

# Management of People and Finance

## *3.1 – Human Resource Management*



**Learner's  
Notes**

## Introduction

In this topic you will find out about the following things.

### Recruitment and Selection

- *STAGES AND METHODS*

### Training

- *METHODS*
- *COSTS AND BENEFITS*

### Retaining and motivating

- *PAYMENT SYSTEMS*
- *WORKING PRACTICES*
- *HRM POLICIES*

### Legislation

- *HEALTH AND SAFETY LEGISLATION*
- *CONDITIONS OF SERVICE LEGISLATION*
- *DATA MANAGEMENT LEGISLATION*

### Technology

- *ROLE OF TECHNOLOGY IN MANAGING PEOPLE*

## WHAT IS HUMAN RESOURCE MANAGEMENT (HRM) ALL ABOUT?

The role of **HUMAN RESOURCE MANAGEMENT (HRM)** in a business is to manage the **WORKFORCE** so that a business has enough suitable staff to carry out all necessary tasks in an **EFFECTIVE** and **EFFICIENT** way.

The main activities that are involved in this work by HRM staff are as follows.

- *STAFF RECRUITMENT*
- *STAFF SELECTION*
- *STAFF TRAINING*
- *STAFF MOTIVATION AND RETENTION*
- *COMPLIANCE WITH LEGISLATION*

This HRM work is very important to any kind of business in an economy (ie PRIVATE, PUBLIC or THIRD sector), because if it is done properly then it can bring the following benefits.

- *INCREASE IN THE MOTIVATION OF STAFF (as they are happy at their work)*
- *INCREASE IN STAFF RETENTION RATES (amount of staff that want to stay with the business)*
- *INCREASE IN AMOUNT OF WORK BEING COMPLETED (due to motivated and long serving staff)*
- *BETTER QUALITY OF WORK (as staff are motivated and well skilled from long service)*
- *POSITIVE BUSINESS IMAGE (from high quality products and positive treatment of staff)*
- *INCREASED CONSUMER SATISFACTION (from provision of quality products and positive image)*
- *INCREASED USE OF THE BUSINESS BY CONSUMERS (CONSUMER LOYALTY)*
- *INCREASED PROFITS, BUDGETS OR DONATIONS (from consumer loyalty)*
- *LESS CHANCE OF RUNNING OUT OF MONEY AND FAILING*
- *DECREASED COSTS (due to less wastage and better systems)*
- *PREVENTION OF NEGATIVE INDUSTRIAL ACTION (where staff take action to negatively affect the business)*



## STAFF RECRUITMENT

The **RECRUITMENT** part of HRM's work involves trying to encourage suitable people to apply for any **VACANCIES** (jobs that they need workers for) that the business has.

The main stages involved in recruitment when a vacancy has been identified can be seen below.

### 1 CARRY OUT A JOB ANALYSIS

Job Analysis involves finding out everything about what a job involves by identifying the following.

- *TASKS TO BE COMPLETED IN THE JOB*
- *TECHNOLOGY THAT IS USED IN THE JOB*
- *KNOWLEDGE NEEDED TO CARRY OUT THE JOB*
- *SKILLS NEEDED TO CARRY OUT THE JOB*
- *LEVEL OF INITIATIVE NEEDED FROM STAFF*

Job Analysis can be carried out by:

- *ASKING THE CURRENT JOB HOLDER ABOUT THE JOB (if there is one)*
- *WATCHING CURRENT JOB HOLDER DO THE JOB (if there is one)*
- *ASK THE MANAGER WHO NEEDS THE NEW MEMBER OF STAFF THEM*



## 2 PREPARE A JOB DESCRIPTION

A Job Description uses information from the Job Analysis to clearly identify and record the following main details about a **JOB**.

- *JOB TITLE and DEPARTMENT*
- *POSITION IN BUSINESS*
- *PURPOSE OF THE JOB*
- *DUTIES OF THE JOB (ie work to be done)*
- *WORKING CONDITIONS (ie hours, holidays, etc)*
- *TARGETS TO BE MET*

An example of a job description can be seen below.

<b>PAPER STREET SOAP Ltd</b>	
<b>JOB DESCRIPTION</b>	
<b>Job Title:</b>	Receptionist
<b>Based at:</b>	Administrative Services Department, Head Office, Glasgow
<b>Position reports to:</b>	Administration Manager
<b>Job purpose:</b>	Attend to visitors and deal with inquiries on the phone and face to face. Supply information regarding the organisation to the general public, clients and customers.
<b>Key tasks and responsibilities:</b>	<ul style="list-style-type: none"><li>• Answer telephone, screen and direct calls</li><li>• Take and relay messages</li><li>• Provide information to callers</li><li>• Greet persons entering organization</li><li>• Direct persons to correct destination</li><li>• Deal with queries from the public and customers</li><li>• Ensures knowledge of staff movements in and out of organisation</li><li>• General administrative and clerical support</li><li>• Prepare letters and documents</li><li>• Receive and sort mail and deliveries</li><li>• Schedule appointments</li><li>• Maintain appointment diary either manually or electronically</li><li>• Organise meetings</li><li>• Tidy and maintain the reception area</li></ul>
<b>Conditions and Scale:</b>	This post is 35 hours per week, is salaried on Administrative Scale A – (£15,000 - £21,000 pa) and has 20 days (plus public) holiday per annum.

Job descriptions are very important documents because they help improve HRM's ability to manage people and roles in the following ways.

- *JOB DESCRIPTIONS MAKE IT CLEAR WHAT EMPLOYERS EXPECT FROM AN EMPLOYEE AND SO THEY ARE VERY USEFUL IN HELPING JOB CANDIDATES DECIDE IF THEY ARE SUITABLE FOR THE POST*
- *JOB DESCRIPTIONS MAKE IT CLEAR WHAT EMPLOYERS EXPECT FROM AN EMPLOYEE AND SO THEY ARE VERY USEFUL IN PRODUCING EFFECTIVE ADVERTS AND SELECTING SUITABLE STAFF*
- *JOB DESCRIPTIONS MAKE IT CLEAR WHAT EMPLOYERS EXPECT FROM AN EMPLOYEE AND SO THEY ARE USED TO CREATE THE LEGAL CONTRACT OF EMPLOYMENT FOR A VACANCY*
- *JOB DESCRIPTIONS MAKE IT CLEAR WHAT EMPLOYERS EXPECT FROM AN EMPLOYEE AND SO THEY ARE VERY USEFUL IN MEASURING EMPLOYEE PERFORMANCE IN THE JOB*
- *JOB DESCRIPTIONS MAKE IT CLEAR WHAT EMPLOYERS EXPECT FROM AN EMPLOYEE AND SO THEY ARE VERY USEFUL IN ISSUES OF EMPLOYEE/EMPLOYER DISPUTE OR ANY DISCIPLINE ISSUES*



### 3 PREPARE A PERSON SPECIFICATION

A Person Specification uses information from the Job Description to identify and record the following main details about the type of **PERSON** that would be suitable for the job.

- *PHYSICAL CHARACTERISTICS (eg fitness, etc)*
- *QUALIFICATIONS (eg Highers, Degree, etc)*
- *SKILLS (eg words per minute on a word processor)*
- *PERSONAL CHARACTERISTICS (eg outgoing)*

These details in the Person Specification will usually be spilt into the following categories for later use.

- *ESSENTIAL (these qualities must be present in a candidate)*
- *DESIRABLE (extra qualities that would be present in a “perfect” candidate)*

An example of a person specification can be seen below.

<b>PAPER STREET SOAP Ltd</b>	
<b>PERSON SPECIFICATION</b>	
<b>Job Title:</b> Receptionist	
<b>Essential</b>	<b>Desirable</b>
<i>Education and Experience</i>	
<ul style="list-style-type: none"><li>• Higher level exam passes</li><li>• Knowledge of administrative procedures</li><li>• Knowledge of relevant software applications</li><li>• Knowledge of customer service practices</li><li>• Keyboarding skills</li></ul>	<ul style="list-style-type: none"><li>• Higher Administration and IT</li><li>• Experience of similar post</li><li>• Expertise in Microsoft outlook</li><li>• Experience of customer service work</li><li>• Ability to type 60 words per minute</li></ul>
<i>Skills and Characteristics</i>	
<ul style="list-style-type: none"><li>• Reliable</li><li>• Strong communication skills</li><li>• Professional personal presentation</li><li>• Customer service focus</li><li>• Ability to organise and plan</li><li>• Attention to detail</li><li>• Able to act on own initiative</li><li>• Ability to remain tactful under stress</li></ul>	<ul style="list-style-type: none"><li>• Strong time keeping and attendance record</li></ul>

Person specifications are very important documents because they help improve HRM's ability to manage people and roles in the following ways.

- *PERSON SPECIFICATIONS MAKE IT CLEAR WHAT EMPLOYERS EXPECT FROM AN EMPLOYEE AND SO THEY ARE VERY USEFUL IN HELPING JOB CANDIDATES DECIDE IF THEY ARE SUITABLE FOR THE POST*
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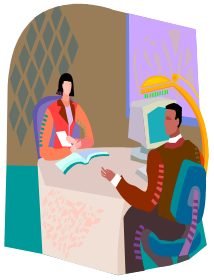

#### 4 PREPARE JOB ADVERTISEMENT(S)

When a business has details about their job vacancy and the type of person needed to fill it (from the Job Description and Person Specification), then it can create a **JOB ADVERTISEMENT**. The purpose of a Job Advertisement is to tell people the following details about a vacancy in order to encourage them to apply for it.

- *PERSONAL QUALITIES NEEDED (from Person Specification)*
- *JOB DETAILS (eg duties and targets from Job Description)*
- *CONDITIONS (eg hours, pay, holiday, etc from Job Description)*
- *HOW TO APPLY FOR THE POST (eg CURRICULUM VITAE [CV] or APPLICATION FORM)*

Job advertisements can be shared with potential candidates in any of the following different ways.

Advertising	Description
<p><b>LOCAL PRESS</b></p> 	<p>Here advertisements are placed within local newspapers for an area (eg Glasgow Evening Times) in order to get local people to apply for vacancies.</p> <p>The main advantage of using local press advertisements is that they are usually cheap to place.</p> <p>However, as there is only a limited number of local people to choose from it can be difficult to find a “perfect” candidate.</p>
<p><b>NATIONAL PRESS</b></p> 	<p>Here advertisements are placed within papers which are available nationally (eg Daily Record) in order to get people from all over the country to apply for vacancies.</p> <p>The main advantage of using national press advertisements is that because there is a wide range of people to choose from it can be easier to find a “perfect” candidate.</p> <p>However, advertisements in the national press are usually quite expensive.</p>
<p><b>JOB CENTRE PLUS</b></p> 	<p>Here advertisements are placed with the local Government Job Centre Plus agency which has been set up to help people find jobs.</p> <p>The main benefit of using Job Centre Plus to publicise vacancies is that they have a note of people who are seeking employment and so can actively encourage people to apply. This service also has the advantage of lowering advertising costs as it is free.</p> <p>However, the main drawback to advertising here as it is often people who are already unemployed who usually use this service there may only be a limited range of applicants to choose from.</p>

Advertising	Description
<p><b>RECRUITMENT AGENCY</b></p> 	<p>Here advertisements are placed with a private recruitment agency which has been set up to help people find jobs.</p> <p>The main benefit of using a private recruitment agency to publicise vacancies is that they have a note of people who already working or are seeking employment and so can actively encourage people to apply. This service also has the advantage of providing professional adverts as the agency will have staff who are recruitment experts.</p> <p>However, the main drawback to advertising here is that the service is often expensive as the agency charge a fee for their services.</p>
<p><b>ONLINE ADVERTISEMENT</b></p> 	<p>Here advertisements are placed on a business website rather than in print or at an agency.</p> <p>The main benefits of using websites to publicise vacancies are as follows.</p> <ul style="list-style-type: none"> <li>• <i>ELECTRONIC ADVERTS CAN SAVE BUSINESSES MONEY BECAUSE IT MAY BE CHEAP OR FREE TO PUT THEM ON (INTERNAL) NETWORKS OR WEBSITES</i></li> <li>• <i>ELECTRONIC ADVERTS CAN MEAN THAT APPLICANTS FROM MANY DIFFERENT LOCATIONS CAN APPLY FOR THE POST WHICH INCREASES THE CHANCES OF FINDING THE "PERFECT" PERSON FOR THE JOB</i></li> <li>• <i>ELECTRONIC ADVERTISING CAN MAKE IT CHEAPER FOR BUSINESSES TO RECRUIT APPLICANTS AS THEY CAN E-MAIL DOCUMENTS IN ORDER TO SAVE POSTAGE AND PRINTING COSTS</i></li> </ul>

An example of a job advertisement that could be used in any of the above methods can be seen below.

**RECEPTIONIST WANTED**  
*Paper Street Soap Ltd*  
*(£15,000-18,000 pa)*

Busy cosmetics company requires a receptionist for their Head Office. Candidates will be expected to attend to visitors and deal with inquiries on the phone and face to face. The post reports to the Administration Manager and the successful candidate will be entitled to 20 (plus public) days holidays. Higher level education is required and candidates should possess tact and professional standards of personal presentation tact and be tactful and have knowledge (and preferably experience) of customer service work and IT skills.

*Please contact Tyler on 0141 555 5555 (or email [tdurden@pss.co.uk](mailto:tdurden@pss.co.uk)) to request a recruitment pack and application form. The deadline for applications is 25 May.*

Many organisations prefer to request the use of application forms rather than CV's in their job advertisements for the following reasons.

- CURRICULUM VITAE'S (CV'S) CAN VARY IN LAYOUT AND CONTENT WHICH CAN MAKE THEM DIFFICULT TO COMPARE AND GATHER RELEVANT INFORMATION FROM
- APPLICATION FORMS ENSURE CANDIDATES ALL PROVIDE THE SAME INFORMATION WHICH CAN HELP WITH THE SELECTION PROCESS AS IT IS EASIER TO COMPARE CANDIDATE INFORMATION
- APPLICATION FORMS PROVIDE INFORMATION ABOUT CANDIDATES IN THE SAME ORDER AND FORMAT WHICH CAN HELP WITH THE SELECTION PROCESS AS IT IS EASIER TO COMPARE CANDIDATE INFORMATION
- APPLICATION FORMS CAN BE SET UP SO THAT CANDIDATES DO NOT PROVIDE INFORMATION WHICH COULD USED TO DISCRIMINATE (eg age or gender) AND SO HELP PREVENT THIS HAPPEN
- APPLICATION FORMS REQUIRE CANDIDATES TO PROVIDE INFORMATION THAT IS RELEVANT TO THE VACANCY (eg examples of when they have displayed experience of carrying out duties of the post) WHICH CAN HELP WITH THE SELECTION PROCESS BY SHOWING WHICH CANDIDATES BEST MATCH THE DEMANDS OF THE PERSON SPECIFICATION

An example of a simple job application form can be seen below.

Sample Application Form			
<b>1. PERSONAL DETAILS (Please use capital letters)</b>			
Title:	Address:	Postcode:	
Date of Birth:	Home Telephone No:		
Email:	National Insurance No:	Daytime Contact No:	
<b>2. CURRENT EMPLOYMENT</b>			
Start Date	Employer Name and Address	Job Title and Salary	Reasons for Leaving
<b>3. CURRENT MEMBERSHIP OF PROFESSIONAL BODIES</b>			
<b>4. WORK EXPERIENCE</b>			
Dates	Employer Name and Address	Job Title and responsibilities	Reasons for Leaving
<b>5. EDUCATION, TRAINING AND DEVELOPMENT</b>			
College, University, or Training Establishment attended	Qualifications or course details	Date	
1			
<b>6. PERSONAL STATEMENT – Continue on additional sheets if necessary</b>			
Please provide details of your experience including any unpaid work and outside interests that are relevant to the job. Give examples where appropriate. Attach additional sheets securely and ensure they are marked clearly with your name and details of the posts for which you have applied.			
<b>7. MEDICAL DETAILS – Details of any sickness absence in the last two years</b>			
Do you have or have you had any illness or medical condition which may prevent you from attending work regularly in the future? Yes No			
If you have answered "yes" please provide details here:			
Number of working days lost in the past two years:			
<b>8. REFERENCES – One must be your current or most recent employer</b>			
Name:	Address:	Name:	Address:
Email:	Telephone No:	Email:	Telephone No:
Relationship to Applicant:		Relationship to Applicant:	
<b>9. CRIMINAL CONVICTIONS</b>			
The Rehabilitation of Offenders Act 1974 requires applicants to give details of any convictions that are not spent. Failure to disclose such convictions could result in disciplinary action or dismissal.			
Do you have any previous convictions?			
If yes, please detail offence(s) including date(s) and sentence(s)			
If you have previously applied for a Criminal Records Bureau Disclosure please state the date of issue of your Disclosure certificate			
<b>10. DECLARATION</b>			
I certify that the information contained on this application form is accurate and true. I give my consent to the processing, transfer and disclosure of all information submitted by me during the recruitment process and throughout any subsequent periods of employment for pre employment checks, equal opportunities monitoring, payroll operations and training. (Data Protection Act 1988)			
Signed:		Date:	
2			

## STAFF SELECTION

The **SELECTION** part of HRM's work involves trying to decide who is the best person (from those who have been recruited) to fill a **VACANCY**.

The main stages involved in selection (after recruitment is complete and people have applied for the vacancy) can be seen below.

### 1 IDENTIFY THE BEST CANDIDATES

When all applications have been received, the HRM Department find the "best" candidates for the post by checking their details against the Person Specification and choosing one of the following options.

- *DETAILS CLOSELY MATCH THE PERSON SPECIFICATION*

These applicants will be contacted (by phone, letter, etc) to ask them to come to the business for an **INTERVIEW** about the vacancy. These candidates will be known as the **LEET** (short list) for the post.

- *DETAILS **DO NOT** CLOSELY MATCH THE PERSON SPECIFICATION*

These applicants will be contacted (by e-mail, phone, letter, etc) to tell them **POLITELY** that they have been unsuccessful and so **WILL NOT** be asked to attend an interview about the vacancy.

As already discussed, many businesses now prefer to use **APPLICATION FORMS** during recruitment to help to make it easy to see if the applicant matches the Person Description.



## 2 INTERVIEW THE BEST APPLICANTS

An interview is a **TWO WAY** discussion between an organisation and a job candidate. The aim of an interview is for the business and the job applicant to find out more information about each other by discussing specific questions and so assess in more detail if candidate's is really suitable for the post (in terms of experience and personality).

Interviews may be conducted in a series of rounds, can be **ONE-TO-ONE** (one interviewer) or **PANEL** based (several interviewers) and are one of the most common form of selection used today. However, despite their popularity, interviews can have the following drawbacks.

- *MANY INTERVIEWERS ARE NOT EFFECTIVELY TRAINED TO CONDUCT INTERVIEWS WELL AND SO MAY NOT FIND OUT AS MUCH ABOUT THE CAN ABOUT THE CANDIDATE*
- *MANY INTERVIEWERS FORM AN OPINION OF CANDIDATES WITHIN THE FIRST FEW MINUTES OF THE INTERVIEW RATHER THAN OVER ITS' ENTIRE COURSE WHICH CAN LEAD TO PREJUDICED DECISIONS*
- *MANY CANDIDATES FAIL TO FIND OUT ABOUT THE ORGANISATION OR ARE SIMPLY POOR COMMUNICATORS IN THE INTERVIEW SITUATION, AND SO UNNECESSARILY PORTRAY THEMSELVES IN A POOR LIGHT*
- *MOST INTERVIEWS FOCUS ON DISCUSSING PAST ACTIVITIES AND SO DO NOT PROVIDE INFORMATION ABOUT FUTURE POTENTIAL OR VERIFYING ACTUAL ABILITIES*

To minimise these drawbacks, a business can try to ensure that has “good interviews” by following the advice below.

- *BE OPEN-MINDED/UNBIASED TO ALL CANDIDATES*
- *PLAN APPROPRIATE QUESTIONS AND EXPECTED ANSWERS IN ADVANCE*
- *MAKE INTERVIEWEE AT EASE (eg warm welcome, outline interview structure, etc)*
- *ASK SAME QUESTIONS OF ALL APPLICANTS*
- *TAKE NOTES ON APPLICANTS' RESPONSES*
- *OFFER CANDIDATES A CHANCE TO ADD TO ANY ANSWERS BEFORE LEAVING*
- *CLOSE INTERVIEW COURTEOUSLY (eg thank candidate and tell them what to expect next)*
- *GRADE CANDIDATES ANSWERS AGAINST EACH OTHER AND EXPECTED ANSWERS*



### 3 TEST THE BEST APPLICANTS



Testing may be carried out to back up or get more information about a job applicant. Tests can take any (or all) of the following formats.

- *PRACTICAL TESTING*  
(to assess a skill, eg typing test)
- *PSYCHOLOGICAL TESTING*  
(to assess personality, eg leadership ability)

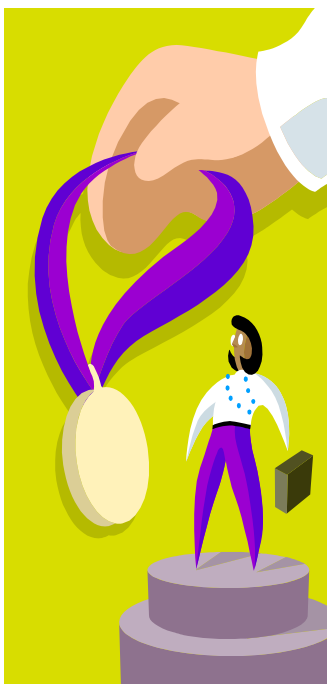
These test can be conducted by the business one at a time or through an **ASSESSMENT CENTRE** (where they can be carried out together often by experts). These tests may often be delivered and checked by computer to speed up results

### 4 COLLECT REFERENCES FOR THE BEST CANDIDATES



To confirm information gained at interview or from testing many businesses will also look for **REFERENCES** about a candidate. A reference is a written report about a candidate's suitability and character from their current employer or another trusted party (eg teacher).

### 5 DECIDE ON WHO IS THE BEST OVERALL CANDIDATE FOR THE JOB



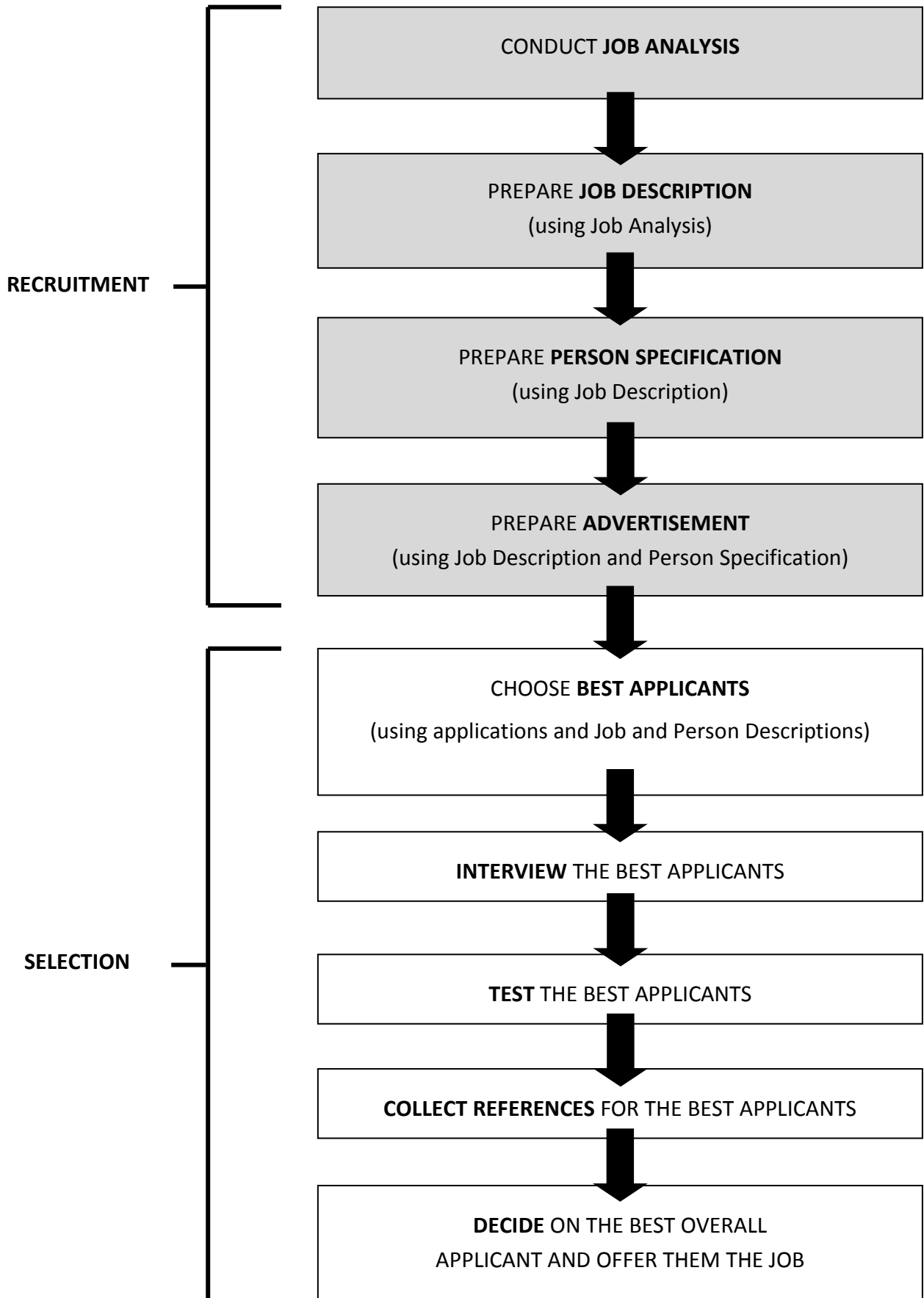
Using the information from the applications, interviews, tests and references, HRM will decide if they think someone is suitable for the post. This is an important decision because employing unsuitable staff will impact on customer service and the success of the business.

If there are people who are suitable, then HRM will have to decide who they think the best overall applicant is for the job and offer them the post.

After this offer is accepted, HRM will then politely tell the other applicants that were leeted they have been unsuccessful.

The business should also take this opportunity to review (and if necessary improve) the suitability of their recruitment and selection procedures. This is because if they result in the appointment of poor quality workers then there will be lots of problems in the business – changing these procedures should prevent this happening again.

## RECRUITMENT AND SELECTION SUMMARY



## STAFF TRAINING

The **STAFF TRAINING** part of HRM's work involves trying to make sure that staff have the skills and knowledge that they need to do their jobs properly.

The types and methods of training that HRM in small to medium sized businesses organise for staff can be seen below.

### 1 INDUCTION TRAINING

Induction Training is training for **NEW** members of staff to make sure they know about:

- *WHAT THEY WILL HAVE TO DO IN THEIR NEW JOB (eg equipment to be used, work to be done)*
- *WHAT THEIR WORKING ENVIRONMENT IS LIKE (eg where they will work, parking, canteen, etc)*
- *WHO THEIR COLLEAGUES AND OTHER STAFF ARE*

Induction training is usually carried out so that new staff:

- *UNDERSTAND THEIR NEW ROLE AND WHERE TO GET HELP IF THEY NEED IT*
- *ARE ABLE TO CARRY OUT THEIR TASKS QUICKLY AND CORRECTLY*
- *ARE NOT NERVOUS ABOUT THEIR NEW POSITION AND SO UNABLE TO UNDERTAKE IT PROPERLY*

Induction training is usually carried out **INSIDE** of the business itself **BEFORE** staff take up their new position through the following activities:

- *SPECIALISED COURSE (delivered by existing staff or through the use of IT programs)*
- *MENTOR (specific member of staff responsible for conducting training and monitoring progress)*



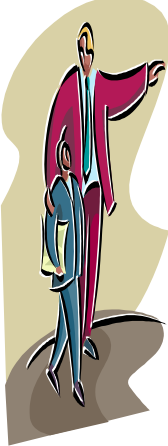



## 2 IN SERVICE TRAINING

In Service Training is training that is provided for **EXISTING** members of staff so that they:

- *CAN LEARN NEW SKILLS (RETRAINING)*
- *UPDATE EXISTING SKILLS (UPGRADE TRAINING)*
- *PROVIDE A BETTER LEVEL OF PRODUCT QUALITY AND CUSTOMER SERVICE*

In Service can be carried out in either of the following ways.

Training	Description
<p><b>ON THE JOB TRAINING</b></p> 	<p>This type of training takes place while the member of staff is in the business doing their ordinary work, and is carried out in the following ways.</p> <ul style="list-style-type: none"> <li>• <i>EXISTING STAFF SHOW OTHERS</i></li> <li>• <i>BOUGHT IN TRAINERS</i></li> </ul> <p>The main <b>ADVANTAGES</b> of on the job training are as follows.</p> <ul style="list-style-type: none"> <li>• <i>IT IS CHEAP TO OPERATE AS EXISTING STAFF ARE NOT USUALLY PAID EXTRA</i></li> <li>• <i>IT IS QUICK TO ORGANISE AS EXISTING STAFF CAN BE EASILY MADE AVAILABLE</i></li> <li>• <i>IT CAN MOTIVATE TRAINERS AS THEY GET CHANCE TO SE THEIR SKILLS</i></li> </ul> <p>The main <b>DISADVANTAGES</b> of on the job training are as follows.</p> <ul style="list-style-type: none"> <li>• <i>TRAINING MAY BE LIMITED BY THE SKILLS OF EXISTING STAFF</i></li> <li>• <i>NEW SKILLS WILL NOT BE AVAILABLE</i></li> </ul>
<p><b>OFF THE JOB TRAINING</b></p> 	<p>This type of training takes place while the member of staff is NOT doing their work (often at a different location), and is carried out in the following ways.</p> <ul style="list-style-type: none"> <li>• <i>COLLEGE COURSES</i></li> <li>• <i>TRAINING AGENCIES AND COURSES</i></li> <li>• <i>ONLINE OR COMPUTER BASED TRAINING PACKAGES</i></li> </ul> <p>The main <b>ADVANTAGES</b> of off the job training are as follows.</p> <ul style="list-style-type: none"> <li>• <i>EXPERT TRAINERS CAN BE USED WHICH IMPROVES THE QUALITY OF TRAINING</i></li> <li>• <i>ACCESS TO NEW SKILLS AND INFORMATION CAN MAKE STAFF MORE FLEXIBLE</i></li> <li>• <i>MOTIVATION FOR STAFF FROM CHANGE IN ROUTINE</i></li> </ul> <p>The main <b>DISADVANTAGES</b> of off the job training are as follows.</p> <ul style="list-style-type: none"> <li>• <i>COURSES CAN BE EXPENSIVE DUE TO TRAINERS FEES, STAFF TRAVEL COSTS, ETC</i></li> <li>• <i>CAN TAKE TIME TO ORGANISE AND SO MAY NOT HELP WITH IMMEDIATE PROBLEMS</i></li> <li>• <i>WORK IS NOT DONE WHILE STAFF ARE AWAY WHICH REDUCES OUTPUT</i></li> </ul>

The method of In Service Training used will usually depend on the following.

- *LEVEL OF TRAINING REQUIRED (eg on the job may suit basic needs)*
- *THE AVAILABILITY OF INTERNAL TRAINERS (eg off the job may need to be used if no one is available)*
- *THE EQUIPMENT NEEDED FOR TRAINING (eg specialised equipment may need off the job training)*
- *FINANCE AVAILABLE FOR TRAINING (eg little money may mean on the job has to be used)*
- *IMPACT OF LOST OF OUTPUT (due to staff absence at training, inexperience, etc)*

### WHY DOES HRM UNDERTAKE TRAINING?

The above types of training are undertaken for the following reasons/benefits.

- *NECESSITY (staff must have the skills and knowledge to be able to fulfil their job specification)*
- *IMPROVED EMPLOYEE MOTIVATION AND SATISFACTION (from feeling important to the business)*
- *FLEXIBILITY (by giving staff a variety of skills they can undertake various tasks that will help the business)*
- *EFFICIENCY (as staff are more skilled they will increase product and service quality)*
- *LOWERED BUSINESS COSTS (flexibility and efficiency means the business will need fewer staff)*
- *INCREASED BUSINESS PERFORMANCE (due to motivation, flexibility and efficiency)*

To make sure that training does indeed provide these benefits, HRM should do the following.

- *Training needs should be identified and addressed through a **STAFF DEVELOPMENT PROGRAMME**. This should make sure that training actually develops the abilities of employees and so does not waste time and money focusing on something staff can already do*
- *Get feedback from staff before and after training (eg through a questionnaire or observing staff) about how training has improved their work. This will allow the business to avoid wasting time and money repeating training that had no effect. Doing this will also alert the business to the need to organise alternative training that will actually help staff.*








## STAFF MOTIVATION AND RETENTION

*The **STAFF MOTIVATION** part of HRM's work involves trying to make sure that staff work to the best of their abilities.*

*The **STAFF RETENTION** part of HRM's work involves trying to make sure that staff are happy to continue to work for the business.*

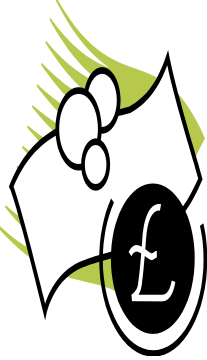
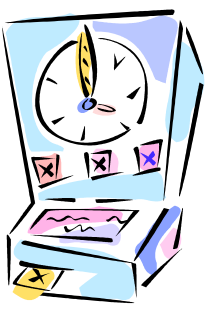

Staff will be motivated and stay with a business when HRM tries to satisfy the following reasons why they want to get a job (or start their own business) in the first place.

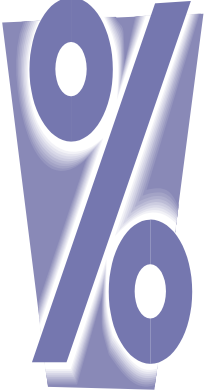

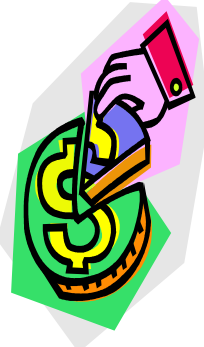
Reason	Detail
<p><b>MONEY</b></p> 	<p>People need money to purchase the goods and services that they need and want for themselves and their families. Therefore, by getting a job people will have money to buy these goods and services.</p>
<p><b>JOB SATISFACTION</b></p> 	<p>Some people do their job in order to give themselves a sense of worth and satisfaction. This is known as <b>JOB SATISFACTION</b>. For examples, nurses may do their job because they feel better for helping other people.</p>
<p><b>SECURITY</b></p> 	<p>By working people will have money for both the present and the future (from savings or a pension). This gives workers security about what will happen to them in the future.</p>
<p><b>COMPANIONSHIP</b></p> 	<p>By working people will usually get to meet new people to make friends with. This prevents the worker becoming lonely and so makes them happier.</p>
<p><b>PERSONAL DEVELOPMENT</b></p> 	<p>Some people do their job in order to develop their skills through practice on the job and training from their employers. This is known as <b>PERSONAL DEVELOPMENT</b>.</p>

Common methods that HRM in small to medium sized businesses can try to satisfy the reasons their staff have for working can be seen below.

## 1 FINANCIAL INCENTIVES

Many of the reasons that staff work are based on the money staffs receive for their work. This money is known as **WAGES**. This means that HRM should ensure that they have wages systems that will meet these needs and so motivate staff and make them want to stay. The main wage systems that HRM can use can be seen below.



Wage System	Description
<p data-bbox="284 622 379 649"><b>SALARY</b></p> 	<p data-bbox="475 622 1501 694">A salary provides staff with a <b>FIXED</b> wage each month. It is calculated by dividing their annual salary by 12 – eg £24,000 per year = £2,000 per month salary (<math>24/12 = 2</math>).</p> <p data-bbox="475 734 1501 891">This payment system can motivate and retain staff because the steady payment it creates gives staff a secure income. It is also beneficial for employers because as staff know they will get a fixed amount of wages anyway they can focus on delivering a quality product.</p> <p data-bbox="475 931 1501 1043">However, salaries could be demotivating to some staff as they may feel that they are working harder than others for the same pay and this can result in them deciding to decrease their efforts in line with other less committed workers.</p>
<p data-bbox="244 1093 419 1120"><b>HOURLY RATE</b></p> 	<p data-bbox="475 1093 1501 1205">An hourly rate provides staff with a <b>VARIABLE</b> wage because it is based on how many hours they work. For example, someone who works for 20 hours @£10 per hour will earn £200, while someone who works 20 hours @ 10 hours will only make £100.</p> <p data-bbox="475 1245 1501 1357">This payment system can motivate and retain staff because they know that if they do more work then they will make more money (sometimes at higher rates if extra hours are above the expected amount – these hours would be known as <b>OVERTIME</b>).</p> <p data-bbox="475 1397 1501 1469">However, the use of hourly rate could be demotivate some staff as it may not result in a steady wage and so can make them feel financially insecure.</p>
<p data-bbox="260 1518 403 1545"><b>PIECE RATE</b></p> 	<p data-bbox="475 1518 1501 1675">A piece rate provides staff with a <b>VARIABLE</b> wage because it is based on how many things they make. For example, staff may be paid £1 for each component they make on a machine – this would mean that if they made 100 components they would get £100.</p> <p data-bbox="475 1715 1501 1787">This payment system can motivate and retain staff because they know that if they do more work then they will make more money.</p> <p data-bbox="475 1827 1501 1984">However, the use of piece rate could be demotivating to some staff as they may find that this kind of work boring and so does not create a lot of job satisfaction or development. For the business this system can also mean that quality drops because staff focus on how much they can make rather than how well they can make it.</p>


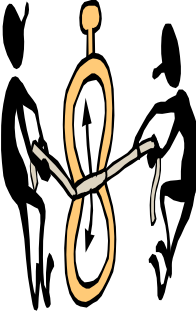
Wage System	Description
<p><b>COMMISSION</b></p> 	<p>A commission system provides staff with a <b>VARIABLE</b> wage because it is usually based on paying them a percentage of the amount of sales that they make. For example, staff may be paid 10% of all products they sell – this would mean that if they sold something for £100 they would get £10. Commissions are often paid in addition to a small salary to ensure a worker always receives some wages.</p> <p>This payment system can motivate and retain staff because they know that they can positively affect their wages by doing their job effectively.</p> <p>However, the use of commissions could be demotivating to some staff as they may find that they have little financial security because if demand drops they will not be able to make as much money through no fault of their own.</p>
<p><b>BONUS</b></p> 	<p>A bonus system provides staff with a <b>VARIABLE</b> wage because it is usually based on paying them a certain amount of extra money <b>IF</b> they reach a target set for them. For example, staff may be paid a £1,000 bonus if they sell 50 products per week all year. As bonuses are extra payments, staff will also get a salary to ensure they always receive at least some wages.</p> <p>This payment system can motivate and retain staff because they know that they can earn extra money for staying and working hard in the business.</p> <p>However, the use of bonuses could be demotivating to some staff as they may become envious of staff that get better bonuses than them - especially if circumstances outside of their control have affected their bonus (eg unexpected drop in demand).</p>
<p><b>PROFIT SHARING</b></p> 	<p>A profit sharing system provides staff with a <b>VARIABLE</b> wage because it is usually based on paying them a percentage of the profits of the business. For example, staff may be paid 1% of any business profits per year. As profit sharing is an extra payment, staff will also get a salary to ensure they always receive at least some wages.</p> <p>This payment system can motivate and retain staff because they know that they can earn extra money for staying and working hard in the business to earn it profit.</p> <p>However, the use of profit sharing could be demotivating to some staff as they will not gain any job satisfaction if they work hard all year and the business does not make a profit to share anyway (perhaps due to poor work from other staff).</p>

The wages system used by the business for the employee will be made clear in the **JOB DESCRIPTION** and then in employees' **EMPLOYMENT CONTRACT** (legal agreement between the business and member of staff that sets out what their job is).

## 2 NON FINANCIAL INCENTIVES

Some of the reasons that staff work are based on job satisfaction and companionship. This means that HRM should ensure that they have a suitable **WORKING CONDITIONS** (ways of working) that will meet these needs and so motivate staff and make them want to stay. Instead of the traditional **FIXED HOURS** working conditions (where staff work the same times every working day), HRM may decide to use some of the more modern working conditions that can be seen below.

Condition	Description
<p><b>JOB SHARING</b></p> 	<p>Job sharing involves (usually 2) people sharing the hours and responsibility for one full time job in the business. This means that they will also share the wages for the job on a <b>PRO RATA</b> basis – this means based on the share they do. For example if a member of staff only worked 40% of the week, they would only get 40% of the full time salary.</p> <p>Job sharing can help motivate and retain staff because it can mean that good staff do not have to leave the business because they do not want to work full time (perhaps due to changing family circumstances – eg having a baby) and are happy when they are there because they have hours that suit them.</p> <p>However, the use of job sharing can mean that less work is completed because the job sharers need time to communicate with each other about what needs done when they are not there.</p>
<p><b>FLEXITIME</b></p> 	<p>Flexitime means that staff will have to work their contracted number of hours but will have some control about exactly when these hours will be. This is because as long as the staff are in at <b>CORE TIME</b> (the busiest hours when they must be available) they can be flexible about when they start and finish as long as all their hours are worked in total. Eg staff could come in 1 hour later than usual and make the time up by working 1 hour later.</p> <p>Flexitime can help motivate and retain staff because it can mean that as staff can fit their working day around personal appointments and commitments (eg dropping children at school) they will work well when present. It can also save the business money because staff will not need paid if they use flexitime instead of taking time off to go to appointments.</p> <p>However, the use of flexitime can mean that the business has to spend extra time and money to keep track of staff in order to make sure that they are working the amount of hours that they should. It can also make communications harder as staff may not all be in at the same time.</p>

Condition	Description
<p><b>TELEWORKING</b></p> 	<p>Teleworking means that staff will be able to use IT technology to complete their work without coming into the business premises. This means that they can work and communicate with their business from other places, eg home, other branches, etc. Examples of IT equipment which can be used for teleworking can be seen below.</p> <ul style="list-style-type: none"> <li>• <i>(LAPTOP) COMPUTERS WITH WEB BROWSER AND E-MAIL SOFTWARE</i></li> <li>• <i>FAX (sends and receives any image on paper via telephone)</i></li> <li>• <i>MOBILE PHONE WITH WEB BROWSER AND E-MAIL SOFTWARE</i></li> <li>• <i>VIDEOCONFERENCE (2 way video calling between IT)</i></li> </ul> <p>Teleworking can help motivate and retain staff because it can mean staff will be more satisfied with their due to variety in their working locations. It can also save the business money because they may not need to spend as much on working space as staff will not be there all of the time.</p> <p>However, the use of teleworking can mean that the business has to spend extra money on buying and maintaining the equipment that staff will need. It can also make it difficult to keep track of how hard staff are working as they are not always present for managers to supervise their work.</p>
<p><b>CONDENSED HOURS</b></p> 	<p>Condensed hours means that staff will have to work their contracted number of hours but will be able to do them over fewer days than usual. For example, staff could work their 35 hours contracted time over 3 days rather than 5 by doing more work on each of these days.</p> <p>Condensed hours can help motivate and retain staff because it can mean that as staff can fit their working life around personal commitments (eg freeing up time to watch their children) they will work well when present.</p> <p>However, the use of condensed hours can mean that the business may find communication harder as staff may not all be in at the same time.</p>

The working conditions used by the business for the employee will be made clear in the **JOB DESCRIPTION** and then in employees' **EMPLOYMENT CONTRACT** (legal agreement between the business and member of staff that sets out what their job is).

## WHY IS STAFF MOTIVATION AND RETENTION IMPORTANT?

Motivated and retained staff are important to business success for the following reasons.

### 1 LOWERED COSTS AND INCREASED BUSINESS PERFORMANCE

Motivated and settled staff will lower the costs of the business and so increase returns for the following reasons.



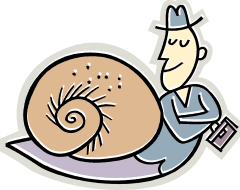


- *RETAINING STAFF PREVENTS SPENDING LOTS OF MONEY REPEATEDLY RECRUITING NEW STAFF*
- *RETAINING STAFF MEANS ANY MONEY SPENT ON TRAINING WILL BE VALUE FOR MONEY*
- *RETAINING STAFF MEANS THAT LESS FREQUENT TRAINING MAY BE NEEDED WHICH SAVES MONEY*
- *MOTIVATED STAFF WILL USUALLY PRODUCE MORE PRODUCTS*
- *MOTIVATED STAFF WILL USUALLY PRODUCE PRODUCTS TO HIGHER QUALITY STANDARDS*
- *MOTIVATED STAFF WILL USUALLY PROVIDE HIGH LEVELS OF CUSTOMER SERVICE*
- *LOWER COSTS AND BETTER QUALITY PRODUCTS WILL INCREASE BUSINESS RETURNS*
- *INCREASED BUSINESS RETURNS WILL INCREASE JOB SECURITY FOR STAFF*
- *INCREASED BUSINESS RETURNS MAY RESULT IN HIGHER WAGES FOR STAFF*





## 2 PREVENTS INDUSTRIAL ACTION





Industrial Action involves staff disrupting business activities as a protest about something they are unhappy with or demotivated about. The main forms of industrial action that staff may take can be seen below.

Industrial Action	Description
<p style="text-align: center;"><b>STRIKE</b></p> 	<p>This involves the workers who are unhappy <b>NOT COMING TO WORK</b>. This has to be authorised by the workers <b>TRADE UNION</b> (body that represent the interests of workers).</p>
<p style="text-align: center;"><b>PICKETING</b></p> 	<p>This involves the workers who are unhappy going on strike, and then peacefully protesting at their <b>OWN WORKPLACE ONLY</b> try and <b>PERSUADE OTHER WORKERS</b> to join them. This can mean the strike increases in size and impact.</p>
<p style="text-align: center;"><b>GO SLOW</b></p> 	<p>This involves the workers who are unhappy doing their work as <b>SLOWLY</b> as they can without actually breaking their contract terms.</p>
<p style="text-align: center;"><b>WORK TO RULE</b></p> 	<p>This involves the workers who are unhappy doing only what is <b>EXACTLY</b> in their contract terms.</p>
<p style="text-align: center;"><b>OVERTIME BAN</b></p> 	<p>This involves the workers who are unhappy doing <b>NO</b> overtime (extra hours of work).</p>

Industrial action by demotivated staff is a major concern for HRM because it can lead to the following significant negative effects on the business.

- **EMPLOYEES**
  - *can decrease employees' income from lost wages*
  - *can affect business stability and in turn employees' job security*
  
- **EMPLOYERS**
  - *less production means less sales and profits*
  - *less sales may cause cash flow problems and bankruptcy*
  - *unfilled orders will result in brand damage and lost customers*
  - *lost customers affect the future cash flow and stability of the business*
  - *history of industrial action may cause financing problems*
  - *history of industrial action can decrease customer service*

The amount of damage that Industrial Action will cause depends on following factors.

Factor	Impact
<p style="text-align: center;"><b>NUMBER OF STAFF INVOLVED</b></p> 	<p>If <b>MANY STAFF</b> are involved in Industrial Action then this will cause <b>LARGE PROBLEMS</b> for the business due to the large impact this has on production, sales and profits. On the other hand, if only a <b>FEW STAFF</b> are involved then this will usually only cause <b>SMALL PROBLEMS</b> for the business due to the small impact this has on production sales and profits.</p>
<p style="text-align: center;"><b>IMPORTANCE OF STAFF INVOLVED</b></p> 	<p>If <b>IMPORTANT STAFF</b> are involved in Industrial Action then this will cause <b>LARGE PROBLEMS</b> for the business due to the large impact this has on production, sales and profits. On the other hand, if only <b>LESS IMPORTANT STAFF</b> are involved then this will usually only cause <b>SMALL PROBLEMS</b> for the business due to the small impact this has on production sales and profits.</p>
<p style="text-align: center;"><b>PUBLIC SUPPORT</b></p> 	<p>If the public and buyers <b>SUPPORT</b> workers then this will cause <b>LARGE PROBLEMS</b> for the business as they stop buying from it. This situation can force HRM into trying to please workers and the public to raise sales again. On the other hand, if the public <b>DOES NOT SUPPORT</b> workers then situation can force them into stopping their Industrial Action.</p>
<p style="text-align: center;"><b>TIME</b></p> 	<p>If Industrial Action carries on for a <b>LONG TIME PERIOD</b> then this will cause <b>LARGE PROBLEMS</b> for the business due to the large impact this has on production sales and profits. On the other hand, if Industrial Action only lasts for a <b>SHORT TIME PERIOD</b> then this will usually only cause <b>SMALL PROBLEMS</b> for the business due to the small impact this has on production, sales and profits.</p>

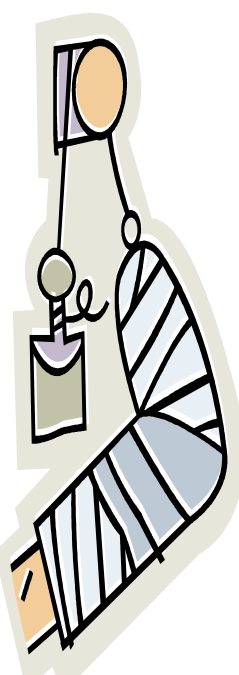
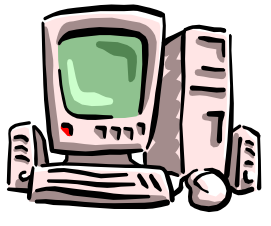
## LEGISLATION COMPLIANCE

**LEGISLATION COMPLIANCE** is all about trying to make sure that the business is following all of the **LAWS** that affect how staff must be treated.

HRM must make sure that a business follows the variety of legislation (laws) shown because if they do not, then the business will face legal action that could result in fines or criminal charges.




### 1 HEALTH AND SAFETY LEGISLATION

By law, HRM must take steps to make sure that employees are kept safe and healthy at work. The main laws and their implications for this area of HRM's work can be seen below.

Law	Implications
<p><b>HEALTH AND SAFETY AT WORK ACT (1974)</b> <i>[HASAW]</i></p> 	<p>This law sets out a number of things that EMPLOYERS (managers) and EMPLOYEES (workers) MUST do to keep the workplace safe and PREVENT accidents and injuries.</p> <p>Under HASAW, EMPLOYERS must do the following.</p> <ul style="list-style-type: none"> <li>• PROVIDE SAFE ENTRANCE AND EXIT FROM WORK</li> <li>• ENSURE SAFE WORKING METHODS (ie ways of doing work)</li> <li>• ENSURE EQUIPMENT IS SAFE AND WELL MAINTAINED</li> <li>• PROVIDE PROTECTIVE CLOTHING WHEN NECESSARY</li> <li>• ARRANGE SAFE USE AND STORAGE OF HAZARDOUS SUBSTANCES</li> <li>• PREPARE AND KEEP UP TO DATE A HEALTH AND SAFETY POLICY</li> <li>• PROVIDE INFORMATION AND TRAINING ON HEALTH AND SAFETY</li> <li>• ALLOW HEALTH AND SAFETY REPRESENTATIVES</li> </ul> <p>Under HASAW, EMPLOYEES must do the following.</p> <ul style="list-style-type: none"> <li>• TAKE RESPONSIBILITY FOR THEIR OWN HEALTH AND SAFETY</li> <li>• MAKE SURE THEIR ACTIONS DO NOT PUT OTHERS AT RISK</li> <li>• COOPERATE WITH THEIR EMPLOYER ON HEALTH AND SAFETY</li> <li>• NEVER MISUSE ANYTHING PROVIDED FOR HEALTH AND SAFETY</li> </ul>
<p><b>HEALTH AND SAFETY (DISPLAY SCREEN) REGULATIONS (1992)</b></p> 	<p>This law sets out a number of things that EMPLOYERS MUST do to protect any staff that are using COMPUTER EQUIPMENT from EYESTRAIN, BACKACHE, HEADACHES or REPETITIVE STRAIN INJURY (RSI).</p> <p>EMPLOYERS will protect staff by doing the following.</p> <ul style="list-style-type: none"> <li>• PROVIDE USERS WITH NECESSARY TRAINING</li> <li>• ORGANISE WORK SO IT USERS HAVE REGULAR BREAKS</li> <li>• ENSURE WORKSTATIONS CAN BE ADJUSTED TO USERS NEEDS</li> </ul>

## 2 CONDITIONS OF SERVICE LEGISLATION

By law, the HRM Department must make sure that employees are treated in certain ways. The main laws and their implications for this area of HRM's work can be seen below.

Law	Implications
<p><b>EMPLOYMENT RIGHTS ACT (1996)</b></p> 	<p>This law sets out the following basic rights for employees.</p> <ul style="list-style-type: none"> <li>• <i>A WRITTEN EMPLOYMENT CONTRACT</i></li> <li>• <i>A MINIMUM NOTICE PERIOD FOR REDUNDANCY</i></li> <li>• <i>MINIMUM REDUNDANCY PAYMENT</i></li> <li>• <i>RIGHT TO NOT BE UNFAIRLY DISMISSED</i></li> <li>• <i>MATERNITY LEAVE AND RE-INSTATEMENT</i></li> <li>• <i>RIGHT TO TAKE TIME OFF WORK (for illness, etc)</i></li> <li>• <i>ACCESS TO AN INDUSTRIAL TRIBUNAL TO RESOLVE ISSUES IF NEEDED</i></li> </ul>
<p><b>MINIMUM PAY ACT (1998)</b></p> 	<p>This law sets a <b>MINIMUM</b> rate of pay that different ages of workers must receive from businesses.</p>
<p><b>EQUALITY ACT (2010)</b></p> 	<p>The primary purpose of this law is to consolidate and extend previous UK anti discrimination laws. This law does this by seeking to offer protection to staff and customers on the basis of the following broad range of “protected characteristics”.</p> <ul style="list-style-type: none"> <li>• <i>AGE</i></li> <li>• <i>SEX and GENDER REASSIGNMENT</i></li> <li>• <i>DISABILITY</i></li> <li>• <i>MARRIAGE AND CIVIL PARTNERSHIP</i></li> <li>• <i>RACE</i></li> <li>• <i>RELIGION OR BELIEF</i></li> <li>• <i>SEXUAL ORIENTATION</i></li> </ul> <p>This law provides protection to people with the above characteristics by placing a duty on employers and service providers to make reasonable adjustments to premises to overcome barriers experienced by disabled people and by making the following actions illegal during recruitment and in working conditions.</p> <ul style="list-style-type: none"> <li>• <i>DIRECT DISCRIMINATION (where someone is treated less favorably than someone else on the basis of one of the protected characteristics – eg not being recruited because they are a woman)</i></li> <li>• <i>HARASSMENT (where behavior deemed offensive by the recipient occurs even if it not directed at them – eg use of racist language)</i></li> <li>• <i>VICTIMISATION (when someone is treated badly because they have made or supported someone else's complaint under this legislation)</i></li> </ul>

### 3 DATA MANAGEMENT LEGISLATION

HRM will often keep records of the following.


- *BASIC EMPLOYEE DATA (eg personal details, post, salary, etc)*
- *EMPLOYEE TRAINING DATA*
- *EMPLOYEE ABSENCE DATA*
- *RECRUITMENT AND SELECTION DATA*
- *HOLIDAY DATA*
- *SALARY DATA*
- *LABOUR TURNOVER DATA (ie number of staff that leave)*
- *HEALTH AND SAFETY DATA*


This information will be kept for the following reasons.

- *MONITOR EMPLOYEE PERFORMANCE (eg check employee is not absent too much without reason)*
- *PROVIDE INFO FOR EMPLOYEE DEVELOPMENT (eg evidence for promotion)*
- *PROVIDE EVIDENCE FOR EMPLOYEE DISMISSAL*
- *PROVIDE ADVICE TO NON-HRM STAFF (eg advice for managers about supporting their staff)*

By law, the HRM Department must make sure that this information about business activities and employees is managed effectively. The main laws and their implications for this area of HRM's work can be seen below.






Law	Implications
<p data-bbox="185 277 453 344"><b>DATA PROTECTION ACTS (1984 and 1998)</b></p> 	<p data-bbox="485 277 1289 309">These laws regulate the use of ELECTRONIC information as follows.</p> <ul style="list-style-type: none"> <li data-bbox="491 353 1484 465">• <i>USERS OF ELECTRONIC INFO (DATA USERS) MUST REGISTER WITH THE GOVERNMENT'S DATA PROTECTION REGISTRAR TO SAY WHAT THEY HOLD AND WHAT IT IS USED FOR</i></li> <li data-bbox="491 524 1401 555">• <i>DATA USERS MUST FOLLOW THE DATA PROTECTION PRINCIPLES BELOW</i> <ul style="list-style-type: none"> <li data-bbox="529 586 1267 618">○ <i>info should be collected and processed fairly and lawfully</i></li> <li data-bbox="529 627 1439 658">○ <i>info should be held only for the lawful specified purposes in the register</i></li> <li data-bbox="529 667 1445 698">○ <i>info should be used only for the lawful specified purposes in the register</i></li> <li data-bbox="529 707 1414 739">○ <i>info should be disclosed only to those people described in the register</i></li> <li data-bbox="529 748 1203 779">○ <i>info should be adequate, relevant and not excessive</i></li> <li data-bbox="529 788 1107 819">○ <i>info should be accurate and kept up to date</i></li> <li data-bbox="529 828 1158 860">○ <i>info should be held for no longer than necessary</i></li> <li data-bbox="529 869 1098 900">○ <i>info should be protected by proper security</i></li> </ul> </li> <li data-bbox="491 963 1388 1030">• <i>INDIVIDUALS CAN ACCESS THE DATA HELD ABOUT THEM (AND HAVE IT CORRECTED OR ERASED IF IT IS WRONG) UNLESS THE INFO IS USED FOR</i> <ul style="list-style-type: none"> <li data-bbox="529 1066 1209 1097">○ <i>preventing or detecting crime (ie police information)</i></li> <li data-bbox="529 1106 1254 1137">○ <i>catching or prosecuting criminals (ie police or legal info)</i></li> <li data-bbox="529 1146 1008 1178">○ <i>assessing or collecting tax or duties</i></li> <li data-bbox="529 1187 1011 1218">○ <i>some health and social work details</i></li> <li data-bbox="529 1227 1158 1258">○ <i>national security (eg some military information)</i></li> </ul> </li> <li data-bbox="491 1321 1471 1433">• <i>INDIVIDUALS CAN CONTACT THE REGISTRAR ABOUT DATA USERS WHO DON'T FOLLOW THE GUIDELINES SO THAT THE REGISTRAR CAN SERVE ONE OF THE FOLLOWING NOTICES TO CORRECT OR PUNISH THE DATA USERS ACTIONS.</i> <ul style="list-style-type: none"> <li data-bbox="529 1464 1327 1496">○ <i>enforcement notice (action must be taken to follow principles)</i></li> <li data-bbox="529 1505 1299 1536">○ <i>deregistration notice (cancels the data user's register entry)</i></li> <li data-bbox="529 1545 1292 1576">○ <i>transfer prohibition notice (stops transfer of data overseas)</i></li> </ul> </li> <li data-bbox="491 1635 1417 1666">• <i>DATA USERS CAN BE TAKEN TO COURT IF THEY DO NOT FOLLOW NOTICES</i></li> </ul>

Law	Implications
<p><b>FREEDOM OF INFORMATION (SCOTLAND) ACT (2002)</b></p> 	<p>This law creates a <b>GENERAL RIGHT OF ACCESS</b> to information held by <b>PUBLIC SECTOR</b> businesses – for example, local authority spending on teacher’s wages.</p> <p>To access this kind of information, a person would outline the information that they would like in a <b>FREEDOM OF INFORMATION REQUEST</b> (FOI Request) and send it to the relevant public sector business. Any person can request information under the act and there is no special format for a FOI Request. Applicants do not have to give a reason for their FOI Request.</p> <p>On receipt of a FOI Request, a public sector business has to inform the applicant whether or not it holds the information they want. The public sector business usually has 20 days to do this.</p> <p>If the public sector business does hold the required information, it will then have to communicate it to the applicant unless the FOI request is rejected for any of the following reasons.</p> <ul style="list-style-type: none"> <li>• <i>IT IS AGAINST THE PUBLIC INTEREST (eg disclosing it would harm investigations)</i></li> <li>• <i>IT IS TOO COSTLY (if a request will cost more than £600 to process it can be refused)</i></li> <li>• <i>IT IS VEXATIOUS (eg it lacks any serious value, is very unreasonable, or distresses staff)</i></li> </ul> <p>If a person making a FOI request considers that it has been wrongly rejected on any of these grounds, then they may apply to the <b>SCOTTISH INFORMATION COMMISSIONER</b> to review the request and if necessary order disclosure.</p> <p>As well as the above general right of access, the Act places a duty on public businesses to adopt and maintain pro-active <b>PUBLICATION SCHEMES</b> for the routine release of important information (such as annual reports and accounts). These publication schemes must be approved by the Scottish Information Commissioner.</p>

## WHICH FACTORS CAN AFFECT THE SUCCESS OF HRM ACTIVITIES?





The success of any HRM activities undertaken by a business will be affected by the following factors. Therefore, a business should monitor each of these factors carefully and adjust their activities to deal with them in order to make sure that its' staff are as effective as possible.

### 1 INTERNAL FACTORS

Issue	Activity
<p><b>FINANCE</b></p> 	<p>When a business has <b>LOTS</b> of finance (money) then it can make afford to carry out lots of helpful HRM activities – eg setting high staff wages, investing in training, etc. When a business does not have lots of money then the efficiency and quality of its HRM and staff is likely to be limited.</p>
<p><b>HUMAN RESOURCES</b></p> 	<p>When a business has <b>LOTS</b> of well trained staff then it can undertake effective work that will lead to quality operational activity and high levels of customer service. When a business has ineffective staff then mistakes will be made and poor customer service could occur.</p>
<p><b>CAPITAL</b></p> 	<p>When a business has <b>LOTS</b> of modern and efficient capital then it can afford to use IT for online recruitment and training. When a business has out of date or poorly maintained capital then production quality then this will not be the case.</p>



## 2 EXTERNAL FACTORS

Issue	Activity
<p><b>POLITICAL ISSUES</b></p> 	<p>The Government regularly affects an organisation's HRM through legislation and policies that affect the treatment and activities of staff. For example, the Equality act will ensure that HRM has work to eliminate discrimination in the treatment of staff.</p>
<p><b>ECONOMIC ISSUES</b></p> 	<p>Economic forces such as <b>INTEREST, UNEMPLOYMENT</b> and <b>INFLATION RATES</b> may affect an organisation's HRM activities. For example, inflation will make the cost of products increase which can encourage staff to take industrial action to try and get a rise in wages to keep up with these rises – HRM will have to address this issue.</p>
<p><b>SOCIAL ISSUES</b></p> 	<p>The working expectations and demands of the staff regularly vary and change. These factors must be constantly accounted for by HRM in order to make sure that it continues to address the needs of workers in order to keep them motivated and retain their services.</p>
<p><b>TECHNOLOGY ISSUES</b></p> 	<p>Technology has affected HRM in the following ways.</p> <ul style="list-style-type: none"> <li>• TECHNOLOGICAL REDUNDANCY</li> <li>• ONLINE RECRUITMENT AND APPLICATIONS</li> <li>• ONLINE TRAINING</li> <li>• TELEWORKING</li> <li>• ELECTRONIC DATA MANAGEMENT</li> </ul>
<p><b>ENVIRONMENT ISSUES</b></p> 	<p>HRM processes which help staff deal with environmental issues (eg using teleworking to prevent wasted time in traffic jams when travelling to work) have become more necessary in recent years due to increasing staff and public support for these practices.</p>
<p><b>COMPETITIVE ISSUES</b></p> 	<p>If HRM in competitor businesses is better in terms of recruitment, training and motivation then it will be difficult to employ or retain effective staff without the HRM of a business actively working to address these issues.</p>