

Functions of HR Department

- **Recruitment and selection** → ensuring that the right people are recruited to the right jobs.
- **Organising training for workers** → enabling employees to carry out their responsibilities effectively and make use of their potential.
- **Employee Relations** → looking after staff welfare such as negotiations over pay and conditions, dealing with grievance procedures and disciplinary matters.
- **Health and Safety matters** → making sure employees work in a healthy and safe environment.

Working Practices

Workforce

Definition: The people who are working or looking for employment.

Working Practice

Definition: The way that work is normally done within a particular business.



Job Sharing

Definition: Means that instead of one worker doing one job on a full time basis, the work will be carried out by more than one person on a part time basis. This is particularly important for workers with family responsibilities.

Possible benefits of job sharing:

- ✓ **Allows employees to work part time** → giving them time to take care of relatives or study for a qualification
- ✓ **Responsibility is split** → reduces the pressure on a single employee
- ✓ **Employers gain a broader range of skills** → businesses could benefit from having more ideas

Possible disadvantages of job sharing:

- ✗ **Communication between the two employees who are job sharing may break down on occasions** → leads to less continuity and possible inefficiency

Zero Hour Contracts

Definition: Involves a situation where employers do not offer a minimum number of hours to be worked and employees do not have to accept work being offered.

This is of particular value to businesses where the demand may vary from day to day, such as those involved in retailing or catering.

Benefits for employers:

- ✓ **Saves the business money** → it avoids them paying employees when they are not needed → employees come in only during busy periods

Drawbacks for employees:

- ✗ **Workers may only work occasionally** → meaning that they won't have a regular income making it difficult to pay regular bills such as rent

Flexible Working Hours

Definition: A working practice in which workers are no longer in their offices between two set times. Many can now work a full day within a range of hours set by the employer.

Example: A worker is employed to work 36 hours a week. They can work anytime between 7 and 5 per day but must be in between 10 and 4 each day.

Benefits of flexible hours:

- ✓ **Employees can fit work around other commitments more easily**
- ✓ **Businesses can have employees available for work at different times**

Home Working

Definition: Means that workers do not have to attend a workplace every day. Modern communication technology means that work can be carried out at home and can even be monitored from the workplace.

Benefits of home working:

- ✓ **Increases flexibility to the employee** → they can work whatever hours suit them → helps them to meet other commitments like looking after family members
- ✓ **Reduces costs to the employer** → they can avoid the costs of providing working space and furniture for the employee

Drawbacks of home working:

- ✗ **May be more difficult to monitor and control employees** → the employers will not always know what the employee is doing
- ✗ **Employees may miss out on social interactions** → this could demotivate them if they are feeling isolated → they miss out on the experience of learning from others

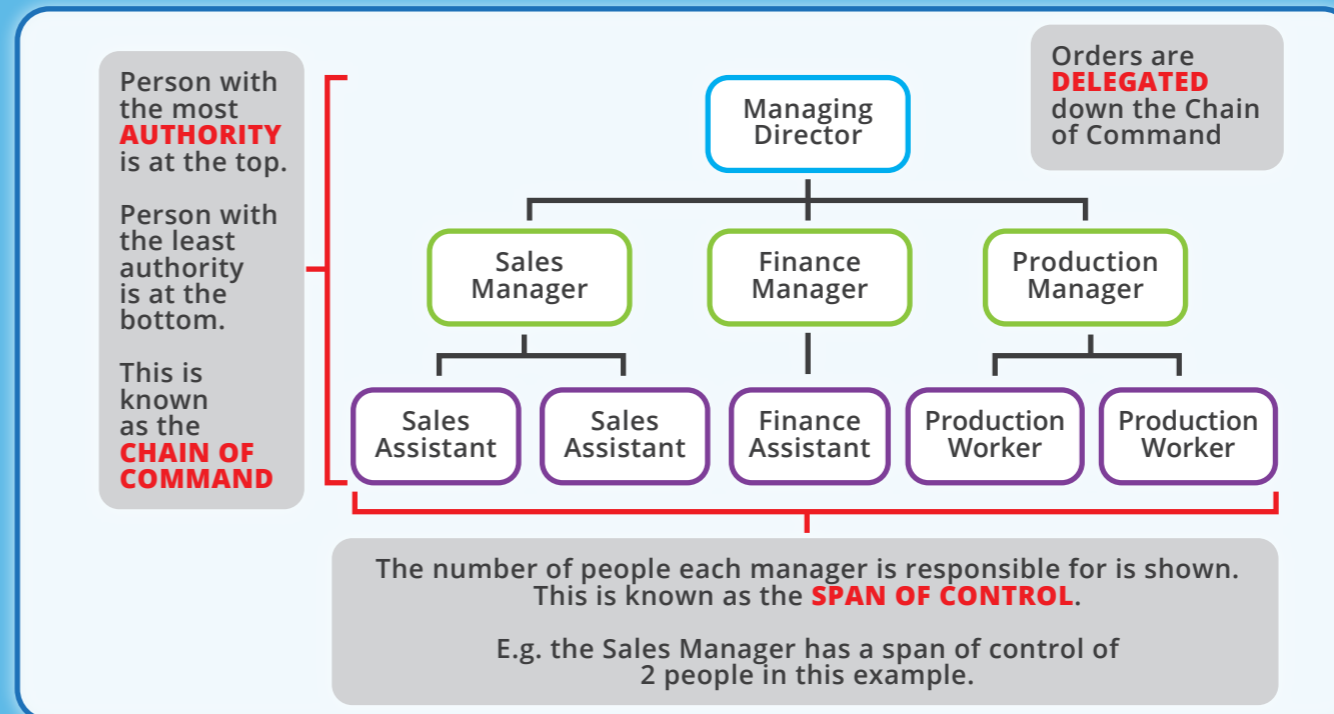
Job Roles

Job Roles

JOB ROLES	RESPONSIBILITIES
Leaders, Owner or Directors	<ul style="list-style-type: none"> Establish the business' overall goals Set long-term plans and targets for the business
Managers	<ul style="list-style-type: none"> Work to achieve the short and long-term targets set by the owners or directors May be responsible for a function within the business, e.g. marketing or finance Use employees and other resources in the best possible ways
Supervisors/ Team Leaders	<ul style="list-style-type: none"> Help managers to achieve their targets by reporting any problems and passing on instructions Take simple decisions such as allocating jobs among different employees
Operatives/ Shop Floor Workers	<ul style="list-style-type: none"> Carry out the business' basic duties or activities. These could be working on a production line, serving customers in a shop or office duties.

These job roles will also be different in terms of:

- authority
- decision-making
- skills and qualities
- delegation
- pay and benefits.



Authority

Definition: Having power or control over something.

Line Manager

Definition: The person immediately above the worker, to whom the worker is answerable.

Chain of Command

Definition: The path along which orders pass within a business from the management to the shop floor.

Levels of Hierarchy

Definition: The layers of authority within a business. Where each level has responsibility and authority over the levels below.

Delayering

Definition: Removing tiers of management, usually in the middle.

Span of Control

Definition: The number of people and individual is personally responsible for in a business organisation.

Delegation

Definition: The passing down of authority to more junior employees.

Subordinate

Definition: A person under the authority or control of a line manager within an organisation. They take orders from their line manager and refer directly to them if they require assistance.

Organisational Charts

Organisational Charts

Definition: A plan showing the roles of, and relationships between, all the employees in a business.

- It shows the internal structure of a business → the hierarchy → who is in charge of the business → the chain of command → the subordinates → career paths identified → motivates the workers
- The departmental structure
- The span of control → the number of people an individual is responsible for improves efficiency → speeds communication
- Who is responsible to whom → employees know who to report to if there is a problem

Tall (Hierarchical) Structures

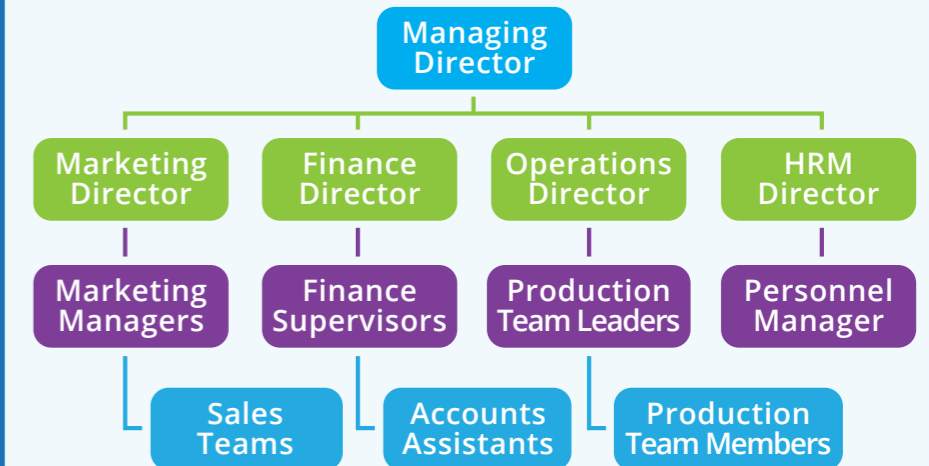
Definition: Involve organisational charts where there are many levels of hierarchy. In these organisations, there are usually many managers, and each manager has a small span of control.

Advantages:

- ✓ narrow spans of control → can help to limit managers' workloads
- ✓ clear and more regular opportunities for promotion of junior employees

Disadvantages:

- ✗ communication may be more difficult as it passes through many levels of hierarchy
- ✗ decisions can be made slowly as information has to be passed through the organisation



Organisation Charts Help:

- To improve communication → information can be passed on to other parts of the business
- To delegate → work can be passed to others lower down the hierarchy → more likely to complete tasks/less unfinished work
- Possible specialisation → different departments with workers have specific skill sets
- To improve motivation → workers have a clear career path with opportunities for promotion
- To improve control → workers are managed/supervised to ensure tasks are completed accurately and on time
- Workers know who to report to if there is a problem → workers don't all report to the same person → time isn't wasted going to the wrong person

Flat (Horizontal) Structures

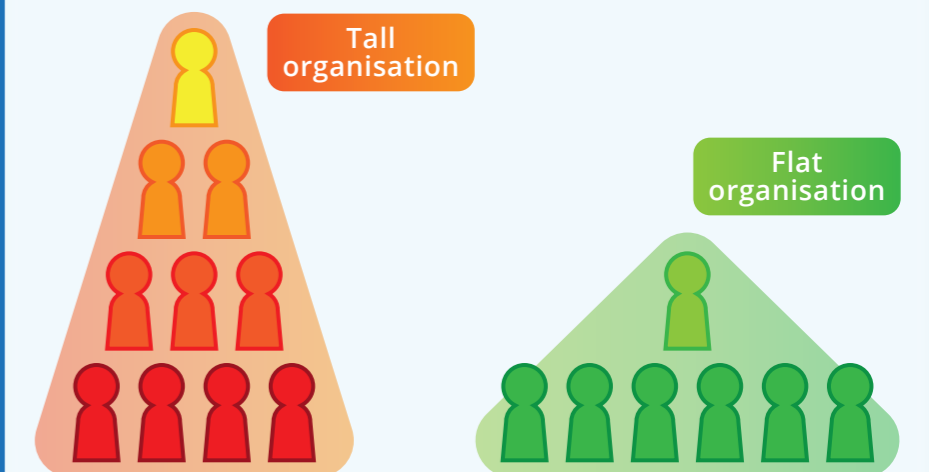
Definition: Involve organisational charts where there are few or no levels of middle management between staff and executives.

Advantages:

- ✓ fewer managers → can help to reduce costs
- ✓ junior employees may be motivated by being given more authority
- ✓ communication can be quick and effective as fewer levels of hierarchy

Disadvantages:

- ✗ managers may have spans of control that are too wide
- ✗ the business may have to spend heavily on training to give junior employees the necessary skills



Communication

Communication

Definition: The exchange of information between two or more people.

Feedback

Definition: The response stage of the communication process. Criticism of an advertising campaign is an example of feedback.

Channels of Communication

Oral → this allows for immediate communication between two parties and can take the form of face to face, telephone, video conferencing etc.

Written → increasingly done through email, texting and Twitter rather than letters. This allows the sender and receiver to have a record of the communication.

Visual or non-verbal → this is likely to be combined with oral and written communication to emphasise a point or to provide graphics and data e.g. on a PowerPoint presentation.

Factors to think about when deciding on which communication method to use

- cost
- speed of delivery
- speed of reply/response
- length of message
- detail in message
- confidentiality
- keeping record of message



Internal Communication Methods

Email/ intranet	<ul style="list-style-type: none"> • same message can be sent to many at once • much information can be included
Bulletins/ newsletters	<ul style="list-style-type: none"> • given to each worker • may be kept for reference
Meetings/ Face to Face	<ul style="list-style-type: none"> • individual/group points discussed • feedback given and results cascaded
Notice Boards	<ul style="list-style-type: none"> • one item of information seen by many • consulted over time
Memos/ letters	<ul style="list-style-type: none"> • written messages sent to all • can be filed and referred back to
Text messages	<ul style="list-style-type: none"> • written message can be kept • shorthand can be used
Telephone Call	<ul style="list-style-type: none"> • immediate contact with the right person
Video conferencing/ FaceTime	<ul style="list-style-type: none"> • immediate contact with the right person



Importance of Effective Communication

- **Increased employee involvement** → employees are aware of the activities taking place in the business → can lead to increased productivity
- **Improved motivation** → using communication to recognise the achievements of others can improve motivation and productivity levels
- **Working towards the same aims and objectives** → effective communication can coordinate the actions and decisions of employees and ensure that they focus on the right aims and objectives
- **Feedback** → can help an employee identify weaknesses in their work and offer ways in which their performance can be improved → may lead to an increase in their labour productivity

Barriers to Effective Communication

- **Physical barriers** → larger organisations operate in different locations, impacting on face to face discussions
- **Cultural barriers** → a clash of cultures might occur with different interpretations of messages
- **Language barriers** → misunderstanding of words and instructions in a cosmopolitan workplace
- **Perception** → people often interpret the same message in different ways

Problems with Poor Communication

- **Low employee morale** → as employees do not know what is happening within the business can lead to poor productivity
- **Increased absenteeism** → poor communication can result in low level of motivation → this affects decisions by employee on whether or not to go to work each day
- **Reduced employee cooperation** → employees who are not well informed about events within the business may become uncooperative → making it harder for a business to implement change
- **Incomplete actions and activities** → most employee errors come from a lack of understanding and poor communication. This means that an employee may not know how to ensure a customer's order is fulfilled correctly → this leads to unhappy customers
- **Supplies not being ordered on time** → delaying the process of orders or the production of goods or services

The Recruitment Process

Recruitment

Definition: The process of finding and hiring new employees.

Steps in the Recruitment Process

- Identify the job vacancy
- Drawing up job description
- Drawing up person specification
- Deciding whether to recruit internally or externally
- Advertising the job
- Receiving Applications / Curriculum Vitae / Letter of Application
- Shortlisting
- Request references
- Interview
- Ability Tests / Testing / Trials
- Appointment / Selection



Reasons Why Job Vacancies Arise

- An increase in sales → need extra employees to enable increased production
- Number of employees may be retiring / leaving → they need to be replaced
- The business plans to produce and sell new products / open more stores → additional employees may be required to achieve this

Headhunting

Definition: A method of recruitment where a business approaches suitable people employed by other businesses and invites them to apply for a particular job.

Job Analysis

Definition: The collection and interpretation of information about a job.

Retention

Definition: The proportion of a business' workforce that remains with the business over a period of time, usually one year.

Working Planning

Definition: Compares a business' expected future needs for employees with the existing workforce.

Job Description

Definition: Used in the recruitment process when employers outline what is involved in the work to be done by newly appointed workers.

Its Purpose:

- To show what the job entails / what the employee will be expected to do
- The applicant can use them to decide whether to apply → can speed up the recruitment process → potential applicants may not apply once they have seen the job description
- The business can link this to advertising the job
- The business can link this to the person specification → to make a decision on shortlisting.

Content:

- Job title / example of job title
- Part or full time > hours worked
- Pay
- Nature of work
- Days worked
- Holiday entitlement
- Location / address
- Date to start
- Duties / responsibilities
- Superiors / who the worker will be responsible to
- Subordinates / will the worker have supervision over others



Person Specification

Definition: Used in the recruitment process for the employers to outline the type of person they would like to employ.

Content:

- Qualifications
- Skills
- Experience / work history
- Personality / qualities



The Recruitment Process

Internal Recruitment

Definition: Takes place when a job vacancy is filled from within the existing workforce.

Advantages:

- ✓ **Cheap method of recruitment** → only need to advertise internally not pay external agencies
- ✓ **Candidates are familiar with the business** → saves on training costs such as induction
- ✓ **Positive impact on employee motivation** → chance of promotion may help to improve performance and productivity of employees

Disadvantages:

- ✗ **Limited number of people to select from** → makes it more difficult for the business to appoint the most talented people
- ✗ **No new ideas are brought into the business** → can be a problem for businesses which thrive on new ideas

External Recruitment

Definition: Filling a job vacancy with any suitable person not already employed by the business.

Advantages:

- ✓ **Able to target a much wider group of employees** → may be able to appoint more talented people → can help businesses to develop new ideas → may help to improve the productivity of the labour force

Disadvantages:

- ✗ **More costly than internal recruitment** → may be beyond budget of smaller businesses
- ✗ **Negative effect on employee motivation and performance** → existing employees may feel that they have been overlooked → they may leave the business as a result

Advertising the Job

Where to advertise:

- Newspaper
- Magazine
- Job Centre
- Office notice board
- Business news bulletin
- Shop window
- Internet



Ways to Apply

Application Form: Form which indicates interest in a particular place of employment or position within a company. Typically requests personal identification information, such as name, address and phone number, as well as a history of job experience.

Letter of Application: Written to accompany an application for a job and will often contain information such as reasons for applying.

Curriculum Vitae (CV): Written by a person looking for employment. It outlines that individual's personal details, qualifications, experience and interests in the hope that these impress a possible employer.

Ways to Make it Easier for Applicants to Apply

- Give the full name of the person to contact → e.g. there may be more than one "Jones" in the organisation
- Ensure a telephone number is given → applicants may need immediate contact
- Supply an email address → more people use internet
- Ensure a full address → applicants will know where to post the application

Shortlisting

Definition: The process of selecting the most suitable applicants from those people who apply for a job / cut down from a larger list.

Its Purpose:

- Unsuitable candidates will not be asked to interview → most suitable candidate will be employed
- Speeds up the recruitment process → less time-consuming interview stage → reduces costs

References

Definition: Statements of an applicant's suitability for a particular job → written by past employers → to show work ethic/skills of applicant → indicates how the employee is likely to work

- **Written by others in support of applicant to highlight other attributes such as character/personality** → to show the type of person the applicant is
- **Used by potential employer** → to cross check with application and to find other information about candidates
- **May be sent at any stage of process** → before selection to help to draw up shortlist → or after selection to confirm impression of applicant

Selection

Definition: Choosing the right employees from among those who have applied for a job.

To help a business select the right person they may use the following:

- **Interviews** → where a potential candidate is interviewed either face to face or via the telephone or internet and asked questions about their suitability for a job.
- **Aptitude Tests** → any assessment that judges the ability of a person to carry out specific duties.
- **Psychometric Tests** → multiple choice tests designed to show an applicant's personality.

Training

Training

Definition: A range of activities giving employees job-related skills and knowledge.



Reasons Why Training is Important

- **New workers need to become familiar with their environment** → specific work methods / factory layout
- **Upgrading skills** → new technologies need to be taught → improves productivity and efficiency
- **Retraining** → old skills disappear / workers taught new jobs, allows workers to do more than one job → can be moved between tasks / greater output
- **Improves motivation** → people feel valued → attracts new workers → improved reputation
- **Health and safety reasons** → prevents accidents and injury
- **Improved customer satisfaction** → training should improve employee performance → should improve the way in which customers are dealt with
- **Reduced wastage** → improved quality and efficiency → reduction in faulty products and poor stock management processes
- **Reduced costs** → reduced wastage → increased productivity → reduced labour turnover / absenteeism → increased efficiency
- **Being competitive** → all the bullet points explained above will help to make the business more competitive and stay ahead of the competition

Induction Training

Definition: Used when new workers are employed so that they become familiar with their new surroundings and the specific methods and policies of the particular business.

- **Applies to newly appointed / recruited workers** → need to familiarise with the workplace → tasks / duties
- **Structure of work** → e.g. hours of work / holidays / hierarchy / health and safety → e.g. alarms / drills / fire escapes / clothing
- **Work environment** → e.g. locations / canteens / toilets

Retraining

Where the workforce needs to be retrained to **cope with changing working conditions.**

Workers may also need to be retrained **if their level of performance has fallen below what is expected** by the business.

Retraining can also be **used when new technology, new working practices or new health and safety requirements are introduced.**

Health and Safety Training

Every so often the Government may introduce new health and safety laws that have to be obeyed in the workplace.

Businesses will have to make sure that they are aware of any changes and then implement a training programme to make workers aware of the latest regulations.

Training

New Technology Training

The equipment used in many businesses, especially in manufacturing, can be complicated and dangerous to use. It is therefore essential (and a requirement of the law) that workers receive training before they use such equipment.

Employees need to have a full understanding of new technology to make sure that they are working efficiently and using the equipment in the way the business expects.

Creating Opportunities for Employees

Businesses can initiate training programmes aimed at employees who are seeking new job opportunities (promotion) in the workplace.

In addition to improving employee skills, these programmes also motivate employees to work harder and may include employees being given greater responsibility in order to show that they have the skills and attitudes to be considered for promotion within the business.



LEARNING

INFORMATION



SKILL

PERFORMANCE



EMPLOYEE TRAINING



EDUCATION

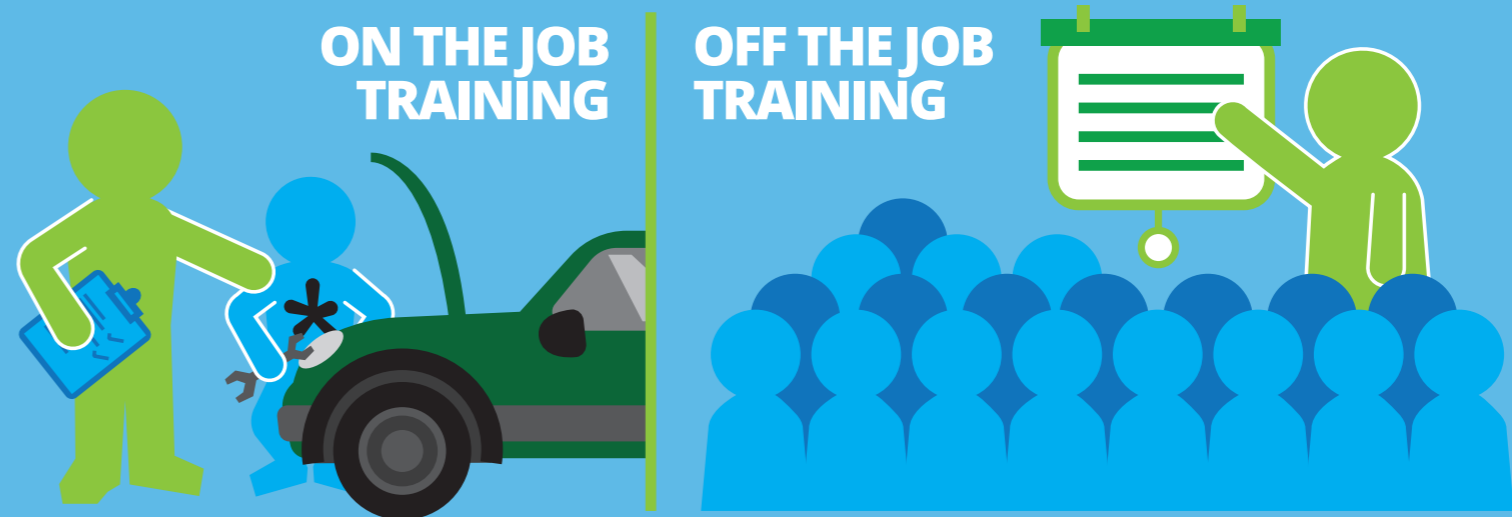


MOTIVATION

CANDIDATE



QUALIFICATION



TRAINING	ON-THE-JOB	OFF-THE-JOB
Definition	Training that happens within the workplace of the employee → the employee works alongside operative → using established worker experience	Training happens outside the workplace of the employee often in colleges
Advantages	<ul style="list-style-type: none"> ✓ Cheaper than off-the-job → the employee works alongside experienced operative → no need to pay external agency ✓ Quick to organise → given as needed ✓ Effective → trainee supervised → trained in the ways of specific business ✓ Employees still contribute to production → improves efficiency / operations of the business 	<ul style="list-style-type: none"> ✓ Wide range of skills gained → from experienced trainers → who are up-to-date with modern ideas and practices → high quality ✓ Employees can gain qualifications → improved morale → quality of work ✓ Motivates employees → money is being spent on the training → employees feel valued
Disadvantages	<ul style="list-style-type: none"> ✗ May not provide in depth training → depends on skills of other employees → may not be effective trainer → poor communication skills → may pass on bad habits to trainee ✗ May be limited to individual training → rather than to group ✗ Takes up time of trainer → skilled employees taken off production → mistakes can be made → holding up production ✗ Not motivational → staff having to provide the training may see it as a burden 	<ul style="list-style-type: none"> ✗ May be expensive → trainers may be paid to come on-site or employees attend off course sites at colleges etc. ✗ No production takes place whilst workers away ✗ May not be aimed at specific needs of the business → as variety of skills taught ✗ Qualifications may lead to employees leaving → higher value on job market

Training

Job Shadowing

Definition: A form of training whereby experienced employees are followed throughout the working day by trainees.

The new or inexperienced employee will observe the experienced employee and be able to ask for guidance and advice in completing the job.

Job shadowing helps the employee gain a more in-depth understanding of the specific aspects of a job.

Demonstration

Definition: An experienced employee will show another employee (possibly a new employee) how to do the job.

This is very useful when the job is physical or practical, though it can also be used in office environments.

Coaching

Definition: Involves an experienced employee providing guidance and support to a less experienced worker.

The experienced employee will spend time with the other employee to build and develop their skills in order to reach the efficiency and productivity expected to complete a specific job.

Once the employee has shown they can complete the task at the expected level the coaching for that task will stop.



Mentoring

Definition: A training system whereby a senior and experienced employee provides training to a more junior worker.

Usually a long-term technique, for example it could last for 12 months, with regular meetings between the mentor and the employee.

The focus is on developing the skills of the employee and a relationship of trust between the mentor and the employee.



Sandwich Courses

Definition: Where an employee is allowed to carry out their job but also attend college for part of their working week.

There are many different types of sandwich courses, the actual proportion of time in work and time in college will depend on the type of job.

The employer will normally pay the cost of the course, which can be expensive.

Outside Trainers

Definition: Used by businesses that do not have the expertise within their workforce to deliver training. Outside or external trainers will allow specialist trainers to be used to improve the quality of the training given to the employees.

Although these trainers can be expensive, they will be experts and can be the best way to train employees and have up-to-date information which is important (for example, in health and safety training).

However there is a danger that the training is not carried out in the context and philosophy of the business and could be a risk.



Job Rotation

Definition: The regular switching of staff between jobs of a similar degree of complexity.

The purpose is to give employees experience of a different range of jobs to develop their skills and knowledge and to give them a better understanding of the business as a whole.

Job rotation will allow employees to multi-skill as they will need to develop a range of skills in order to complete all the jobs to the expected level.

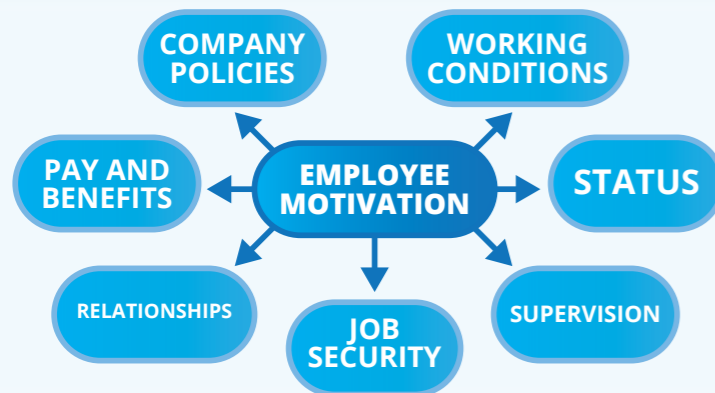
Motivation

Motivation

Definition: The range of factors that influence people to behave in certain ways.

Absenteeism

Definition: Occurs when an employee is not present at their place of work.



Benefits to Businesses of Having a Well Motivated Workforce

- **Increase productivity** / employees produce more per hour worked / improve performance of employees → could lead to greater profits
- **Less staff turnover** / less employees leaving the business → employees will be happy in their work and will stay loyal → reduce recruitment / training costs
- **Lower absenteeism** → employees are happy → improves productivity
- **Loyal / committed employees** → experienced and likely to be more efficient
- **Improved employer / employee relations** → industrial action less likely
- **Improved quality of products**
- **Good customer service**
- **Improved business reputation** → easier to recruit the best employees

Financial Rewards

Definition: The use of money as a method of motivation.

Examples:

- Salaries / Wages
- Time Rate
- Piece Rate
- Overtime
- Profit Sharing
- Fringe Benefits

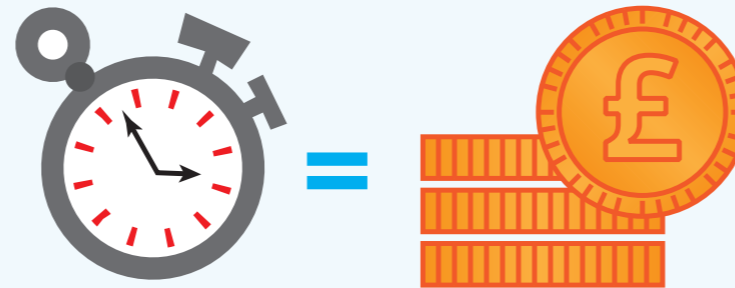


Salaries

Definition: Generally paid to administrative and management employees. The salary is based on their work for the year.

Wages

Definition: Generally paid to shop and factory floor employees based on time rates and / or piece rates.



Time Rates

Definition: Paid to employees based on the number of hours worked.

Piece Rates

Definition: Paid to employees based on the number of goods which are produced.

Overtime

Definition: A higher hourly rate that is paid to employees for any additional hours worked.

Performance Related Pay

Definition: An additional payment to an employee for achieving an agreed target.

Bonus

Definition: An additional payment to an employee for achieving an agreed target.



Commission

Definition: A payment to an employee based on achieving a certain level of sales.

Profit Sharing

Definition: An additional reward paid to employees to reflect the profits earned by the business.

Fringe Benefits

Definition: Rewards to employees not shown in their traditional pay. Such benefits may include company cars, or discount on company products.

Non-Financial Rewards

Definition: The use of non-monetary means to try and raise employee performance.

Examples:

- Job Enlargement
- Job Rotation
- Job Enrichment
- Empowerment
- Training



Job Enlargement

Definition: Redesigning a employee's job so that it contains more tasks of a similar level of complexity.

This means that the employee's work can become more varied and can help to reduce the monotony associated with an employee's job.

Job Enrichment

Definition: Designing a job to give interesting and challenging tasks.

Some employees may lack motivation because they are bored. Job enrichment can help to correct this by making the jobs more demanding and challenging. It can give employees more diverse duties as well as more authority to take decisions at work.

Empowerment

Definition: Gives employees greater control over their working lives.

This might mean that employees can organise their own work and make some decisions without involving their managers.

Job Rotation

Definition: The regular switching of staff between jobs of a similar degree of complexity. This stops the employee getting bored!

Training

Definition: A range of activities giving employees job-related skills and knowledge.

Ways to Raise Employee Performance

- **Higher Pay**
 - ✓ to encourage employees to work harder → may be short-term benefit
 - ✗ but this will increase the business cost
- **Bonus / Commission**
 - ✓ will relate pay to amount / quality of work
 - ✗ but may be expected by employees, targets to be set → demotivation if not achieved
- **Longer Holidays**
 - ✓ to provide rest / enthusiasm for work
 - ✗ will cost → will mean work not being done → dissatisfied customers
- **Promotion / job title**
 - ✓ gives feeling of importance → reward for work
 - ✗ but only limited availability → envy in the workplace → internal promotions may not be good for dynamic business
- **Health care / insurance**
 - ✓ encourages employees to stay
 - ✗ but cost
- **Working environment**
 - ✓ increased efficiency
 - ✗ cost of production
- **Training / better qualifications**
 - ✓ worker feels better about self → encouraged to work harder
 - ✗ but cost of training → better qualified employees may find jobs elsewhere → increased worker turnover
- **Pension Schemes**
 - ✓ ensure long-term security of worker → more likely to remain
 - ✗ but employee contributions add to costs → able to transfer pension to other employment
- **Ethical Policies**
 - ✓ will involve the way the employee is treated → e.g. good communication / conditions → may not be costly
 - ✗ but employer may be seen as not sufficiently autocratic
- **Rewards for best workers**
 - ✓ e.g. employee of the week → motivate employee to work harder to get the award
 - ✗ but may demotivate others

