

## Higher National Unit Specification

### General information for centres

**Unit title:** Human Resource Management: Employee Reward

**Unit code:** DN7H 35

**Unit purpose:** The purpose of this unit is to introduce candidates to the fundamental principles of reward management

On completion of the Unit the candidate should be able to:

1. Explain the contribution of reward management to an organisation and its links with other HR activities.
2. Describe and evaluate the principal tools and techniques of reward management.
3. Explain and evaluate reward management processes.

**Credit points and level:** 1 HN Credit at SCQF level 8: (8 SCQF credit points at SCQF level 8\*)

*\*SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.*

**Recommended prior knowledge and skills:** Access to this unit is at the discretion of the centre. It is desirable but not essential that candidates have prior knowledge of motivation theories.

**Core skills:** There may be opportunities to gather evidence towards core skills in this Unit, although there is no automatic certification of core skills or core skills components.

**Context for delivery:** If this Unit is delivered as part of a group award, it is recommended that it should be taught and assessed within the subject area of the group award to which it contributes. It is an optional unit in the HND Human Resource Management.

**Assessment:** This unit is assessed holistically via an integrated assessment of all the outcomes within the unit or linked to outcomes from other units.

## **Higher National Unit specification: statement of standards**

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The sections of the Unit stating the Outcomes, knowledge and/or skills, and evidence requirements are mandatory.

Where evidence for Outcomes is assessed on a sample basis, the whole of the content listed in the knowledge and/or skills section must be taught and available for assessment. Candidates should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

### **Outcome 1**

Explain the contribution of reward management to an organisation and its links with other HR activities

#### **Knowledge and/or skills**

- ◆ The concept of reward management
- ◆ The contribution of reward management to effective organisations
- ◆ The relationship between content theories of motivation and reward management
- ◆ The relationship between reward and other primary HR activities

#### **Evidence requirements**

Candidates will need evidence to demonstrate their knowledge and/or skills by showing that they can:

- ◆ explain the concept of reward management
- ◆ analyse how reward management contributes to the functioning of effective organisations
- ◆ explain the relationship between reward and motivation with reference to content motivational theories
- ◆ explain how reward management impacts upon other primary HR activities

#### **Assessment guidelines**

This outcome may be assessed as a separate outcome or combined with outcomes two and three as an integrated assessment. The assessment may take the form of a report, case study or extended response question/s linked to a case study or the candidate's workplace. If sampling is used this should be carried out under controlled conditions.

## **Higher National Unit specification: statement of standards (cont)**

**Unit title:** Human Resource Management: Employee Reward

### **Outcome 2**

Describe and evaluate the principal tools and techniques of reward management

#### **Knowledge and skills**

- ◆ Pay structures
- ◆ Financial benefits
- ◆ Non financial benefits

#### **Evidence requirements**

Candidates will need evidence to demonstrate their skills and/or knowledge by showing that they can:

- ◆ Describe and distinguish between a minimum of three different pay structures
- ◆ Describe and evaluate the contribution of five examples of financial benefits
- ◆ Describe and evaluate the contribution of three examples of non financial benefits

#### **Assessment guidelines**

This outcome may be integrated with outcomes 1 and 3 into a single assessment. The assessment may take the form of a report, case study or extended response question/s linked to a case study or to the candidates workplace. If sampling is used this should be carried out under controlled conditions.

### **Outcome 3**

Explain reward management processes

#### **Knowledge and/or skills**

- ◆ Job evaluation process
- ◆ Equal Pay reviews
- ◆ Pay surveys
- ◆ Relevant current employment legislation

#### **Evidence requirements**

Candidates will need evidence to demonstrate their knowledge and/or skills by showing that they can:

- ◆ Explain how relevant and current employment legislation underpins job evaluation and equal pay reviews
- ◆ Describe the job evaluation process
- ◆ Describe the equal pay review process
- ◆ Advise on the conduct of job evaluation and equal pay reviews
- ◆ Explain the consequences of failure to carry out effective job evaluation and equal pay reviews
- ◆ Explain the rationale for the use of pay surveys
- ◆ Advise on the conduct of a pay survey

## **Higher National Unit specification: statement of standards (cont)**

**Unit title:** Human Resource Management: Employee Reward

### **Assessment guidelines**

This outcome may be integrated with outcomes 1 and 2 into a single assessment. The assessment may take the form of a report, case study or extended response question/s based on a case study or the candidate's workplace. If sampling is used this should be carried out under controlled conditions.

## **Administrative Information**

<b>Unit code:</b>	DN7H 35
<b>Unit title:</b>	Human Resource Management: Employee Reward
<b>Superclass category:</b>	AJ
<b>Date of publication:</b>	August 2004
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## Higher National Unit specification: support notes

### Unit title: Human Resource Management: Employee Reward

This part of the Unit specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

### Guidance on the content and context for this Unit

**Outcome 1** seeks to introduce the candidate to the concept of reward management at an operational level. This might include a consideration of what kinds of organisational activities fall under this heading e.g. pay administration; communicating with employees about reward; total reward. Candidates should be encouraged to use their prior knowledge about process motivation theories, particularly expectancy and equity theory, to explain why employees respond differently to rewards made available. It is not anticipated that centres should teach these theories for the first time as part of this unit. In order to ensure that reward management is viewed as an integrated organisational activity the links with other HR activities, for example, recruitment; learning and development; employee relations should be investigated as part of the process of developing an understanding of how reward management might contribute to an effective organisation.

**Outcome 2** introduces the different types of pay structures, schemes and benefits available to reward managers. The unit specifies a minimum number of each to be considered, however, centres may increase these numbers if it is felt appropriate to do so.

- ◆ Pay structures: an introduction to the purpose of a pay structure would be appropriate. It is suggested that centres select 2 or 3 of the more common types of pay structures for consideration and comparison. This list might include: graded pay structures, broad-banded structures, individual job ranges, job family structures, pay spines, time rates
- ◆ Pay schemes: paying for performance, competence, skill and contribution; team based pay. It is suggested that candidates should know about the purpose of each and the individual important characteristics. It is not intended that they should be able to design or analyse examples of these schemes
- ◆ Financial benefits: this list is as varied and creative as the organisations who seek to provide an attractive benefit to recruit or retain their staff. The list could include the traditional financial benefits such as health care, cars, discounts etc. together with more innovative benefits such as schemes to purchase home computers and bicycles. Centres are encouraged to add or subtract from this list as they become aware of new benefits being offered or 'old' benefits falling out of favour. The industry website [www.employeebenefits.co.uk](http://www.employeebenefits.co.uk) provides up to date information and examples in this area.
- ◆ Non financial rewards: recognition and feedback, involvement and autonomy, job redesign, training and development; organisational opportunities for life long learning

## **Higher National Unit specification: support notes (cont)**

**Unit title:** Human Resource Management: Employee Reward

**Outcome 3** introduces some of the main procedures required to achieve and monitor the implementation of reward management policies and systems. It is not intended that candidates should carry out these activities, other than perhaps in a carefully controlled, simulated situation, rather that the candidate can describe the rationale for each of the processes and be able to advise about the design, protocols and conduct of each. Knowledge of relevant employment law may be drawn from the unit 'Employment Relations: Law' however, it is intended that an understanding of the spirit of relevant legislation, together with any amendments that may come into force within the life of this unit, are considered rather than the letter of the law.

### **Guidance on the delivery and assessment of this Unit**

This unit may be assessed in a variety of ways, however it is anticipated that a single case study integrating all 3 outcomes could provide the candidate with the best opportunity to apply the knowledge and skills contained in this unit. This unit also provides underpinning knowledge for the graded unit at HND level since much of the available software to support HRM focuses upon the effective and efficient management of reward in organisations

### **Open learning**

This unit would be ideally suited to open learning or distance learning methods, additional resources will be required for candidate support, assessment and quality assurance. For further information and advice please refer to the SQA guide: *Assessment and Quality Assurance for Open and Distance Learning* (A1030, February 2001).

### **Candidates with additional support needs**

This Unit specification is intended to ensure that there are no artificial barriers to learning or assessment. The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments or considering alternative Outcomes for Units. For information on these, please refer to the SQA document *Guidance Assessment Arrangements for Candidates with Disabilities and/or Additional Support Needs*, which is available on the SQA website [www.sqa.org.uk](http://www.sqa.org.uk).

## **General information for candidates**

**Unit title:** Human Resource Management: Employee Reward

The purpose of this unit is to introduce you to the fundamental principles of reward management

You will learn about the contribution of reward management to an organisation and its links with other HR activities. You will be able to evaluate the principal tools and techniques of reward management and understand reward management processes