

Human Resources

Maslows Hierarchy of needs



How can motivation be influenced

More innovation
Business need to innovate by developing new products, new production processes and new systems to remain competitive. Well-motivated workers are more likely to be innovative than poorly motivated worker. This is because poorly-motivated workers 'don't really care'.

Pleasant working environment
If workers are motivated, the working environment and atmosphere is likely to be pleasant. Workers are more likely to be cheerful, courteous, supportive and positive. This is important if workers have to deal with customers.

Importance

Higher production
Well-motivated employees will work harder. They are likely to take more pride in their work, complete tasks quickly and feel that their jobs are important. As a result, they will produce higher levels of output.

Lower staff turnover
If workers are well motivated, they are less likely to leave their jobs. This means that staff turnover (the rate at which people leave a job) will be lower. This is good for a business because, if staff turnover is high, recruitment, selection and training costs will be higher.

Lower absenteeism
Poorly motivated staff are more likely to take time off. They may also become depressed, use minor illness as an excuse for missing work or simply take time off. This is bad for business because production will be lost.

More co-operation
Business need workers to co-operate. For example, more and more businesses organise their staff into teams. Therefore, if workers do not co-operate with each other teamwork will be disrupted. At worse, conflict might result if a team member is unco-operative. However, well-motivated employees are likely to be co-operative, so a good team spirit is likely to develop.

Herzberg two-factor theory

- Hygiene factors**
- Pay
 - Working conditions
 - Job security
 - Quality of supervision
 - Staff relationships
 - Company policy

- Motivators**
- Achieving aims
 - Chance of promotion
 - Responsibility
 - Interesting work
 - Recognition
 - Personal development

Rewards

Recruitment
In a large business, the human resources department is responsible for employing staff. A business may need new staff because:

- the business is expanding and more labor is needed
- people are leaving and they need to be replaced -positions have become vacant due to promotion
- people are required for a temporary period to cover staff absence due to maternity or paternity leave, for example.

Financial Nonfinancial

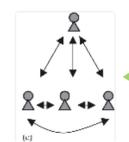
Performance-related pay
PRP is used to motivate non-manual workers. PRP is designed specifically to reward workers whose output is difficult to measure.

Profit Sharing
One way to reward staff is to give them a share of the profit.

Share ownership
Some businesses give employees shares in the company. This means they are entitled to a dividend and therefore a share in the profits.

- Fringe benefits**
- use of company's facilities such as gym
 - company car
 - employee pension contributions
- Other**
- job enrichment
 - job rotation
 - teamworking
 - recognition and praise
 - promotion

Communication in business



Communication Methods

Formal Communication
A type of verbal presentation or document intended to share information and which conforms to established professional rules, standards and processes and avoids using slang terminology. The main types of formal communication within a business are downward where information moves from higher management to subordinate employees, upward where information moves from employees to management and horizontal where information is shared between peers.

Informal Communication
A casual form of information sharing typically used in personal conversations with friends or family members. Within a business environment, informal communication is sometimes called the grapevine and might be observed occurring in conversations, electronic mails, text messages and phone calls between socializing employees.

Barriers
Business communication is critical, but there are a variety of barriers that can get in the way. The larger the organization, the more complex these issues are, but basic communication principles apply to businesses of any size. Some common business communication barriers include not fully understanding the needs of the target audience, using the wrong communication channel, and not checking to ensure that messages have been received and clearly understood.

Face-to-face
A lot of your business communication will take place in a face-to-face format, such as meetings and conferences, so it's important to refine your 'in person' skills. When you have a conversation with people in person, your body language and facial expressions will communicate a particular attitude or tone to those around you. Be mindful of your listening skills as well. A lot of business communication involves listening for directives and being able to keep up with fast-paced discussions.

Written Communication
Written communication involves any type of message that makes use of the written word. Written communication is the most important and the most effective of any mode of business communication. Some of the various forms of written communications that are used internally for business operations include: Memos

Electronic Communication
Moving from paper to electronic communications can actually help your business connect easier, while saving time and money. Email, instant messaging, websites, blogs, text messaging, voicemail and video messaging are a few examples of electronic communication.

Formal organization is a fixed set of rules of intra-organization procedures and structures. As such, it is usually set out in writing, with a language of rules that ostensibly leave little discretion for interpretation.

- Examples:**
- how the business is split into functions or departments
 - the roles of employees and their job titles
 - who has responsibility
 - to whom people are accountable
 - communication channels
 - the relationship between different positions in the business

Organization

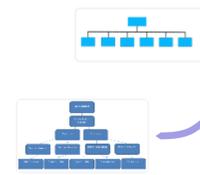
Internal

Formal

Employee roles and responsibilities

- Directors**
The Directors are appointed by the owners to run the business. Together with the chairperson they form the Board of Directors. They make all the important decisions in the business.
- Managers**
Managers have a number of functions. They are responsible for planning, controlling, organizing, motivation, problem solving and decision making. Their overall role is to achieve the objectives of the owners.
- Supervisors**
Supervisors monitor the work in their particular area. They have authority over operatives and general staff.
- Operatives**
Operatives are skilled workers. They are involved in the production process. For example, they may operate machines, assemble products, work with tools or carry out maintenance.
- General Staff**
Businesses often employ staff that do not have any specific skills. However, with training they can perform a variety of tasks and gain promotion to other positions.
- Professional Staff**
This staff are skilled and highly trained. Examples include lawyers, accountants and doctors.

Organizational Structures



Induction Training
When people start a new job they are likely to receive some induction training. This helps new recruits settle in and become familiar with their new surroundings. If firms fail to provide adequate induction training, staff may feel anxious. This might lead to poor productivity. At worst, staff may leave because they have not settled or strike. The nature of induction training will vary between businesses.

On-the-job training
One of the most common methods of training, this means that workers are trained in the workplace while the job is being done. A number of different approaches might be used by a business

- Watching another worker
- Mentoring
- Job rotation.

Off-the-job training
Some employees receive training away from the normal work area. This is called off-the-job training. For example, it might involve workers going to college once a week. Alternatively, it might involve a small group of managers travelling overseas to learn about a new management techniques.

Government Training Schemes
It is common for governments to provide training. Most training initiatives are designed to equip people with the skills and knowledge required by employers. Some example of the schemes available in the UK are outlined below.

- Apprenticeships
- Flexible New Deal
- National Vocational Qualifications

Training

Need for Training

- Keeping workers up-to-date**
- new health and safety procedures
 - new technology
 - after a takeover
 - new working practices
 - new legislation
- Improving Labor Flexibility**
Some businesses train their workers in a range of different jobs so that they are multi-skilled. This provides a businesses with added flexibility.
- Improving job satisfaction and motivation**
Workers will feel secure if they have been trained to do their job effectively. Not being able to do a job properly will be a source of frustration and dissatisfaction for workers. It is also argued that training can be used to motivate staff.
- New jobs in the business**
Sometimes, due to expansion, new products or new technology, new jobs are created. This often means that some staff will need retraining.
- Training for promotion**
Training is usually needed when workers are promoted. At each stage of the promotion process staff will need to learn new skills and methods. This allows them to handle the different duties and new responsibilities.

Departmental functions

Interdependence of the departments
It is very important for departments to work together. They are interdependent, which means they rely on each other for their success. There must be a good communication between departments to ensure that the business runs effectively. Some examples of relationships and interdependence between different departments are:

- The production department may have to meet with the marketing department to discuss modifications to a customer's order.
- The welfare officer from the personnel department may have to meet the sales director to discuss customer complaints about one of the sales people.
- The HR department will need to communicate regularly with the finance department to discuss wages and salaries.
- The finance department may have to communicate with the production department to ensure that designs for a new product are profitable.

Production

The Production department undertakes the activities necessary to provide the organisation's products or services. Its main responsibilities are:

- production planning and scheduling
- control and supervision of the production workforce
- managing product quality (including process control and monitoring)
- maintenance of plant and equipment
- control of inventory
- deciding the best production methods and factory layout.

Research & Development

Research and Development is concerned with developing new products or processes and improving existing products/processes. R&D activities must be closely coordinated with the organisation's marketing activities to ensure that the organisation is providing exactly what its customers want in the most efficient, effective and economical way.

The Marketing Departments

Marketing is concerned with identifying and satisfying customers needs at the right price. Marketing involves researching what customers want and analyzing how the organisation can satisfy these wants. Marketing activities range from the 'strategic', concerned with the choice of product markets (and how to compete in them, for example, on price or product differentiation) to the operational, arranging sales promotions (e.g., offering a 25 per cent discount), producing literature such as product catalogues and brochures, placing advertisements in the appropriate media and so on. A fundamental activity in marketing is managing the Marketing Mix consisting of the '4Ps': Product, Price, Promotion and Place.

- Product. Having the right product in terms of benefits that customers value.
- Price. Setting the right price which is consistent with potential customers' perception of the value offered by the product.
- Promotion. Promoting the product in a way which creates maximum customer awareness and persuades potential customers to make the decision to purchase the product.
- Place. Making the product available in the right place at the right time - including choosing appropriate distribution channels.

In order to be successful, a business enterprise must either have a lower price than its competitors, or a product that is in some way superior - or both! A competitive strategy based on low price is known as a cost leadership strategy. A competitive strategy based on developing a superior product is known as a differentiation strategy.

Human Resource

The Human Resource is concerned with the following:

- Recruitment and selection. Ensuring that the right people are recruited to the right jobs.
- Training and development. Enabling employees to carry out their responsibilities effectively and make use of their potential.
- Employee relations. Including negotiations over pay and conditions.
- Grievance procedures and disciplinary matters. Dealing with complaints from employees or from the employer.
- Health and Safety matters Making sure employees work in a healthy and safe environment.
- Redundancy procedures Administering a proper system that is seen to be fair to all concerned when deciding on redundancies and agreeing redundancy payments.

Organisations are dependent on their employees. Consequently, their recruitment and selection require careful management

Legislation and Human Resour

Protection of the rights of workers in a company, for example the right for women to go on maternity leave or the right to be given a reasonable redundancy payment if you lose your job. Employment protection also refers to the system of laws, agreements, and processes that make this possible. [ce #

Recruitment and Selection

Internal
A business can recruit in two different ways: Internal recruitment is when the business looks to fill the vacancy from within its existing workforce. External recruitment is when the business looks to fill the vacancy from any suitable applicant outside the business.

External
External recruitment is the assessment of an available pool of job candidates, other than existing staff, to see if there are any sufficiently skilled or qualified to fill and perform existing job vacancies. It is the process of searching outside of the current employee pool to fill open positions in an organization.

Time rates
When workers are paid a certain amount of money for the number of hours, days or weeks one has worked

Piece rates
payment by how much a worker produced

Commission
Payment for reaching a target

1 Defining the role
You've made the decision that you need to take someone on and that the best option is to have someone directly employed in your business. Before you rush off to find someone, think carefully about what the role is, the actual requirements of the job and how it fits into the business and your future plans.

2 Building a person specification
Draw up a person specification based on the job requirements.

- What are the skills, knowledge and aptitude necessary? Which of these skills are essential and which are desirable? Which skills can you teach and which must the candidate have already?
- What sort of experience is required? What competencies are needed?
- What level of education and training should the person have?
- Are there any specific criteria that relate to the personal qualities or circumstances that are essential and directly related to the job?

3 Application forms
It can be helpful to use an application form when recruiting, rather than rely on each candidate responding in his or her own way. First, this means you can be sure the candidates provide all the information that is necessary and relevant to the job. It also makes it easier to compare like with like and to make your initial assessment

4 The recruitment advert
As well as where to advertise, you have to consider the advert itself. An effective job advert sells the position and the business - this is particularly important for small and new businesses, where the company name may not be particularly well known.

5 The interview process
Most jobs use an interview process. This enables you to find out if the candidate is suitable for the job and also enables you to give the candidate information about the job and your business.

FINISH