidates are expected to identify basic frameworks of HR strategy,
how it is formulated and implemented, and differentiate between
horizontal and vertical integration. Candidates must also identify
appropriate tools and techniques of analysis.
A key feature of contemporary HR is its role in and contribution to strategy
formulation and implementation. Integration is a key issue here. The
integration of HR strategy and practices horizontally so they are
consistent and compatible with each other. The integration of HR
strategy vertically with business strategy aims at synergy between them.
Best practice, best fit and resource-based views of the firm have been
proposed. The tools and techniques of analysis used include Strengths,
Weaknesses, Opportunities, Threats (SWOT) and Socio-cultural,
Technological, Economic, Environment, Political, Legal and Ethical
(STEEPLE).

| AC 5.1, 5.2, 5.3 | Candidates must analyse the role of HR in managing and responding to
change, drawing on appropriate tools of analysis and review.
Change is endemic in contemporary organisations and managers have to
manage change with the support of HR expertise. HR practitioners need
to understand the use of metrics and how to analyse and interpret trends,
patterns and data in their organisations. They also need to know how to
support the implementation of people management and development
initiatives and develop appropriate metrics to assess their impact.
### INTERMEDIATE CHRM/CLDM ASSESSMENT

**Business issues and the Contexts of Human Resources (5BIC)**  
Ref No 5BIC 102001 – Core Unit Assessments - Version 2.0 January 2011

**Student name:**

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>MET/ NOT YET MET</th>
<th>COMMENTS</th>
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<tbody>
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**ASSESSMENT OUTCOME**

*Students should please note that the above Assessment Outcome for this Unit is provisional and is subject to Internal Selhurst Consulting verification (IV) and external CIPD Verification (EV).*

Tutor’s signature  
Date