

2.5.1 Organisational Structures

Organisational Structure – This is the way in which a business is structured through its employees via their job roles and responsibilities.

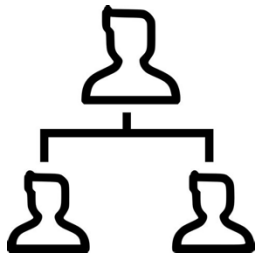
A business will have a structure so that people can communicate better in a business as well as employees understanding their role and responsibility.

Chain Of Command – This is the flow of authority through the business. People higher up the chain have more power and responsibility. They can delegate tasks to their subordinates (people lower in the chain)

Span Of Control – This refers to how many people are working for you. E.g. a site manager has 6 builders working for them. Therefore their chain of command is 6

Delegation- This is when a task is given to a subordinate in an organisation. There will often be a timescale for this task to be completed.

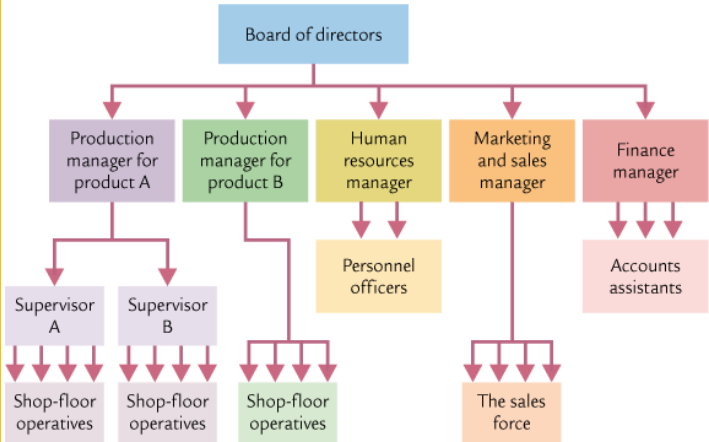
Subordinate- This is an employee who is in a job which is lower ranked. A manager can delegate tasks to their subordinates.



2.5 Making Human Resource Decisions

Hierarchical Structure

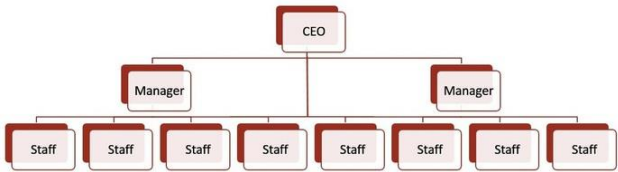
Most organisations have a hierarchy structure, the further up the hierarchy an employee is the more responsibility they have. Below is an example:



Advantages	Disadvantages
Lots of opportunities for promotion	Long chain of command
Smaller spans of control. Get to know your employees strengths	Communication is slow from top to bottom
Knowing subordinates allows you to delegate tasks	Expensive to implement as there are more managers and supervisors

Flat Structure

Some companies make use of a flat structure, businesses such as a restaurant have a wide span of control and a short chain of command. This allows information to flow quickly.

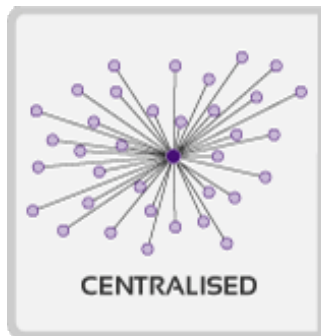


Advantages	Disadvantages
Smaller chains of command mean it is easier to communicate between different levels	Staff can be overworked as there is less supervision. This can lead to demotivation and increased staff for the members of staff
More delegation, staff are given more responsibility which means they get to work to their full potential	Can create confusion amongst staff if a manager is not present. Staff may not know their roles and responsibilities
Fewer levels of management encourage a quicker decision making	Wide span of control means that managers may have too many staff to manage

Centralised Structure

A centralised structure leaves decision making to the employees higher up the hierarchy (senior managers)

Advantages	Disadvantages
Easier to implement policies for the whole business	Senior leaders may not know what's best for the operations that occur lower down the chain of command
Prevents other parts of the business becoming too independent	Team leaders and floor staff more likely to understand customer needs
Easier to coordinate items such as budgets	Lack of authority for managers further down can be demotivating
Quicker decision making at the top of the hierarchy. Do not need consult staff lower down	Less flexible decision making lower down. Staff at lower levels will not be able to make quick decisions

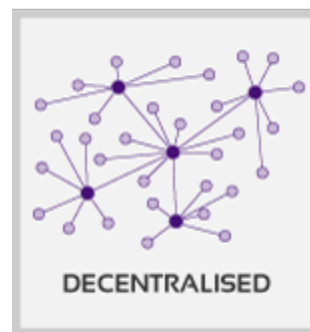


2.5 Making Human Resource Decisions

Decentralised Structure

Decisions in this structure are spread out to include more members of staff such as managers e.g. across the company from different locations

Advantages	Disadvantages
Decisions are made which are closer to customer needs. Could result in a better service.	Decision making can take a longer time and not be as strategic
Ability to respond to local issues.	Harder to ensure that there is a consist policy at each location in a business
Improved staff motivation as they are involved in decision making process	Diseconomies of scale e.g. duplication of roles
Can be a way of developing staff and training them for management positions.	Can lead to confusion as to who is responsible in a crisis situation



Importance of Effective Communication

Communication can take many forms in business ranging from emails, phone calls, texts, social media & video conferencing just to name a few.

Poor communication can have major impacts on efficiency in the workplace. Once example would be if an email is too complex or not clear enough the recipients may not understand what is being expected. This would lead to a delay in the progression of a task.

Effects of Poor Communication

On the employee	On the business
Poor performance	Increased costs
Demotivation	Higher staff turnover
Poor relationships with peers	Poor employee relationships
Increased levels of stress	Lower productivity levels



Impacts Of Insufficient Or Excessive Communication

If communication is poor employees will lack enthusiasm at work.. This leads to demotivated staff who are not performing at their most productive.

Barriers to Communication

There are some barriers that exist in communication, this means that a message may not be received correctly due to a barrier. Some examples are below.

Barrier	Impact
Noise	Unclear as to what was said
Jumping to conclusions	Receiver not correctly receiving message as they assumed they understood what was mean
Lack of interest	Receiver is disinterested
Information overload	Giving people too much information
Lack of feedback	Receiver not knowing where to improve
Distorted message	Unclear/inaccurate message

2.5 Making Human Resource Decisions

Different Ways of Working

Way of working	Explanation
Full Time	Working at a place of work normally above 35 hours.
Part Time	A worker who works less time than a full time worker / hours. Benefits would be issued on a pro rata basis to this workers.
Flexible (Flexi Time)	A way of working that suits an employees needs. E.g. working from home or starting late and finishing later in the day.
Permanent	Permanent position in a company, often on a salary. Workers will be employed unless they leave, are fired or made redundant
Temporary	Temporary job to cover a certain period. E.g. the Christmas period as more staff may be needed during this time.
Freelance	A self employed worker that works on a contract to contract basis. They set their own rates of pay. E.g. a cameraman

The Impact of Technology on Ways of Working

Technology has had major impacts on the way people work. It has heled to organise the work environment by providing payroll, stock control and other software which allows for everyday running of a business.

Computers have made documentation such as invoices and letters easy to produce.

Phone systems allow for conferencing calling between multiple participants.

People can also make use of video conferencing to have meetings with their peers. This saves on plane fares, fuel and is more cost effective.

Also people can work remotely from home enabling them to fit their work around their family commitments and work on their own hours. There is also less travel involved and no need to commute to the workplace.

The disadvantages of remote working include no socialisation with other workers and it can be hard to switch off from work. Often workers can lack discipline and become lazy.



2.5.2 Effective Recruitment

Different Roles & Responsibilities

Directors

- ☐ The board of directors make strategic decisions
- ☐ They ensure a business is successful for all the stakeholders involved
- ☐ They are in charge of when to provide dividends to their shareholders. They can withhold dividends if a low profit is made as this can cause issues for the business in the long term

Senior Managers

- ☐ They operate at the top of the business and make tactical decisions on a day to day basis
- ☐ They are appointed by the board of directors to help meet objectives.

Operational Staff

- ☐ They take care of the day to day running of the business.
- ☐ They are not involved in any strategic management decisions

Support Staff

- ☐ They are staff that carry out a specific role which helps the business function e.g. IT support.



2.5 Making Human Resource Decisions

How A Business Recruits People

The process of recruiting a new employee follows these steps:

1. The business identifies the need for a new member of staff e.g. this may be because someone is leaving or there is an increased workload
2. The business writes a job description
3. The business writes a person specification
4. The job is advertised
5. Candidates fill in application forms and the successful ones are interviewed and a selection is made.

Job Description

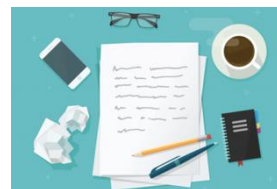
- ☐ Describes the roles and responsibilities of a role
- ☐ It would also describe what the employee would do on a day to day basis

Person Specification

- ☐ Outlines what qualities the employer is looking for this can include:
 - ☐ Persona qualities
 - ☐ Skills
 - ☐ Qualifications
 - ☐ Experience

Application form

When a candidate would like to apply for a job they fill in an application form. This allows an employer to compare applicants and identify which ones are suitable for the position.



CV

- ☐ This is a summary of a candidates working life to date, this will summarise all their experiences so employers can get an overview of their working life.

Recruitment Methods

Internal Recruitment

- ☐ This is recruiting staff that already work in a business
- ☐ It can be applications for a promotion
- ☐ These tend to be advertised via notice boards and staff emails.
- ☐ *These candidates are known to the business and require less training, therefore it is less expensive to train them. There is also less advertising costs.*



External Recruitment

- ☐ A vacancy may be advertised externally if there is no suitable candidates in a business already
- ☐ Existing employees may not possess the skills required to fulfil this role
- ☐ *New candidates can bring enthusiasm and new ideas to a business. They are fresh and are not bored of working at the workplace so will likely be more productive.*

2.5.3. Effective Training & Development

Training – Teaching an employee a new skill, or developing an existing skill. E.g. sales techniques

Formal Training	Informal Training
Outside experts brought in to teach the training	Training takes place on the job.
Usually away from the workplace	Trained by other staff members
Expensive	No costs, however productivity may decrease
Strict learning schedules	Training is performed quicker
Can be awarded a certificate to show presence	

Self Learning

This is studying by yourself, e.g. an employee may carry out an online course to improve their skills e.g. to speak a foreign language or to develop their speaking skills



2.5 Making Human Resource Decisions

Ongoing Training

This is training which is used to keep up which changes in the business environment e.g.:

- ☐ Keep up with new technology
- ☐ Stay ahead of competition
- ☐ Identify weaknesses
- ☐ Keep up with industry changes

Target Setting

A business can ensure that their goals are achievable by setting SMARTER targets. These are:

- Specific** – e.g. learning how to use Microsoft Excel
- Measurable** – e.g. Create Excel spreadsheet without help
- Achievable** – Target must be realistic
- Relevant** – Must be relevant to the employees role
- Timely** – A time frame for the target to be met
- Extend Capabilities** – Learning beyond what you know
- Rewarding** – targets should be fulfilling to accomplish

Performance Reviews

Employees will have a formal meeting about their performance. They will set out targets and training needs for the employees so they can develop their skills.

It is also an opportunity for an employee to feedback to their supervisors about any issues they may have.



Why Businesses Train & Develop Employees

Businesses will train employees for the following reasons:

1. Staff training means that staff will feel valued in the workplace
2. This will lead to the staff being more motivated and productivity will increase.
3. As employees are more motivated retention rates within the business will improve (retention is the amount of staff that are leaving your business.)

Retraining to Use New Technology

If new staff need to use new technology in the workplace they will need to be retrained.

As soon as people have been retrained it should increase the productivity.

There may be some resistance to change however from the established members of staff



2.5.4. Motivation

Motivation is the reasons which employees would act a certain way. Motivation can be related to the productivity of the workers.

Importance of Motivation in the Workplace

There are various ways in which a business can motivate its employees. By doing so they are hoping to achieve the following:

- ❑ **Attracting Employees-** If employees see a good workplace they will want to work there.
- ❑ **Retaining Employees** – Employees would want to stay in their job if they are motivated and happy. If employees leave a business it would cost considerably more to recruit somebody new and train them
- ❑ **Productivity** – If workers are motivated they will be more productive in the workplace. They will work harder and be more creative. Making them more efficient.



2.5 Making Human Resource Decisions

How Businesses Motivate Employees

Businesses can motivate their employees through financial and non financial methods.

Businesses will want to motivate their employees so they remain as productive as possible. If workers are motivated it is unlikely that they will leave their position and the business would not have to recruit somebody new.

Financial Methods

These are methods of motivation which are based around money and payments. Some examples of financial methods of motivation are shown in the next column.



Non Financial Methods

These are methods of motivation that are not based around money. These methods will be used to motivate workers without increasing pay or providing any bonuses.



Examples of Financial & Non Financial Methods

Financial	Non Financial
Remuneration – Paying workers for their service. This would be a salary or wage	Job Rotation- employees rotated between jobs. Relieves boredom but training costs could be higher
Bonuses- When targets are met the employees are rewarded with a bonus (extra pay)	Job Enrichment – workers given more challenging tasks. This provides more responsibility but workers may feel under pressure
Commission – Workers received a reward for each sale e.g. 5% of all sales they make	
Promotion- Increased responsibilities and pay to help keep employees motivated	Autonomy – Allows workers to make their own decisions. Employees will feel more ownership of their
Fringe Benefits – these are perks the employees receive while employed. E.g. Company cars, health insurance and free meals.	

Revision Questions

These questions are based around the previous slides. Test your knowledge to see if you can answer them!

1. What is meant by the term Organisational Structure [1]
2. What is meant by the term Chain Of Command [1]
3. What is meant by the term Span Of Control [1]
4. What is meant by the term Delegation [1]
5. What is meant by the term Subordinate [1]
6. Describe what is meant by a hierarchical structure. What are its advantages and disadvantages [8]
7. Describe what is meant by a flat structure. What are its advantages and disadvantages [8]
8. Describe what is meant by a centralised structure. What are its advantages and disadvantages [8]
9. Describe what is meant by a decentralised structure. What are its advantages and disadvantages [8]
10. Why is it important to have effective communication?[3]
11. What are some effects of poor communication? [6]
12. What is meant by a barrier to communication? [1]
13. State 3 barriers to communication and their impact [6]
14. State 3 different ways in which people can work[3]



2.5 Making Human Resource Decisions

15. State the roles and responsibilities of the following:
 - ☐ Directors [2]
 - ☐ Senior Managers [2]
 - ☐ Operational Staff [2]
 - ☐ Support Staff [2]
16. What is meant by a CV [1]
17. What is meant by a Job Description [1]
18. What is meant by a Person Specification [1]
19. What is the difference between internal and external recruitment? [4]
20. What is meant by training [1]
21. What are the differences between informal and formal training? [6]
22. What is meant by self learning? [1]
23. What is meant by ongoing training ?[1]
24. What is meant by a performance review? [1]
25. How can a business ensure that the targets set are appropriate?[6]
26. Why would a business train and develop its employees?[2]
27. Why is it important to motivate your employees?[3]
28. What are some financial ways to motivate an employee?[4]
29. What are some non-financial ways to motivate an employee?[4]



Tips

For an essay style question use the following tips to ensure that you are maximizing your marks:

- ☐ Read through the question underlining any key points
- ☐ For these types of questions an extended answer is expected.
- ☐ Discuss both the advantages and disadvantages of the given context
- ☐ When discussing a point ensure that you contextualise your answer. This means give examples which relate to the scenario

How has technology impacted on the different ways of working?[12]

