

OCR ALevel Business: Human Resources 1

Knowledge Organiser: Human Resources



Internal influences on HRM objectives

Corporate objectives

E.g. an objective of cost minimisation results in the need for redundancies, delaying or other restructuring

Operational strategies

E.g. introduction of new IT or other systems and processes may require new staff training, fewer staff

Marketing strategies

E.g. new product development and entry into a new market may require changes to organisational structure and recruitment of a new sales team

Financial strategies

E.g. a decision to reduce costs by outsourcing training would result in changes to training programmes



Function of a Trade Union

1. Negotiating improvement in and other non-wage benefits with employers.
2. Defending employees rights and jobs.
3. Improving working conditions eg. better hours of work, health conditions and safety policies.
4. Improving pay and other benefits, including holiday entitlement, sick pay and pension.
5. Encouraging firms to increase workers participation in business decision making.



External influences on HRM objectives

Market changes
E.g. a loss of market share to a competitor may require a change in divisional management or job losses to improve competitiveness

Economic changes
E.g. changes in the level of unemployment and the labour market will affect the supply of available people and their pay rates

Technological changes
E.g. the rapid growth of social networking may require changes to the way the business communicates with employees and customers

Social changes
E.g. the growing number of single-person households is increasing demand from employees for flexible working options

Political & legal changes
E.g. legislation on areas such as maximum working time and other employment rights impacts directly on workforce planning and remuneration

Unlawful Dismissal

Which incorporates being dismissed for the following reason

- Sex
- Sexual preference
- Disability
- Religion
- Family responsibilities
- Personal association
- Union membership
- Colour
- Filing a complaint against the employer



Wrongful dismissal

This is where you break the terms of an employee's contract in the dismissal process, for example dismissing someone without giving them proper notice

The 5 Potentially Fair Reasons for Dismissal

- **Conduct** – theft, violence, abuse, etc
- **Capability** – the employer believes the employee is unable to properly do their job
- **Redundancy** – closing of the business, the business needs less employees to complete work, etc
- **Statutory restriction** – eg: a delivery driver loses their licence, etc
- **Other substantial reasons** – e.g. restructuring, the employee is in prison, severe relationship breakdown, etc

Grievance procedure

By law employers must set out a grievance procedure and share it in writing with all employees, eg in their statement of employment or staff handbook. It must include:

- who the employee should contact about a grievance
- how to contact this person

It should also:

- say that if the problem can't be resolved informally, there will be a meeting with the employee, called a grievance hearing
- set out time limits for each stage of the process
- identify who to contact if the normal contact person is involved in the grievance
- explain how to appeal a grievance decision
- state that employees can be accompanied in any meetings by a colleague or union representative
- outline what happens if a grievance is raised during disciplinary action

Acting reasonably

Even if you have a fair reason, the dismissal is only fair if you also act reasonably during the dismissal and disciplinary process.

There's no legal definition of 'reasonableness', but if you're taken to an employment or industrial tribunal they would consider whether you:

- genuinely believed that the reason was fair
- carried out proper investigations where appropriate
- followed the relevant procedures
- told the employee why they were being considered for dismissal and listened to their views (in Northern Ireland, the employer must do this in writing)
- allowed the employee to be accompanied at disciplinary/dismissal hearings
- gave the employee the chance to appeal

You can make a claim to an employment tribunal if you think someone has treated you unlawfully, such as your employer, a potential employer or a trade union.

Unlawful treatment can include: unfair dismissal, discrimination

unfair deductions from your pay You must tell the Advisory, Conciliation and Arbitration Service (ACAS) that you intend to make a claim to the tribunal

WORKFORCE PERFORMANCE FORMULAS

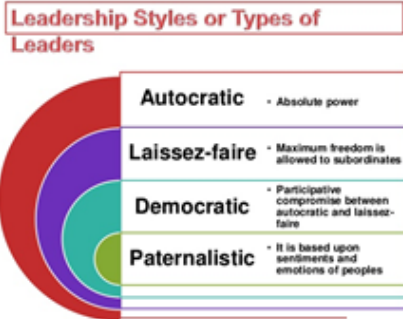
- Productivity:** $\text{Output} \div \text{No. of Employees}$
- Labour Turnover** $(\text{No. of employees leaving} + \text{Total no. of employees}) \times 100$
- Absenteeism** $(\text{No. of days absent} + \text{No. of working days available}) \times 100$
- Lateness** $(\text{No. of days late} + \text{No. of working days available}) \times 100$

****Working days is number of days X number of staff



OCR A Level Business: Human Resources 2

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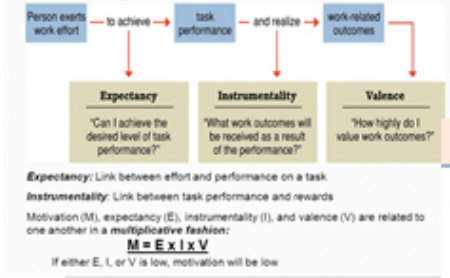


Constraints on Managers

Monetary Methods of Motivation: Bonus, Piece-Rate, Profit-Sharing, Commission



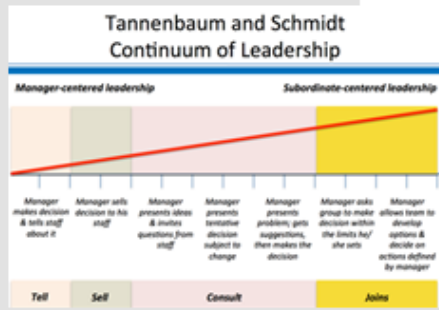
Victor Vroom's Expectancy Theory of Motivation



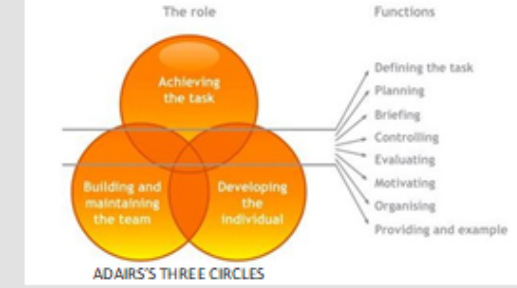
MBO Process Cycle Peter Drucker



- ### Peters
- Employers should:**
 - Recognised champions (sense of recognition)
 - Involve workers in all aspects of the business
 - Offer financial incentives (e.g. target-related bonuses)
 - Provide job security



- ### Carlyle and Galton Trait Theory
- Nineteenth century 'great man' theories argued that great leaders are born, not made.
 - Trait theory argues certain characteristics and attributes are peculiar to leaders.
 - Trait-based leadership theories comprise two major schools:
 - 'the great man' theories of leadership, that great leaders are born and not made, and
 - trait theory - that certain traits (whether inherited or developed) are preconditions for effective leadership.
 - Notable trait-based theorists are Thomas Carlyle and Francis Galton.



Theories put forward to help explain the factors which help motivate the employees of a business.

F. W. Taylor	Mayo	Maslow	Herzberg
Scientific Management	Hawthorne Studies	Hierarchy of Needs	'Two Factor' Theory
<i>The Principles of Scientific Management, 1911</i>	<i>The Human Problems of an Industrialized Civilization, 1933</i>	<i>Motivation and Personality, 1954</i>	<i>The Motivation to Work, 1959</i>
Workers are driven by money and financial incentives.	Workers are driven by money and human relations.	Workers are driven by the fulfillment of their human needs.	Workers are driven by two factors - direct and indirect factors.
Division of Labour	Research gathered at the Hawthorne Factory in Chicago.	Hierarchy of Needs:	Motivators
Training to Raise Efficiency	No impact from Changes in... Working Conditions	Self-Actualisation	Achievement
Piece Rate Pay	Large Impact from Changes in... Manager-Worker Communication	Esteem Needs	Recognition
Raises Productivity	Worker Engagement	Social Needs	Supervision
Unit costs for the business fall over time!	Teamwork	Safety Needs	Advancement
		Physical Needs	Responsibility
		Business needs to provide worker incentives to allow progression up the hierarchy.	Pride of Work
			Human Relations
			Motivation
			Increases
			Decreases
			Job Enrichment + Enlargement