

# Resources for Teachers

## LC Business

### Unit 4 - Human Resources Management

<https://www.myleavingcert.ie/>

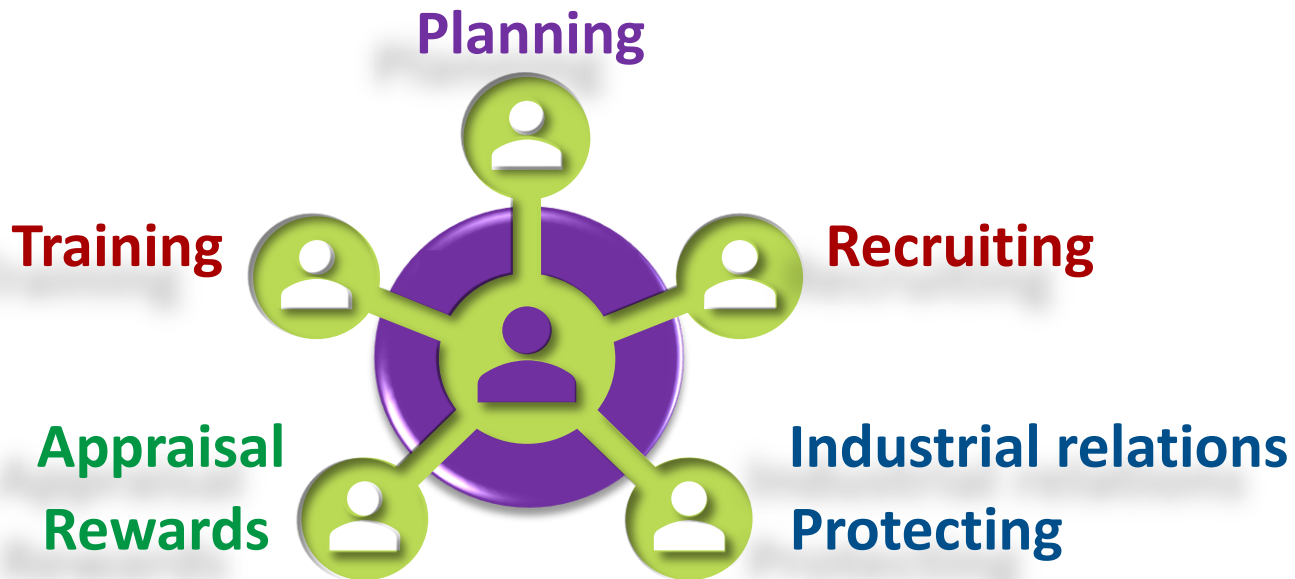


[www.myleavingcert.ie](http://www.myleavingcert.ie)

# Human resources management HRM

## HRM

Human resource management makes sure a business has the **right staff, with the right skills at the right time**. HRM places a huge emphasis on the importance of having the right staff.



# Human resource planning

Human resource or manpower planning **anticipates future labour needs** and how the business can meet these needs.

**It involves the following:**

- ❑ **Human resource auditing** which looks at the workers and skills presently in the business
- ❑ **Human resource forecasting** which predicts the future labour needs and the possible need for recruitment, training, promotion or redundancy.



## Recruitment and selection



Recruitment means finding applicants for a job and selection means choosing the successful ones.

Recruitment and selection involves the following stages:

- ❑ **Prepare the job description** - this relates directly to the actual position rather than the person required to carry out the job. It includes job title, conditions, duties, place of work, responsibilities. It highlights where the job fits in the overall organisational structure. The salary would also be included
- ❑ **Prepare the person specification** - this could include the required qualifications, experience, training, fitness level and language skills. It allows the business to define the kind of person required and helps in writing an accurate job description
- ❑ **Job advertisement** - aimed at either promoting staff from inside the business or recruiting new staff from outside the business. The job description and person specification form the basis of the job advertisement
- ❑ **Shortlist applicants** - review the letters of application and CVs and then make a short list for interview
- ❑ **Interview** - a selection technique to choose the candidate who most likely fits the person specification for the job and the culture of the organisation.



# Internal and external recruitment



## Benefits of internal recruitment

- ❑ **Morale improves** - employees have promotion opportunities and methods of career progression. This can act as a motivator and strengthen employee commitment to the business
- ❑ **Employee's skills, capabilities and attitude to work** will be well known by management. Employees have a good knowledge of the business which reduces the need for and cost of induction training
- ❑ **Reduces labour turnover** - opportunities for promotion exist causing less disruption within the business. The vacancy can be filled more quickly with less advertising costs.

## Benefits of external recruitment

- ❑ **Best candidate for the job** - can be recruited because there is a wider range of candidates to choose from
- ❑ **Experience from previous employment** - better skill sets maybe available from outside the business, resulting in a higher calibre employee
- ❑ **No existing relationships in the business** – this may reduce chance of conflict amongst existing staff.



# Training



**Training** ensures that employees have the **skills and knowledge needed** to do their job.

**Staff development** training is given to workers, so they can take on new and more challenging work.

**Multiskilling** trains workers to take on a wide range of different jobs.

## There are three main types of training:

- ❑ **Induction** - this is training for new staff. It provides an introduction to the job and to the organisation
- ❑ **On the job training** - this training takes place in the workplace. It is done through practical work experience and observing more experienced staff
- ❑ **Off the job training** - this training takes place outside of work and is usually involves training courses or in-service days.

## The benefits of training

- ❑ Training means workers **have the skills to do the job** and provide good quality goods and services and this leads to higher sales and profits for the business.
- ❑ The **variety of skills makes them more flexible** and more likely to cope with change in the business.
- ❑ **Staff need less supervision** and are able to do their jobs well, so this frees up the managers time to concentrate on more important issues.



# Performance appraisal



This is an **assessment of an employee's performance** at work.

It is a process of **setting targets and goals** for each employee and assessing their performance over a period of time, which is usually a year, to see if their goals have been met.

## Why is Performance appraisal used?

- Performance appraisal** is used to review and assess a workers performance - this can be used to determine the appropriate reward
- Goals can be set** – these goals can then be agreed by employee
- To provide employee feedback** – this may help to improve their productivity
- It can be used to give a **promotion**
- It can be used as a **rewards system** where a worker would get a pay rise or bonus
- It can be used to **motivate** employees - by recognising achievements and giving the appropriate reward.



## Financial Rewards

Rewards can be **financial or non-financial**. Financial rewards are those that involve payments and non-financial are those that offer reduced hours, holidays, flexible working etc.

- ❑ **Salaries** - a salary is an annual amount paid to the employees in equal amounts, either weekly or monthly
- ❑ **Time rate** - a fixed amount per hour for a fixed number of hours. Hours worked over and above the fixed number of hours are paid at a higher rate called overtime e.g., time and a half or double time
- ❑ **Piece rate** - the employee is rewarded per item produced. This method may lead to quality control problems as employees may try to get as many items produced as possible to increase its earnings
- ❑ **Commission** - the employees are paid a percentage of the total sales they have achieved. This is normally paid in addition to a flat payment. It has the advantage of directly encouraging sales
- ❑ **Bonus payment** - rewards based on increase effort or sales achieved
- ❑ **Profit sharing scheme** - is where employees are paid a certain percentage of the profits over time. Profits are paid to employees to motivate them to become more productive
- ❑ **Share ownership** - workers are given free or low price shares allowing them to become part owners of the company
- ❑ **Benefit in kind** - are non-cash payments or perks such as a company car or free health insurance.



## Non-financial rewards



- ❑ **Improved working conditions** - such as, better hours and holidays, better physical environment or flexitime, where staff choose their own start and finish time, as long as certain numbers of hours are worked
- ❑ **Promotion** - movement to a more responsible senior level in the organisation. While this will also carry a higher wage, it is often the job title, bigger office or the availability of a personal assistant that is the real reward as per Maslow's self-esteem needs
- ❑ **Job sharing** - allows staff to share a role and therefore work part-time
- ❑ **Job rotation** – moving staff around from one job to the other, so they can gain experience in other fields
- ❑ **Job enlargement** – increasing the number of tasks involved in a job, to reduce repetition and boredom
- ❑ **Job enrichment** – where workers are given more responsibility and encouraged to use their initiative.



# Employer and employee relations

The HR manager has an important role in **establishing good industrial relations**. Industrial relations or employment relations is the relationship between employers and employees and trade unions.

## Good industrial relations

- ❑ Ensuring good **communication** exists
- ❑ Providing financial and non-financial **rewards**
- ❑ By providing **job security**
- ❑ Making sure there are agreed procedures for **dealing with conflict** e.g., there needs to be a clear '**Grievance Procedure**' and a good relationship with the shop steward, who represents the workers in the case of a dispute
- ❑ The implementation of **good working conditions** - various health, safety and welfare regulations in the workplace and the recognition of the social and recreational needs of employees, e.g., sport and social clubs, has a very positive effect on employee morale
- ❑ **Encouraging industrial democracy** where employees have participation and power in the decision making.



# Employer and employee relations

## Industrial democracy

Industrial democracy can be achieved by having discussion groups, for example:

- ❑ **Consultative councils** where managers meet with workers and discuss issues
- ❑ **Works councils** where workers have an input into decisions and strategy
- ❑ **Worker directors** where workers sit on the Board of Directors of the company.

## Benefits of good relations

- ❑ Boosts the morale of workers
- ❑ Reduces **labour turnover**, which is when staff leave, and new ones need to be recruited
- ❑ **Increases productivity**, which is the output per worker
- ❑ Reduces the risks of **industrial action**.

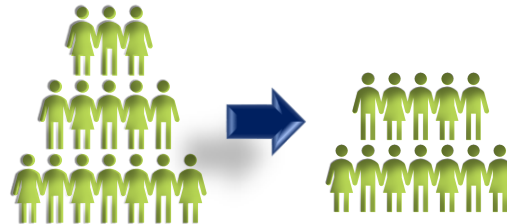


# Downsizing

Downsizing is the **laying off of workers to cut cost**. Downsizing is a common practice in business and is usually the result of economic downturns or a failing business.

## How to downsize

- ❑ **Natural wastage** which is reducing the size of the workforce by not replacing workers who leave naturally due to retirement, child-birth, new jobs etc.
- ❑ **Voluntary redundancies** can be offered to workers who wish to apply to be laid off. Financial packages are usually offered to encourage volunteers
- ❑ **Compulsory redundancies** are when not enough staff leave through natural wastage and voluntary redundancy and it may become necessary to let workers go who do not want to leave
- ❑ **Early retirement** packages can be offered to staff near retirement age to save laying off young workers with families.



## Exam question – 2021 Q6c

(C) Read the information supplied and answer the questions which follow.

Businesses offer a range of rewards to attract high calibre staff.

(i) Explain the following types of financial and non-financial rewards.

**Commission**

**Employee Share Purchase Plan**

**Flexitime**

(ii) Describe **one** other type of reward that you believe motivates employees. (25)



## Answer – 2021 Q6c

Question			Possible Responses	Max Mark
6	(C)	(i)	<p><b>Commission</b> Employees earn a percentage of the total sales that they achieve. Commission can increase the motivation of sales staff to sell goods and services to consumers.</p> <p><b>Employee share purchase plan</b> Employees can buy shares in the company at a discounted price. This can increase the motivation of employees as it is in their interest to work hard and make the business successful.</p> <p><b>Flexi-time</b> Employees are empowered to choose their own working hours within a time-frame. Employees must fulfil their contracted hours. i.e. Employees must work a 40-hour week but can choose to start at 10am and finish at 6pm rather than work the traditional 9am to 5pm.</p>	25
				18
				3@6m (3+3)

Question			Possible Responses	Max Mark
6	(C)	(ii)	Accept relevant reward	7 2 + 3 +2



## Exam question – 2019 Q6c

(C) Discuss the reasons why management carries out performance appraisal.

(15)



## Answer – 2019 Q6c

Question		Possible Response	Max Mark
6	C	<ul style="list-style-type: none"><li>• To review the progress of employees in order to determine the appropriate reward.</li><li>• Goals can be set for future performance and these targets can be agreed by employees.</li><li>• Decide on suitable wages for employees or discuss the possibility of a pay rise.</li><li>• To provide employees with feedback so their productivity can increase.</li><li>• To improve staff motivation by recognising staff achievements and giving appropriate award.</li><li>• To assess employee's potential for promotion or a bonus or extension of a contract.</li><li>• Management obtain feedback from employees on what resources they require/training, retraining needs or additional supports.</li><li>• To measure employee output against a standard.</li></ul>	15



# What is 'Myleavingcert'?

<https://www.myleavingcert.ie/>

Myleavingcert is a series of flexible, high quality on-line resources, aimed at helping students improve their grades and fill in knowledge gaps.

## What is included?

- ✓ **Key facts** in each topic to help students check knowledge and identify gaps
- ✓ **Important definitions** highlighted in every section
- ✓ **Detailed revision notes** organised by topic
- ✓ **Original diagrams** aimed to clarify topics and promote understanding
- ✓ **Audio files** to make revision more flexible
- ✓ **Quizzes** provided at the end of each topic aimed at improving retention
- ✓ All available **exam questions** included by topic, helping to focus the study.

## Benefits for students

Students **have all the information** they need in one place.

'Myleavingcert' allows access to information at any time of the day or night on any device.

Our priority is to support, motivate and encourage students to be in control of their learning.

 [myleavingcert.ie](https://www.myleavingcert.ie)

[www.myleavingcert.ie](https://www.myleavingcert.ie)

