

Business Studies

Key Terms

HR Department

<p>Motivation: why motivate?</p>	<ul style="list-style-type: none"> • higher productivity • lower labour turnover • participation and ideas for improvement • higher profits 	<p>Job satisfaction: Non-financial rewards</p>	<ul style="list-style-type: none"> • health care • 'employee of the year' • discounts/gift cards • improved office/better working conditions • increased holiday
<p>Motivation Theory: Maslow's Hierarchy of needs</p>	<ul style="list-style-type: none"> • Self-actualisation • Esteem • love and belonging • Safety/security • physiological 	<p>Job satisfaction: Financial rewards</p>	<ul style="list-style-type: none"> • Company car • salaries/wages • bonuses/shares in company
<p>Motivation Theory: Taylor - Scientific Management</p>	<p>Aims to reduce inefficiency in the workplace - find the quickest methods for each task, and then train all staff in those methods - flow production.</p> <ul style="list-style-type: none"> • Workers only motivated by money • piece rate is best form of payment • set target output - pay more if exceeded 	<p>Job satisfaction: Team Working</p>	<ul style="list-style-type: none"> • Builds team spirit • Greater sense of belonging • Social needs met • Leads to more employee involvement
<p>Motivation theory: Herzberg - Two-factor Theory</p>	<ul style="list-style-type: none"> • Hygiene factors - pay, work conditions etc. They do not motivate in themselves, but without them there is dissatisfaction. • Motivators - nature of work, achievement, recognition, promotion etc. 	<p>Job satisfaction</p>	<p>Enjoyment employees can derive from work if they feel they have done a good or rewarding job.</p>
<p>Payment types</p>	<ul style="list-style-type: none"> • Wage: usually weekly, time/piece rate • piece rate: pay for number produced • time rate: pay for hours work • Salary: annual but divided monthly • commission: pay for number sold • profit sharing: based on share of profits • bonus: extra pay as reward for good work • performance related pay - for meeting pre-set objectives • Share ownership scheme - given shares 	<p>Job satisfaction: Job Enrichment</p>	<p>Adding tasks that are more challenging, more skilful and more responsible.</p> <ul style="list-style-type: none"> • satisfaction through more challenging work • prepares employees for promotion • feedback on performance • complete unit of work

<p>Job Satisfaction: Job Rotation</p>	<p>Workers are asked to switch different tasks with other workers, but at the same level of responsibility.</p> <ul style="list-style-type: none"> • provides variety • reduces risk of boredom • more training might be needed • widens skills of employees 	<p>Span of control</p>	<p>The number of employees working directly under a manager.</p> <ul style="list-style-type: none"> • an organisation chart with few levels will have wide spans of control - an organisation chart show how jobs/roles are linked, line of command/ communication and who each worker should report to. • can lead to more delegation
<p>Job satisfaction: Job Enlargement</p>	<p>Tasks of a similar level of difficulty/ responsibility are added to a worker's job description.</p>	<p>Line managers</p>	<p>Have direct responsibility over people below them in the hierarchy of an organisation.</p>
<p>Organisational Structure</p>	<p>The levels of management and divisions of responsibility in an organisation</p>	<p>Staff managers</p>	<p>Specialists who provide support, information and assistance to line managers.</p>
<p>Chain of command</p>	<p>The route taken by instructions passes down from senior management.</p> <ul style="list-style-type: none"> • the more levels of hierarchy the longer the chain of command • long chain of command may lead to poor communication. 	<p>Delegation</p>	<p>Giving subordinates (employees/junior managers) the authority to perform particular tasks.</p> <ul style="list-style-type: none"> • employees trusted • less work for managers to undertake • increased esteem in employees • less control
<p>Level of hierarchy</p>	<p>A level of management where people have the same level of responsibility.</p> <ul style="list-style-type: none"> • a hierarchical structure shows levels of management from highest to lowest • higher levels have more authority and control. 	<p>Leadership styles</p>	<ul style="list-style-type: none"> • Autocratic: manager in charge, takes all decisions (quick), one way communication, no worker involvement • Democratic: all workers involved in the decision making (slow), motivating, more ideas about • Laissez-faire: objectives set by management, but employees decide how to achieve them. Limited role for managers.

<p>Motivation: how motivate?</p>	<ul style="list-style-type: none"> - Piece rate - Increase wage rate/salary - Bonuses - Profit Share - Job rotation - Job enrichment - Job enlargement - Opportunities for promotion - Training - Teamwork/quality circles/help decision-making - Fringe benefits/improved working conditions - Recognition of good work/employee of the month 	<p>Job Analysis</p>	<p>Identifying and recording the responsibilities and tasks relating to a job.</p>
<p>The Theory of Economic Man</p>	<p>The view that humans are only motivated by money.</p>	<p>Shortlist Applicants</p>	<p>Based on application forms, CVs, covering letters</p>
<p>Off-the-job Training</p>	<p>Pros:</p> <ul style="list-style-type: none"> - Trained away from work, e.g. college - Given by specialist trainers - Up to date - Skills taught that might not be known to business - Higher level of training - extra depth and breadth - Mistakes can be made while learning - no loss of raw materials or imperfect goods going out <p>Cons:</p> <ul style="list-style-type: none"> - Not necessarily tailored to specific business - Expensive - specialist trainers cost more 	<p>Interview</p>	<ul style="list-style-type: none"> - one-to-one - two-to-one - a panel (usually for more senior positions)
<p>On-the-job Training</p>	<p>Pros:</p> <ul style="list-style-type: none"> - Trained at place of work, by experienced workers - Cheaper - Specific to task - Employees continue to work, so some output still produced - Control exactly what is being taught and how things should be done <p>Cons:</p> <ul style="list-style-type: none"> - Can reinforce bad habits - Few new ideas will be taught 	<p>Motivation</p>	<p>Workers want to work hard and effectively for their employers</p>
<p>Leadership styles: Affecting Factors</p>	<ul style="list-style-type: none"> • Personality of leadership/manager • Skills of leader • Skills of employees • Work to be done • Size of business • Organisational Structure • Company ethos 	<p>Motivation: why work?</p>	<ul style="list-style-type: none"> • money to live on • social contract • security • esteem/self-importance • satisfaction • friendship

<p>Trade Unions</p>	<p>A group of workers who join together to protect their interests.</p> <p>Benefits:</p> <ul style="list-style-type: none"> • strength in numbers (employee negotiations) • action (e.g. strikes) more effective • support for workers • social benefits • legal support/insurance 	<p>internal/external recruitment</p>	<p>Internal: job filled by an existing employee of the organisation</p> <ul style="list-style-type: none"> - motivating, quick, cheap, known to business so more reliable references and understands company structure. <p>External: job filled by a non-existing employee of the organisation.</p> <ul style="list-style-type: none"> - new ideas and experience, quality of internal candidate may be low, worker jealousy
<p>Management roles</p>	<ul style="list-style-type: none"> • planning • organising • coordinating • commanding • controlling 	<p>Training</p>	<p>Improves efficiency, enables use of new tech, raises skills levels, motivates workers.</p> <p>On-the-job: trained at place of work, by experienced workers. cheaper, specific, some work done.</p> <p>Off-the-job: trained away from work, e.g. college, by specialist trainers, up to date.</p> <p>Induction: training for new employees explaining business structure, activities and procedures.</p>
<p>Recruitment</p>	<p>Identifying need for new employee(s) and encouraging people to apply for a vacancy.</p>	<p>Redundancy</p>	<p>Employees no longer required as the job ceases to exist.</p> <p>Why?</p> <ul style="list-style-type: none"> • fall in demand • takeover/merger and job duplication • new tech - less labour needed
<p>Job description</p>	<p>Responsibilities and duties to be carried out by the job holder.</p> <ul style="list-style-type: none"> • candidates can assess job and their suitability for it • allows job/person specification to be drawn up 	<p>Workforce planning</p>	<p>Establishing the size and skills of the workforce needed by a business for the future.</p>
<p>Job (person) specification</p>	<p>The requirements, qualifications, experience, and characteristics of people needed to fill a job vacancy.</p> <ul style="list-style-type: none"> • selection more likely to be appropriate 	<p>Dismissal</p>	<p>An employee's employment contract is terminated and they must leave the business.</p> <ul style="list-style-type: none"> • Employee replaced • work or behaviour unsatisfactory - will probably have been warned before hand.

<p>Part-time/ Full-time employment</p>	<p>Part-time: below 20 hours a week.</p> <ul style="list-style-type: none"> • more flexible work force, more people to work at busy times. • suits some employees <p>Full-time: usually 35 hours or more a week.</p> <ul style="list-style-type: none"> • fewer needed than if all part-time • easier to communicate • employees could be more secure/committed 	<p>Human Resources (HR) Department</p>	<ul style="list-style-type: none"> • Recruitment/selection/training • industrial relations • pay system/levels • health and safety • redundancies and dismissals • workforce planning
<p>Selection</p>	<ul style="list-style-type: none"> • letter of application • CV/resume • short list • interview • selection tasks, e.g. aptitude test (tests potential, IQ etc.), skills tests, group situation tests, personality tests 	<p>Minimum wage</p>	<ul style="list-style-type: none"> • limits exploitation of employees • may increase motivation • more will look for work • increases labour costs
<p>Recruitment</p>	<ul style="list-style-type: none"> • job analysis • job description • job specification • advertise vacancies • application forms and shortlisting • interviews • selection 	<p>Health and safety</p>	<ul style="list-style-type: none"> • raises sense of security • fewer accidents/days lost • workers feel safer • H&S measures may cost money
<p>Advertising vacancy</p>	<ul style="list-style-type: none"> • internal: intranet, notice boards • external: newspapers, website, recruitment agencies, specialist media/papers, government job centres. 	<p>Unfair dismissal/ discrimination</p>	<ul style="list-style-type: none"> • protects employees and gives more security - improves motivation • employees treated fairly, not on basis of e.g. sex
<p>Employment contracts</p>	<ul style="list-style-type: none"> • job title • role/responsibilities • hours of work • pay level and method • holidays • notice period 	<p>Communication</p>	<p>Sending a message from sender to receiver who understands it</p>

<p>Part-time/ Full-time employment</p>	<p>Part-time: below 20 hours a week. Full-time: usually 35 hours or more a week.</p>	<p>One-way/two-way communication</p>	<p>One way: message sent without receiver required or expected to give feedback Two way: gives feedback to a received message - there may be a discussion about it. Takes more time than one-way, but more motivational to workers</p>
<p>Message</p>	<p>Information or instructions sent from sender to receiver. The Feedback is the reply from the receiver to the sender to confirm that message has been received and understood.</p>	<p>Formal/informal communication</p>	<p>Formal: message sent through established channels Informal: message sent casually, not through established channels</p>
<p>Internal communication</p>	<p>Between members of the same organisation</p>	<p>Barriers to communication</p>	<ul style="list-style-type: none"> • Sender: difficult language, unclear speech, wrong message, wrong receiver, unclear message, unnecessary detail • Receiver: poor listener, not paying attention, inadequate language skills, does not like sender - unwilling to understand or cooperate • Method used: inappropriate for message/situation, no feedback possible, IT failure, postal failure, long chain of command - message distorted.
<p>External Communication</p>	<p>Between the organisation and another organisation.</p>	<p>A tall hierarchy</p>	<p>Benefits:</p> <ul style="list-style-type: none"> • Clear chain of command • More promotion prospects • Smaller span of control • Better control over workers • Spreads work load <p>Pitfalls:</p> <ul style="list-style-type: none"> • Slow decision making • More expensive as more managers needed • High level of supervision can reduce motivation • Can hinder communication - Chinese whispers
<p>Methods of communication</p>	<p>Verbal: meetings, phone, one-to-one - Quick, immediate feedback/clarification, can use body language. Written: letter, notice - 'proof', good for complex details, can re-read, easily copied, slow/not easy feedback, no body language Visual: video - appealing, easy show of numerical data, images more memorable, some graphs complex. IT: email, social media - quick, feedback, internal and external, liked by young, emails can get 'lost'.</p>	<p>A flat hierarchy</p>	<p>Benefits:</p> <ul style="list-style-type: none"> • fewer managers = cheaper, less supervision, quicker decision making, more delegation/worker autonomy, less 'them-and-us' attitude • top of organisation more in touch with the bottom • Communication tends to be easier <p>Pitfalls:</p> <ul style="list-style-type: none"> • fewer opportunities for promotion • unclear chains of command = less control of subordinates, effective coms can be difficult • over-loading of managers - too much to do

<div data-bbox="65 63 669 404" style="border: 2px solid blue; padding: 10px; text-align: center;"> <h2>Resignation</h2> </div>	<p>Termination of employment by the worker, perhaps because they have found a job with a different employer.</p>	<div data-bbox="1402 63 2005 404" style="border: 2px solid blue; padding: 10px; text-align: center;"> <h2>Absenteeism</h2> </div>	<p>Workers' non-attendance at work without good reason.</p>
<div data-bbox="65 457 669 799" style="border: 2px solid blue; padding: 10px; text-align: center;"> <h2>Retirement</h2> </div>	<p>Termination of employment due to the worker reaching an age beyond which they do not need to work.</p>	<div data-bbox="1402 457 2005 799" style="border: 2px solid blue; padding: 10px; text-align: center;"> <h2>Labour Turnover</h2> </div>	<p>The rate at which workers leave a business.</p>
<div data-bbox="65 846 669 1187" style="border: 2px solid blue; padding: 10px; text-align: center;"> <div data-bbox="93 866 642 1167" style="border: 2px solid purple; padding: 5px;"> <h2>Centralised Organisation</h2> </div> </div>	<p>One where all the important decision-making power is held at Head Office, or the centre.</p>	<div data-bbox="1402 846 2005 1187" style="border: 2px solid blue; padding: 10px; text-align: center;"> <div data-bbox="1429 866 1978 1167" style="border: 2px solid red; padding: 5px;"> <h2>Labour Productivity</h2> </div> </div>	<p>A measure of the efficiency of workers by calculating the output per worker.</p> <p>Labour productivity = $\frac{\text{Output per time period}}{\text{number of employees}}$</p>
<div data-bbox="65 1234 669 1575" style="border: 2px solid blue; padding: 10px; text-align: center;"> <div data-bbox="93 1255 642 1555" style="border: 2px solid purple; padding: 5px;"> <h2>Decentralised Organisation</h2> </div> </div>	<p>One where the decision-making powers are passed down the organisation to lower levels.</p>	<div data-bbox="1402 1234 2005 1575" style="border: 2px solid blue; padding: 10px; text-align: center;"> <div data-bbox="1429 1255 1978 1555" style="border: 2px solid red; padding: 5px;"> <h2>Piece-rate</h2> </div> </div>	<p>Paying workers for each unit produced.</p>
<div data-bbox="65 1622 669 1964" style="border: 2px solid blue; padding: 10px; text-align: center;"> <h2> </h2> </div>	<p> </p>	<div data-bbox="1402 1622 2005 1964" style="border: 2px solid blue; padding: 10px; text-align: center;"> <h2> </h2> </div>	<p> </p>