

Approaches to Staffing

- The owners/leaders within a firm may see their workforce as assets or as a cost which will determine the decisions they make around the management of the workforce.

EMPLOYEES AS ASSETS	EMPLOYEES AS A COST
Provide good remuneration packages	Pay workers the minimum
Give reasonable holiday and sick pay	Provide the minimum legal sick and holiday pay
Invest in the working conditions	Provide basic working conditions
Provide workers with job security	Maximise output while minimising staff costs
See training as an investment	See training as unnecessary
Delegate responsibility	Centralise decision-making
Take care in developing policies that motivate staff	Give thought to employee motivation

- Employees may be dismissed from work for failing to meet the required standard or through misconduct. Employees may also be dismissed unfairly and this might result in an industrial tribunal.
- Redundancy applies where there is no work, not enough work or the position no longer applies. Sometimes employees will be offered voluntary redundancy where they receive a pay-out.

Flexible Working

- In order to adapt to the changing demands of the business environment, a firm may want to adopt a flexible approach to its workforce. This may involve approaches other than employing workers on a permanent fixed-term contract.
- Approaches to flexible working**
 - Part-time and temporary contracts.
 - Flexible hours and homeworking
 - Outsourcing** – getting other firms (specialists) to complete a particular task or business function, e.g. payroll.
 - Multi-skilling employees so that they can carry out multiple roles.

ADVANTAGES	DISADVANTAGES
Allows a firm to respond to short-term changes in demand.	Employees may not feel committed to the company if they do not have a permanent contract.
Specialist jobs can be done by experts who do not have to be permanently employed.	Communication can be a problem.
Easier to manage staffing costs.	Outsources work may be of a lower quality.

Key Words:

Topic 1.4 Managing People

Employee Representation

- TRADE UNIONS** – an organisation established to protect and improve the economic and working conditions of workers.
 - Focus on negotiations through collective bargaining.
 - Focus on pay and conditions.
 - Represent members at industrial tribunals and give workers advice on employment issues.
 - Prominent in public sector.
 - Decline of trade unions membership over past 20 years.
- WORKS COUNCILS** – a forum within a firm where workers and managers meet to discuss issues relating to conditions, pay and training.
 - Members elected from the workforce by the workforce.
 - Builds cooperation with managers.
 - Allows the workforce to be heard without trades union representation.
- EMPLOYEE COMMITTEES** – a group of employees meeting together to focus on specific issues within the workforce.
 - Informal groups set up by workers to focus on a aspect of work.
 - Typically focus on issues such as employee social events, safety and working conditions.
 - Employee committees influence decisions made at works councils.

Recruitment

- The process of finding and hiring a person for a specific job role that needs filling within a firm.
- INTERNAL RECRUITMENT** – when a role is filled by promoting employees from within the organisation.
 - Cheaper than external recruitment.
 - Managers know their employees so there is less risk – it is hard to foresee how an external recruit will perform.
 - May require less training.
 - Promotion opportunities are good for staff motivation and retention.
- EXTERNAL RECRUITMENT** – involves bringing new employees in from outside the organisation. Potential employees may be found using job adverts, employment agencies, government training scheme, etc.
 - May attract a wider number of applicants.
 - Brings in new skills and ideas.
 - Helps increase the capacity within the firm.

Training

- ON-THE-JOB TRAINING** – when an employee is trained at work while they are doing the actual job.
 - Output may continue as learning is through actually doing the job.
 - It may be easier and cheaper to organise.
 - However, it can be disruptive for others and mistakes are possible.
- OFF-THE-JOB TRAINING** – when an employee is trained outside of their work environment.
 - Mistakes reduced as training is not on site.
 - Safer and more motivating.
 - However, it might be costly and may not always be relevant.
- Training can be very costly for a firm as productivity will fall as employees will be away from the workplace or producing goods and services at a slower pace (often with more mistakes). Another danger is that the employees may leave the organisation and the investment is then lost.

Roles Within a Business Organisation

- DIRECTORS** – employed to run the firm. The Managing Director may have ultimate authority but there will be a group of directors known as the board of directors who will take responsibility for various functions of the firm.
- MANAGERS** – take responsibility for managing and controlling an aspect of the firm and make the day-to-day decisions. They may be responsible for a department and report to the directors.
- SUPERVISORS** – monitor and regulate work of other employees. They may have delegated responsibility from a manager.
- TEAM LEADERS** – members of a team who take a leadership role to guide the work of the team and ensure employees are motivated and work effectively together.

Categories:

- PROFESSIONALS** – staff with high levels of qualifications and experience. Posts involve a level of decision-making and responsibility e.g. doctors, architects, accountants.
- OPERATIVES** – skilled workers who are involved in the production of a product or the delivery of a service. Operatives carry out the instructions of managers and supervisors.
- GENERAL STAFF** – roles carried out by workers with non-specific skills. These roles may require limited experience, skill, or training e.g. labourers.

Organisational Design

- Organisational design is a key factor when managing a firm as it determines how a firm responds to external factors, how people within the firm relate to one another and how the company adapts to change.
- CHAIN OF COMMAND** – refers to the levels in the hierarchy. Organisations with many levels are referred to as being 'tall' organisations. Organisations naturally increase the levels of the hierarchy as they grow.
- SPAN OF CONTROL** – refers to the number of employees that a manager is directly responsible for. An organisation with a wide span of control will encourage delegation and is referred to as having 'flat' hierarchy.
- DELEGATION** – the process of passing down authority. It can be used to lighten the workload of key personnel as the organisation grows and can be a key aspect of job design as it leads to job enrichment for junior members of staff. However, it may not be suitable in certain situations where junior employees do not have the skills or in a crisis situation.
- CENTRALISATION** – refers to a decision-making process whereby the majority of decisions are led by senior managers.
 - Works well where standardisation is required.
 - Appropriate for situations where managers have the knowledge and workers are low skilled.
 - Suited to authoritarian leadership styles.
 - More suitable in times of crisis.
 - Effective at cost minimisation and achieving economies of scale.
- DECENTRALISATION** – refers to a decision-making process whereby the majority of decisions are delegated to managers in charge of regions, functions, and product categories.
 - Effective where local teams are best placed to make decisions to meet the customer needs.
 - Appropriate where firms are spread over a wide geographic area and local trends and needs are important.
 - Effective at reducing workload and promoting autonomy and skills.
 - Allows for flexible working conditions and supports job enrichment.