Exercise walk-through

Human resource management strategy ▪ 7.4

eXercise

You must be able to

- explain the difference between hard and soft HRM
- describe workforce planning and the role of trade unions
- analyse and evaluate an HRM approach for a business

Method — Hard vs soft HRM

- **Hard HRM:** staff are a resource to use at lowest cost — tight control, short-term contracts.
- **Soft HRM:** staff are the firm's most valuable asset — training, involvement, long-term careers.
- **Trade union:** an organised group of workers; through **collective bargaining** it negotiates pay and conditions for the whole group; if talks fail, members may take **industrial action** (a strike).

Answer shapes: AO1 + AO2 + AO3 (reasoning chain) + AO4 (a supported judgement *in context*).

Method — Hard vs soft HRM

Hard HRM	Soft HRM
staff = a resource, used at lowest cost	*staff = the most valuable asset, developed*
tight control	training & involvement
short-term contracts	long-term careers
cost-driven	motivation-driven

Method — Hard vs soft HRM

Leaders shape how a firm manages and develops its people

Practice 2.1 ▪ 2 marks

State the difference between *hard* and *soft* HRM.

Solution 2.1

Method: Hard vs soft HRM

Worked steps

hard HRM treats staff as a resource to be used at lowest cost (tight control); soft HRM treats staff as a valuable asset to be developed and motivated (2 for a clear difference; 1 for a partial idea).

Practice 2.2 ▪ 2 marks

Define the term *trade union*.

Solution 2.2

Method: Hard vs soft HRM

Worked steps

an organised group of workers that speaks and negotiates for its members (2 for a clear definition; 1 for a partial idea).

Practice 2.3 ▪ 2 marks

Define the term *collective bargaining*.

Solution 2.3

Method: Hard vs soft HRM

Worked steps

negotiation between a trade union and an employer over pay and conditions for a whole group of workers at once (2 for a clear definition; 1 for a partial idea).

Exam-style 3.1 ▪ 3 marks

Explain one benefit to a business of using a **soft HRM** approach.

Solution 3.1

Method: Hard vs soft HRM

Worked steps

[3] **AO1** 1 — name a benefit (higher motivation; lower labour turnover; better skills). **AO2** up to 2 — develop it, e.g. training and involvement make staff feel valued → they stay longer and work better → lower recruitment costs and higher quality (2 developed / 1 limited).

Exam-style 3.2 ▪ 8 marks

Analyse two reasons why **workforce planning** is important to a business.

Solution 3.2

Worked steps

[8] For **each** of two reasons: **AO1** 1 + **AO2** 1 + **AO3** up to 2. Example chains — *right staff at the right time*: planning shows future skill gaps → the firm trains or hires in good time → no shortage that slows production. *Cost control*: planning avoids over-hiring → wage costs stay efficient → higher profit. Maximum 4 per reason, 8 total.

Exam-style 3.3 ▪ 12 marks

A manufacturer is choosing between a **hard** and a **soft** HRM approach. Evaluate which it should use.

Solution 3.3

Method: Hard vs soft HRM

Worked steps

[12] **AO1** 2 / **AO2** 2 / **AO3** 2 / **AO4** up to 6. **Hard HRM:** lower wage costs and flexibility — but low motivation, high turnover and possible poor quality. **Soft HRM:** motivated, skilled, loyal staff and better quality — but higher training and pay costs. Judgement: soft HRM suits a firm relying on skilled, customer-facing staff, while hard HRM may suit low-skill, cost-driven work — the best approach depends on the type of work and the labour market.