

## Communication

Good communication is extremely important in business

Effective communication ensures ...

- The business's aims and objectives are clear
- Customers are aware of products and services
- Employees understand their role in the business
- Increased employee motivation

### Impact of insufficient communication

- Workers may not know what to do
- Could result in business being inefficient
- Could result in customer orders not being met
- Could reduce customer satisfaction → lower sales

### Impact of excessive (too much) communication

- Could cause confusion for workers
- Could slow down decision making
- Information overload → increased stress
- Could reduce productivity

### Barriers to effective communication

- Using inappropriate methods
- Technological breakdown
- Language barriers
- Use of jargon
- Cultural differences
- Timing of the message

## Job Roles and Responsibilities

Businesses employ a range of different job roles and these individuals have different responsibilities

### Directors

- Responsible for overall business performance
- Setting targets and strategies

### Senior Managers

- Management of key business functions
- Co-ordinating staff and resources

### Supervisors

- Leading a team of workers
- Performance management
- Providing training, support and motivation

### Operational and Support staff

- Carrying out key operations  
e.g. Serving the public / making products etc.
- Providing services to support the main function  
e.g. I.T. support

## Organisational Structure

Organisational structure refers to the way a business is structured to achieve its objectives.

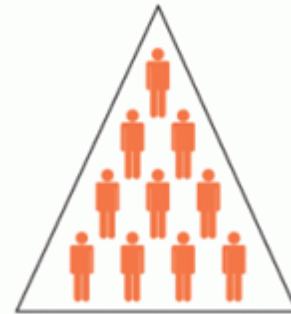
### Organisation charts

- An organisation chart is a diagram showing how the staff of a business are organised.
- They show the various levels of authority and spans of control.

### Span of Control

The number of employees that are directly managed by an individual manager.

### Hierarchical Structures



Hierarchical structures are also known as 'tall' organisations.

They have lots of layers of management

#### Benefits

- Managers will have small spans of control
- They provide lots of opportunity for workers to be promoted → increase promotion

#### Disadvantages

- Communication can take be affected (Chinese whispers)
- Decision making can be very slow

### Flat Structures



Flat structures have very few levels of management

#### Benefits

- Communication is often quicker
- Decisions can be made more easily

#### Disadvantages

- Managers have long spans of control
- Could negatively affect productivity
- Little opportunity for promotion – may demotivate workforce

## Different ways of working

### **Some workers will work different Hours**

#### **Full-time**

Full time workers usually work 35 hours or more a week

#### **Benefits**

- Employees more likely to be loyal to the business
- Employees are more committed/hard working -> better customer service -> increased sales

#### **Disadvantages**

- Full time workers work set hours -> no flexibility
- Wage bills will be higher -> increased costs

#### **Part-time**

*Part time workers only work part of the week*

#### **Benefits**

- Are more likely to work anti-social hours
- Wage bills will be lower -> lower costs

#### **Disadvantages**

- Part time workers tend to be less committed
- They are more likely to leave meaning lower labour retention

#### **Flexible hours**

*Workers have no set shifts and can work around their needs and the needs of the business.*

#### **Benefits**

- Provided flexibility for staff and the business
- Wage bill will be lower -> staff are only paid when they work

#### **Disadvantages**

- Lack of job security and no guaranteed income
- Workers demotivated -> poor customer service

### **Some workers will have different Contracts**

#### **Permanent**

*A worker is employed on an on-going basis*

#### **Benefits**

- Employees are more loyal to the business
- Workers more committed and loyal

#### **Disadvantages**

- Lack of flexibility -> can be expensive
- Have to pay sick pay and redundancy payments

#### **Temporary**

*A worker is employed on a fixed amount of time*

#### **Benefits**

- Increased flexibility -> lower wages

#### **Disadvantages**

- No loyalty and may need training and monitoring

#### **Freelance**

*Self-employed workers paid by a business to complete a particular project*

#### **Benefits**

- Freelancers are specialists -> good quality work

#### **Disadvantages**

- No loyalty and could be working for other firms

## Training

Businesses need to train and develop employees to ensure they can work efficiently

### Methods of training

#### **Formal training**

Employees attend specific training courses

#### **Benefits**

- Delivered by specialists
- Can offer formal qualifications

#### **Disadvantages**

- Can be very expensive and time consuming
- Employees stop working -> productivity falls

#### **Informal training**

Employees learn skills 'on the job' from other workers

#### **Benefits**

- Cheaper and less time consuming
- Gives workers 'hands on' experience

#### **Disadvantages**

- May take trainers away from their jobs
- Could result in decreasing productivity

#### **Self-learning**

Employees take responsibility for their own learning

- Employees can increase skills and knowledge
- Increasing efficiency and productivity
- Employees become more employable in future
- Many courses can be taken on-line

#### **Ongoing training**

- Refers to the continued develop of staff throughout their time at the business.
- Ensures employees stay up to date with new developments and new technology
- If workers are trained they can perform better
- This can help the business increase their productivity

#### **Target setting and performance reviews**

- Helps measure staff progress and performance
- Provides staff with targets to work towards.
- On-going training needs can be identified
- Annual performance reviews can be linked to pay and benefits

#### **Reasons why businesses train employees**

- Means employees do their jobs well leading to increased customer satisfaction
- Shows employees that they are valued by the business -> increasing motivation
- Increases staff retention
- Allows workers to use new technology

## How businesses recruit people

### Recruitment documents

#### **Person specification**

- A document outlining the type of person a business wants to employ.
- Including the qualifications, work experience and personal attributes they want the candidate to have.

#### **Job description**

- A document produced by the business describing the main features of the actual job.
- They include the duties and responsibilities of the person doing the job.

#### **Application form**

- When applying for job applicants may be asked to complete an application form giving all their details.
- They allow the business to compare candidates easily as everyone completes the same form with the same information.

#### **Curriculum Vitae (CV)**

- Document that lists a person's experience and qualifications
- Asking for a CV may encourage more applicants as it is easier than completing an application form.

## Impact of technology on ways of working

Technology has had a huge impact on the ways in which employees work

### Remote working

- Employees can work from home while keeping in touch with colleagues through e-mail and teleconferencing
- Allows for flexible working for workers and businesses.

### Video Conferencing

- Face to face communication can be streamed over the internet
- Can reduce travel costs by avoiding sending staff abroad to meetings
- This is a more efficient use of time and money

### Management information systems

- Business intranet systems allow employees to share data and information anywhere in the world.

## Recruitment methods

### **Internal recruitment**

When a role is advertised to the business's existing employees

#### Advantages

- Fast recruitment process
- Easier and cheaper to advertise
- Promotion opportunity can motivate staff
- All candidates are known to the business

#### Disadvantages

- Limited choice of applicants
- May cause conflict between workers
- Unlikely to bring in new ideas
- Promoting staff will create a new vacancy

### **External recruitment**

When a role is advertised to potential applicants both inside and outside the business

#### Advantages

- Higher number of potential candidates
- May bring in new skills into the business
- May bring in new ideas into the business

#### Disadvantages

- May take a long time to find a candidate
- Can be very expensive
- The candidate is unknown – may be rubbish

## Technology and Training

New technology has advantages and disadvantages when training employees

#### Advantages

- New technology enables some training to be done using computer simulations (e.g. pilots)
- Training can be more flexible and can be accessed remotely using on-line courses and webinars.

#### Disadvantages

- Employees need to be retrained whenever new technology is introduced
- Training can be expensive and could lower productivity

## Motivating employees



Motivation refers to an employee's reasons to work hard for their employer.

### Motivated workers tend to:

- Produce higher quality goods and services
- Be more committed to the organisation
- Be more willing to do a range of jobs
- Have lower rates of sick leave

### Demotivated workers can lead to:

- Lower productivity
- Lower quality goods and services
- Presenting a bad image to the public

## Non-financial methods of motivation

### **Job rotation**

- Gives employees the opportunity to work in other areas of the business
- Helps staff develop new skills and experience new roles
- Produces a flexible multi-skilled workforce
- Helps improve communication between staff

### **Job enrichment**

- Develops employees skills by giving them extra responsibilities
- Can motivate workers
- Could create stress if too much responsibility is given to employees

### **Autonomy**

- Autonomy empowers employees to make their own decisions
- Leading to greater motivation and better decision making
- Leads to greater job satisfaction
- Staff may need additional training

## Financial methods of motivation

### Remuneration

Money paid to an employee for working

Wage - Calculated hourly (e.g. £8.50 an hour)

Can earn extra pay by working more hours

Salary - Calculated yearly (e.g. £25,000 per year)

### Paying workers well can ...

- Motivate workers to work harder
- Increase productivity
- Attract better workers and retain key workers

### Bonus

Additional money paid to an employee if they achieve a specific target

### Commission

Additional money paid to sales people if they achieve a specific number of sales

Benefits of using bonuses and commission

- Can encourage staff to work harder
- Can lead to better customer service

Disadvantages of using bonuses and commission

- Can make staff put pressure on customers
- Could result in bad publicity / lower sales

### **Promotion**

Occurs when an employee is given a more senior role

- Offering promotion can motivate staff
- Can cause conflict between staff

### **Fringe benefits**

Fringe benefits are other benefits offered to employees on top of their usual payments.

Examples include

- Company car
- Free health care
- Free gym membership
- Staff discount
- Free health care