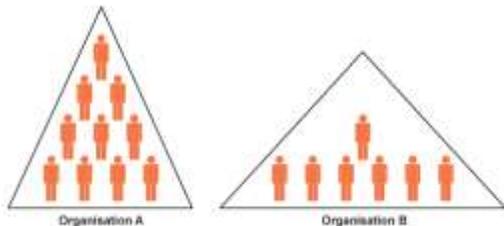


# GCSE Business Studies Unit 4: Human Resources

## Organisation Structure, Recruitment and Selection, Motivation, Training

### Organisational Structure:

- The way a business arranges itself to carry out activities
- Shows who **line manages** who and who has **authority** over others to make a decision (**chain of command**)
- Span of Control:** The number of employees managed by a direct line manager
- Level of hierarchy:** The layers of authority in a business (4 below)
- The CEO has ultimate **authority** within the business
- Delayering:** removing one or more levels of hierarchy from the organisational structure to reduce costs. Junior managers might have to take on more responsibility and senior managers might have a very wide span of control then the level of hierarchy is removed
- Delegation:** passing authority to more junior employees.
- In small businesses the Entrepreneur makes the decisions, as a business grows this is impossible (lots of decisions and specialists in different areas are needed)



- Tall Organisational Structures – a narrow span of control and a large number of levels of hierarchy. Line managers can monitor workers closely. Communication can take a long time; messages can be distorted. Decision making might also take a long time.
- A flat organisational structure – a wide span of control and few levels of hierarchy. Managers/supervisors must be able to delegate.

Centralised	Decentralised
<b>A small number of senior managers in the business takes all the important decisions</b>	<b>Employees in all areas of the business take decisions</b>
	Workers in branches, departments or factories are given authority to make decisions
	Motivating and empowering for workers who often have good decisions as they know customers' needs and wants.
	Reduced pressure on senior managers who can concentrate on raising finances and strategy.
	Fast decision making on a branch level as managers don't need to wait for approval
	Decisions must be made in the best interests of the business not a branch, communication to senior managers must be strong they need to know what's happening and training will be needed

### Recruitment & Selection:

- Stage 1:** The business has a need to employ more staff (growth, employees leave)
- Stage 2:** Job Description and Person Specification drawn up
- Stage 3:** Jobs are advertised internally or externally.
- Stage 4:** Applications are received by internal and external candidates

Internal Recruitment	External Recruitment
Candidates have experience of the business, know the other workers and have already had induction training	Wider choice of candidates with different skills and experience
No external advertising therefore, cheaper	Fresh ideas and enthusiasm are brought into the business
Motivating for workers looking to progress within the business	Workers have the skills and experience needed to complete the job so less need for expensive training
Adverts on notice boards, internal websites, employee newsletters, certain employees will be invited to apply by owners/managers	Can be expensive and the business don't know the applicants and they could make a mistake.

### Recruitment Process:

Job Description : Duties and tasks of the job: hours, place of work, title etc
Person specification: Qualifications, skills, experience
Job Advert: Job title, location, pay, hours, who to apply to
Application Form and Curriculum vitae (CV): personal information, qualifications, employment history and interests

### Selection Process:

Interviews	One on one or panel interviews with several interviewers
Psychometric Test	MCQ, checking the personality of candidates "will they fit in"
Assessment Centres	Roles plays, psychometric tests, interviews, practical tasks

### Benefits of effective recruitment and training:

High level of productivity – you've appointed the best person hopefully skilled and experienced
High quality products or customer service – the worker is motivated, skilled and experienced

Full Time Employment	Part Time Employment
Working the whole week, easier to communicate and might be better skilled	Flexible to work more if demand increases Small businesses might need workers with specialist skills (they don't need them all the time)
Less likely to need a second job and more likely to be considered for promotion as can work more and attend training.	Workers can work around other commitments like children or elderly relatives Suitable for retired people who want to work some hours but not full time.

**Job Sharing:** Two or more employees agree to share a full time job

**Zero Hours Contract:** Allows businesses to employ staff without any guarantees hours of work

**Contract of Employment:** Legal document stating the hours of work, rates of pay, duties and other conditions under which a person is employed

**Employee Retention:** Keeping workers in the business (reduced R&T costs, better customers service, higher productivity as workers are trained and have worked in the business a long time.

## Motivating Employees: Maslow's Hierarchy of Needs

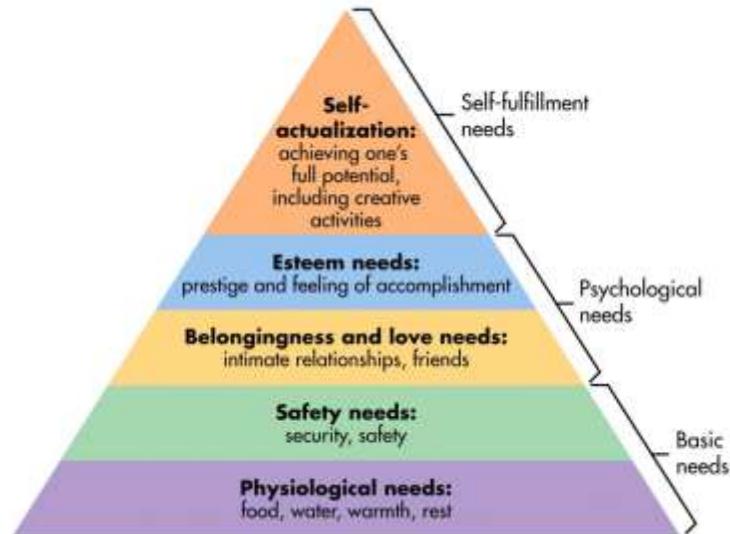
**Self-Actualisation:**  
Stretching and challenging employees. Giving them freedom to organise their own work/time.

**Ego/Self Esteem:**  
Praising employees for doing a good job. Recognise achievements including praise, paying them a bonus.

**Love & Belonging:**  
Workers want to be part of a group/make friendships. Workers could work in teams or businesses can offer social events.

**Safety Needs:**  
Workers want to be safe at work (trained to do dangerous jobs) and also job security

**Physiological Needs:**  
Basic needs: Keeping warm, shelter, food etc. These needs are met through getting paid to buy these things and also having somewhere warm to work.



### Benefits of Motivating Workers:

- Increased Productivity
- Increase employee retention rates
- Higher level of sales
- Improve recruitment and selection

### Methods of Motivating Workers:

- Increased authority through job enrichment
- Training
- Management styles (authoritarian or democratic)

### Financial Methods:

- Salaries
- Wages
- Piece Rate Pay
- Commission
- Profit Share

## Training Employees

### Types of Training

Induction Training	<p>1<sup>st</sup> training an employee receives</p> <p>Workers familiarise themselves with the job and business and meet other workers and line managers.</p> <p>Workers feel integrates, are more productive as they know what to do and are less likely to leave (lower labour turnover)</p>
On the Job Training	<p>Workers learn on the job in the workplace including work shadowing, formal training from experienced employees, computer based training.</p> <p>Cheap way to train workers, targeted training to the exact needs of the business, e training on computers can be flexible and delivered anytime cheaply.</p> <p>However, this training is unlikely to bring fresh ideas into the workforce and leaves less workers</p>
Off the Job Training	<p>Workers learn outside of the workplace including studying at home, attending college courses or training days or university</p> <p>Brings new ideas and approaches into the business Can motivate workers as they are learning new skills that could improve their performance at work.</p> <p>However, its expensive and unaffordable for some businesses. Also Risky as workers may learn new skills then leave to work elsewhere.</p>

### Consideration when deciding which training to use:

The budget available to pay for the training/ financial position of the business
Type of training required
Skills and Experience of the current workforce

