HIGHER BUSINESS MANAGEMENT

THE HUMAN RESOURCE DEPARTMENT

The department in charge of **managing the people** in an organisation is the Human Resources Department. The main tasks are:

- ✓ Provide the **right** number of employees
- ✓ At the **right** time
- ✓ With the **right** skills and qualities
- ✓ At the **right** time
- ✓ In the **right** job
- ✓ With the **right** motivation

Section 1
Describe approaches that could be used to manage human resources effectively.

Section 2
Describe approaches that could be used to motivate staff to improve effectiveness.

Section3
Explain how employee relations can impact on the success of a large organisation.

Section 4
Describe the impact of current employment legislation.

Section 1

Describe approaches that could be used to manage human resources effectively.

WORKFORCE PLANNING

Workforce planning is about deciding **how many and what types of workers** are required

Workforce Planning or Human Resource planning is having a planned approach to each of the following activities:

- analysing current employment trends within the context of organisational needs;
- forecasting potential future staffing requirements for all departments within the organisation;
- forecasting potential future supply of workers with the appropriate skills;
- forecasting potential labour turnover – i.e. the rate at which staff will leave the organisation;
- planning how best to satisfy and motivate employees;
- planning how to develop a particular organisational culture so that the organisation can utilise its workforce to best effect;
- planning how best to support staff training and development;
- planning processes to release surplus staff as necessary.

Overall, therefore, Human Resource planning is concerned with planning all aspects of the organisation's staff requirements **to get the right number of staff with the correct skills at the correct time and place.**

Decisions in HR must be made at the 3 levels:
- Operational
- Tactical
- Strategic

For planning purposes, **human resources** can be categorised under **4 broad headings:**
- newly appointed staff;
- potential staff for the future;
- existing staff;
- departing staff.

Human Resource **planning must be flexible** so that it can **react to changing organisational objectives** as well as **external factors** such as:

- changes in the market;
- technological developments;
- levels of competition;
- population trends (demographic trends);
- trends in trade union membership;
- government legislation.

The world of work is changing rapidly:

- Increase in part-time working
- Increased number of single-parent families
- More women seeking work
- Ageing population
- Greater emphasis on flexible working hours
- Technology allows employees to communicate more effectively whilst apart
- People rarely stay in the same job for life

Businesses need to understand and respond to these changes if they are to recruit staff of the right standard – and keep them!

Business likes their business to have **flexibility** in the workforce **to cover busy periods** but that also allows them **to cut costs in quiet times**.

The core workforce

The core workforce is made up of people who are essential to the business, including managers, skilled workers and technicians, who do the work that gives the organisation its particular expertise. Because they are essential, the organisation gives them good terms and conditions of employment, for example permanent contracts and good pay, which encourages them to stay with the company.

The flexible labour force

These are people who are employed on a part-time or temporary basis to help out the core workforce, for example to cope with peaks in activity. They are cheap because they have lower rates of pay than members of the core workforce. They can also be taken on only when they are needed and not employed at all when there is no demand for their services.

Contractors

These are people/businesses that provide goods and services which the organisation does not wish to provide itself. These include cleaners, consultants, component suppliers, etc. Because they are not a permanent part of the workforce, they are less expensive, for example the organisation does not have to pay for pensions, holiday entitlement, etc.
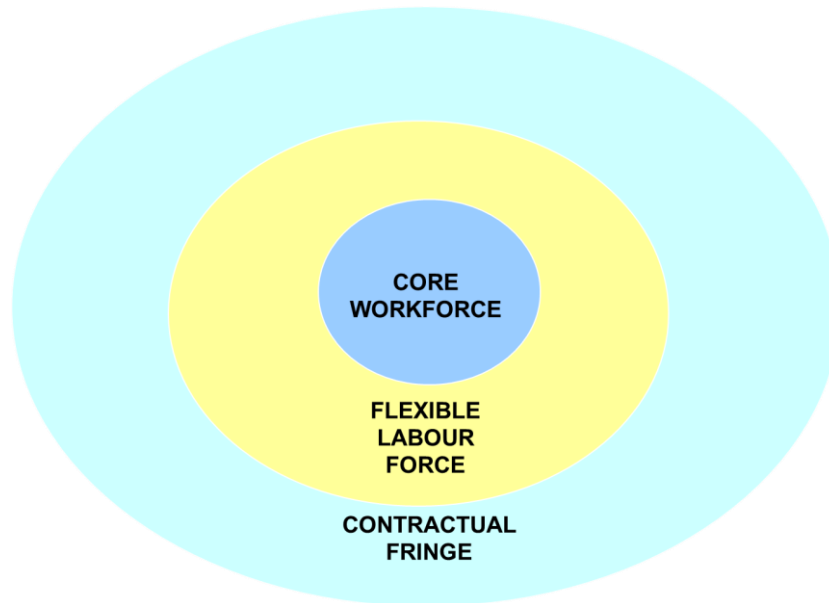
These non-traditional types of employment have several advantages for the business as it:
✓ only employs people who contribute directly to core activities, that is, those activities that provide a source of revenue
✓ saves on salaries
✓ saves on office space
✓ reduces or even removes requirements to pay sickness benefit, to pay holiday pay, to make pension contributions and to make redundancy payments
✓ reduces the liability for National Insurance contributions
✓ allows the organisation to be flexible and quickly responsive to its market place in terms of staffing numbers.

It also has several disadvantages for the business:
× there may need to be more spent on recruitment and selection
× there may be staff shortages in certain sectors of the organisation
× employees are less likely to be wholly committed to the organisation
× there may be an increased need for training (especially induction training), much of which brings little or no long-term benefit to the company as the turnover of employees is high
× there is a lack of continuity in personnel, and clients and customers may feel uncomfortable dealing with the organisation if there is constant change.

THE ELEMENTS OF HUMAN RESOURCE MANAGEMENT

Human Resource Management covers a range of functions within the organisation. It consists of the following elements:

The main aim is to get the right people, in the right quantity in the right jobs with the right skills and qualities:

HR do this through:

- Recruitment
- Selection
- Workforce Planning
- Training and development.

All these elements are linked together. They cover all the stages which an employee passes through from joining an organisation to leaving it. The Human Resource Department is responsible for managing all these elements.

Recruitment

Recruitment means **attracting a suitable candidates** to apply for jobs within an organisation.

Selection means **choosing a suitable person from those candidates to fill a job vacancy** from the applicants.

Recruitment of employees at all levels below that of senior executive is normally done through the **Human Resource**. The Human Resource Department will have considerable experience of **what type of labour** is available and whether it is available locally. The department will know of the rates of pay and conditions of employment offered by competitors, and of the organisation's policy.

To get the right people to apply for a job, businesses must:

- **identify** the job that has to be done (**job analysis**);
- **describe** the job in detail (**job description/job specification**);
- **describe** the qualities of the person needed to do the job (**person specification**).

After a **job description** and a **person specification** have been prepared, the organisation should **advertise the job vacancy**.

In many large organisations, the Human Resource Department arranges the advertising and **deals with applications** e.g. by writing to applicants to let them know their application has been received.

The Human Resource Department also does the administration once the selection process starts, e.g. it **arranges interviews** with applicants who have been chosen for interview. The ones chosen are applicants who are the closest to the job description and person specification.

Job Analysis

Each time a job needs to be filled the business has an opportunity to carefully analyse what the job actually involves.

This involves identifying the:

- tasks to be completed
- knowledge and skills needed
- level of initiative needed
- technology required
- inter-personal skills required
- the responsibility level of the job.

From the information gathered a **job description/job specification** and **person specification** can be prepared.

Job Description/Job Specification

Once the job has been analysed, a job description/job specification can be prepared. This is a description of what the job is and what it involves. The job description will include the **tasks to be carried out**. A job description should contain all of the **main details which relate to a job**, for example:

- job title
- position in business
- job responsibilities
- department
- main duties
- working conditions

Person Specification

Once a job description has been prepared, the business will normally identify the **personal qualities** (known as attributes) of the person needed to do the job to the correct standard. The document detailing these qualities is called a person specification. The person specification describes the kind of person suitable for the job.

Every position within a business requires particular skills, talents and aptitudes. These include:

These include the following:

- Qualifications and Skills
- Experience in past employment
- Personal Qualities
- the interests/hobbies of the individual

The employer must be able to identify the person who has the **best potential** to effectively fill a position.

Methods of Recruitment

There are two main ways of doing this:
- Internal recruitment
- External recruitment

Internal Recruitment

This means that the job vacancy will be filled by someone who is already working for the company. The business may advertise the vacancy on notice boards, in internal newsletters or on an intranet webpage.

The **advantages of internal recruitment** are that:

- it gives existing employees the opportunity to develop their career
- employees are already familiar with the business, therefore little induction is necessary
- employees' strengths and weaknesses are known by the employer
- it is an inexpensive form of recruitment
  it can improve staff morale.

Disadvantages
  - Lost opportunity of employing someone with new ideas and skills
  - An existing employee with the correct skills may not be available
  - This will cause another internal vacancy
  - Conflict may occur between those who applied for the job

External Recruitment

The job will be advertised and filled from outside the company. The business may advertise the vacancy in local or national newspapers or in specialist publications. Such advertising allows the Human Resources Department to target specific sections of the population.

The **advantages of external recruitment** are:

- a larger range of people can apply for the job
- new employees may bring fresh ideas to the business.
- Use specialist media to attract the right candidates eg TES
- Stops conflict between internal candidates

Disadvantages

- Existing employees may feel under-valued and de-motivated
- It is expensive to advertise externally or use Recruitment Agencies
- A more thorough selection process may be required which is expensive
- External candidates are "unknown quantities"

The four most popular ways of recruiting externally are:

- **Job centres** – Government agencies to help the unemployed find jobs or get training
- **Job advertisements** - the most common form of external recruitment. Where a business chooses to advertise will depend on the cost of advertising and the coverage needed (i.e. how far away people will consider applying for the job)
- **Recruitment agency** - Provides employers with details of suitable candidates for a vacancy and can sometimes be referred to as 'head-hunters'. They work for a fee and often specialise in particular employment areas e.g. nursing, financial services, teacher recruitment
- **Personal recommendation** - Often referred to as 'word of mouth' and can be a recommendation from a colleague at work. A full assessment of the candidate is still needed however but potentially it saves on advertising cost.

Advertising Jobs

They should describe the job and indicate the type of the person required, e.g. experience, qualifications, personal qualities etc. The common places or media for advertising jobs are:

- government job centres
- recruitment agencies
- national newspapers
- schools/university careers officers
- television

- internet/websites
- local newspapers
- word of mouth
- in-house magazines
- notice boards in the business

The objectives of the advertisement are to:

- Inform audience of potential candidates about opportunity
- Provide enough information to both inform and interest possible applicants
- Help "screen" or dissuade unsuitable applicants
- Obtain most number of suitably qualified applicants for post advertised

Where to advertise will depend on the:

- how often the organisation wants to advertise a job vacancy
- what the job is
- advertising budget

Some businesses will outsource their recruitment to **a recruitment agency.** It is their job to find suitable candidates for the business.

Advantages
- ✓ This allows the business to concentrate on its **core activities**
- ✓ The agencies are **experts** in recruitment
- ✓ Theagency may have suitable candidates already

Disadvantages
- ❖ it is an expensive form **of recruitment**
- ❖ lost time and expense if a suitable candidate is not found

Internal and external recruitment summary

	Advantages	Disadvantages
Internal Recruitment	Cheaper and quicker to recruit	Limits the number of potential applicants
	People already familiar with the business and how it operates	No new ideas can be introduced from outside
	The candidate will become productive quicker than an external candidate.	Disrupts work of another part of the business
	Provides opportunities for promotion with in the business – can be motivating	May cause resentment amongst candidates not appointed
	Business already knows the strengths and weaknesses of candidates	Creates another vacancy which needs to be filled
External Recruitment	Outside people bring in new ideas	Longer process
	Larger pool of workers from which to find the best candidate	More expensive process due to advertising and interviews required
	People have a wider range of experience	Selection process may not be effective enough to reveal the best candidate
	Specialist newspapers can be used to attract appropriate candidate. Eg TES	Lack of motivation for internal candidates when external people are brought in.

Selection

There are a **number of methods** that can be used to ensure that the correct candidate is selected. They include:
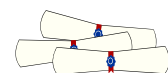
Application forms

These should collect **relevant** information from the candidate. Most businesses use Application Forms and design them to meet their own requirements. All Application Forms will contain sections for basic information such as:

- name, address
- telephone number
- date of birth
- education, qualifications
- work experience
- interests, hobbies
- referees.

Increasingly however, application forms ask applicants for more information such as:

- Why have you applied for this position?
- What makes you suitable for this position?

CVs (Curriculum Vitae)

CVs are prepared by most job applicants and provide a short summary of the applicant i.e. address, age, employment experiences, education and qualifications, interests/hobbies.

Some businesses ask for hand-written CVs so that clear writing and a good standard of English can be assessed.

References

Applicants for jobs are often asked to provide references in addition to a completed application form or CV. References are comments on the applicant by someone who knows what the applicant can do. A previous employer, for example, could comment on an applicant's attendance and time-keeping at work.

The accuracy of information written in Application Forms should be checked by getting references from people known to the applicant.

Testing

Applicants may be tested to make sure they have the right level of skills for a job. There are a number of tests which could be used as part of this process. These include:

- **Aptitude tests** – this assesses skills eg speed of inputting information
- **Attainment testing** allows a candidate to demonstrate their skills, eg ICT, joinery skills, childcare skills.
- **Personality tests** – this shows how an applicant will react in certain situations
- **Medical tests** – this is used for certain types of jobs and measure physical fitness which may be required for certain jobs e.g. professional footballers, fire service
-
Assessment centres- applicants spend 2-3 days taking place in activities and they are assessed on their problem solving and teamworking skills. This is expensive but allows the organisation to use trained assessors and to observe the candidates in a variety of situations and over a longer period of time.

Tests should be set to judge the **skills** and **qualities** needed for the **job.**

Interviews

The most **common method of selection is an interview**. The purpose of an interview for the organisation is **to find out as much information** as possible about the **applicant.**

However, it is also an **opportunity for the applicant** to find out about the organisation. The interview means that the organisation can find out how well the applicant **meets the requirements** of the person specification for the job.

This can be done on a **one to one** basis or by a **panel of interviewers**.

A successful interview should involve the following:
- **telling candidates** how the interview will be **conducted**
- putting the candidates **at their ease** and telling them about the job
- **asking questions** so that the candidates **have the opportunity to give full answers**
- asking each candidate the **same questions**
- **grade each of the responses**
- **listening to the candidates' answers** and **asking follow-up questions**.
- giving the **candidates an opportunity to ask questions**
- keeping the **interview pace brisk**
- **indicating when the interview is over**.

Impressions are important at interviews and dress and **body language** can affect the interview.

Badly dressed candidates can present a **poor image** to the interviewers.

- Hostile questions from the interviewers can create self-doubt in the candidates.
- Fidgeting and looking uninterested (by either the candidate or the interviewers) leads to interviews being cut short.

After all applicants have been interviewed, the information obtained from **grading** each interview can be compared to the person specification and job description. Ideally, the organisation should choose the applicant who matches the **person specification and job description most closely.**

Appointment

The successful candidate can then be offered the job. This may be **done verbally** but must be followed up by a **written contract**.

The Human Resource Department will be responsible for **informing the successful applicant** and for **letting the unsuccessful candidates know** what has happened.

Section 2

Describe approaches that could be used to motivate staff to improve effectiveness.

The **biggest stress in a job** is if the employees **do not feel comfortable** with what they're doing. To address this the business **should provide adequate training**

TRAINING AND DEVELOPMENT

Staff training and development involves providing employees with new skills, knowledge and experiences so that they can carry out their jobs **efficiently.**

This should not be done on a one off basis but should be **continually provided** (CPD). This means that workers can change their skills to meet the constantly **changing business environment**. All training should be designed to help the employee achieve the aims of the employer.

This is called **Continuing Professional Development**. Each employee should keep a record and it will be discussed annually at their **Appraisal.**

TYPES OF TRAINING

Induction

On the first day, or shortly after starting work, staff will be invited to an induction course. The purpose of an induction course is to introduce new employees to the firm, its organisation and its procedures, including those of the department they will work in.

Possible activities for an induction course:

- welcome and introduction by the Human Resource Manager
- security procedures within the firm
- issue of passwords for IT system
- tour of the firm
- introducing colleagues in the department the employee will work in

The aim is to get the new workers **up to full productivity** as soon as possible.

Job Training

Selecting and recruiting the best people for your business is not enough. It is also important to make sure that they work well after they have joined the business. This can be done by giving employees **opportunities for training and development.**

Training is the key to ensuring that a business **can remain successful in an increasingly competitive environment.** It makes sure businesses have a skilled, motivated and effective workforce.

Training methods will vary to **suit the individual needs of each business**. Whatever method is selected, **training must**:

- improve the skills of its workers so they can cope with changes in the business world e.g. due to improvements in technology, increased competition, health and safety regulations
- make sure that workers can achieve the quality of working standards needed to keep the business competitive
- benefit the employee by developing skills and confidence
- be available throughout an employee's working life, i.e. life long learning
- help ensure safety in the workplace
- prepare employees for future promotion.

On-the-job training

With on the job training, employees receive training whilst remaining in the workplace. The main methods of one-the-job training include:

- **Demonstration / instruction** - showing the trainee how to do the job
- **Coaching** - a more intensive method of training that involves a close working relationship between an experienced employee and the trainee
- **Job rotation** - where the trainee is given several jobs in succession, to gain experience of a wide range of activities (e.g. a graduate management trainee might spend periods in several different departments)
- **Projects** - employees join a project team - which gives them exposure to other parts of the business and allow them to take part in new activities. Most successful project teams are "multi-disciplinary"

The advantages and disadvantages of this form of training can be summarised as follows:

Advantages	Disadvantages
Generally most cost-effective	Quality depends on ability of trainer and time available
Employees are actually productive	Bad habits might be passed on
Opportunity to learn whilst doing	Learning environment may not be conducive
Training alongside real colleagues	Potential disruption to production

Off-the-job training

This occurs when employees are **taken away from their place of work** to be trained.

Common methods of off-the-job training include:

- Day release (employee takes time off work to attend a local college or training centre)
- Distance learning / evening classes
- Block release courses - which may involve several weeks at a local college
- Sandwich courses - where the employee spends a longer period of time at college (e.g. six months) before returning to work
- Sponsored courses in higher education
- Self-study, computer-based training

The main advantages and disadvantages of this form of training can be summarised as follows:

Advantages	Disadvantages
A wider range of skills or qualifications can be obtained	More expensive – e.g. transport and accommodation
Can learn from outside specialists or experts	Lost working time and potential output from employee
Employees can be more confident when starting job	New employees may still need some induction training
	Employees now have new skills/qualifications and may leave for better jobs

Apprenticeship - an apprenticeship is a **combination** of on-the-job and off-the-job training.

An apprentice plumber may, for example, attend college on a '**day release'** basis. They will normally be working 4 days of the week with their company, and spending the 5th day at college.

Alternatively, the apprentice may attend college on a **'block release'** basis. For example, the apprentice may work 8 weeks for their employer followed by 2 weeks at college.

Costs and Benefits of training

Costs
- The financial costs of training can be high eg cost of specialist training staff
- Working time and output are lost when staff are taking part in training

Benefits
- Staff become more efficient at carrying out their work – therefore productivity will increase
- Staff become more flexible and can carry out a range of tasks

- Staff motivation and morale increases
- The image of the organisation will improve

Virtual learning environments

A *virtual learning environment* (VLE) is an e-learning system that simulates a real-life classroom. It is **web based** and allows staff and learners to communicate without being in the same physical environment. Resources such as notes, homework and assessments can be uploaded to the VLE and learners can access them at a time that is suitable for them. Lectures can be recorded and uploaded as well as other support materials such as PowerPoint and video clips.

VLEs can be used alongside classroom-based courses or distance learning courses where staff and learners never meet in person.

VLEs are increasingly used by employees to further their careers as they allow employees to combine employment with studying for a qualification.

Advantages to employer

- Less time is spent away from the work place by employees which improves productivity and reduces costs.

- Travel costs are eliminated as employees can access the VLE anywhere provided they can access the internet

- Development of employees will increase motivation and reduce staff turnover.

Advantages to employee

- Increased flexibility as the VLE can be accessed at any time, for example during the commute to work.

- Employees learn at their own pace and can refer back to virtual lesson materials as many times as they require.

- Social space on the VLE allows employees to interact with staff and other learners through discussion forums or chat.

- Homework and assignments are completed and returned online, which is cost- and time-effective.

- Improve chances of career progression.

Disadvantages

- Some employees may be reluctant to learn in a virtual environment, preferring to learn in the traditional way.

- If the internet or the network hosting the VLE is down materials cannot be accessed.

Professional development through training schemes

Training schemes provide an opportunity for employees to gain core experience and skills with an employer, starting from the bottom up. At the end of the training period the employee will not have a recognised qualification but they may have the opportunity to secure a job with their employer if they have made a good impression. They will also have a range of experiences to include in their CV as well as a valuable reference.

Training schemes are offered in **many industries** from manual to white collar, for example car manufacture, retail, management consultancy and the public sector. Training schemes are one of the **most favoured career routes of graduates**, with huge competition for each position.

Graduate training schemes are offered by many large employers and give employment for a period of 1–2 years during which the graduate will gain a wide range of experiences in the workplace. Employers which offer these schemes visit universities in the autumn to promote the opportunities that are available with them – this is known as the graduate recruitment fair or 'milk round'.

Depending on the employer and the individual scheme the graduate may undertake a specific role or spend time working in different areas of the organisation, for example finance, human resources, sales and operations. If the employer has a large graduate intake, opportunities to network and socialise with peers are readily available.

Opportunities for graduates are available with a wide variety of employers, including those in accountancy, law, engineering and banking as well as public sector organisations such as the National Health Service.

Professional development through work-based qualifications

Work-based learning enables employees to study towards a **qualification while still earning a salary**, which is advantageous to individuals for whom the cost of attending university full time is a barrier. Courses are delivered in conjunction with a university, college or other training provider and extend the workplace knowledge, skills and ability of employees.

While studying for the qualification the employee is also **gaining relevant practical experience** in real work situations. By achieving a recognised qualification for the skills they have employees can enhance their career prospects and gain promotion and/or a salary increase.

Unlike other methods of training that require employees to be away from their workplace, **work-based qualifications have no or limited time away** from the workplace. Work-based qualifications are available in many business sectors, including:

- accountancy
- business
- customer service
- health and social care
- horticulture
- information technology
- management.

One method of achieving a work-based qualification is through an apprenticeship.

Apprenticeships are structured training programmes that are traditionally undertaken by employees learning a trade, for example plumbers, electricians and joiners, although they are also available for many other careers, such as business, mechanics and sports coaching.

Apprentices earn a salary while learning the job. Although the salary is relatively low compared to graduate salaries, choosing this method of training will avoid university fees, student loans etc and the government also covers the apprenticeship costs.

Most of the training is carried out on the job, working alongside experienced employees and allowing the apprentice to put the skills learned into practice and to gain confidence in being in the work environment. In addition, apprentices will also attend college, usually one day per week.

Successfully completing an apprenticeship may lead to permanent employment with the employer, although this is never guaranteed.

Offering training to employees, irrespective of the method used, **is essential for any business** as it will increase their effectiveness and efficiency as well as attract ambitious employees to apply for vacancies in the business.

Training will also **contribute towards achieving business objectives** such as:

- competitiveness
- morale of staff
- profitability
- customer satisfaction
- increase market share
- reputation.

Advantages to the employer

- Employees are more motivated, leading to higher productivity.
- Quality of output will improve and wastage of time and resources will be reduced.
- Employees develop skill sets that allow them to undertake a greater variety of work.
- Up-skilling of existing workforce avoids high recruitment costs for new employees.
- Employees are more versatile and can therefore respond more effectively to change.
- Reduction in staff turnover and absenteeism, which will reduce time wasted on recruitment/covering for absent workers.
- Ambitious candidates, who want to improve their skills and career, will apply for vacancies, which may improve the quality of employees.
- Training can be tailored to the needs of the employer and address skill shortages.
- Minimal disruption as most of the training takes places on the job instead of attending off-site training.

Advantages to the employee

- Develop work-based learning and work-related skills simultaneously.
- Existing knowledge is the foundation for new knowledge gained.
- The learning can be related directly to the practicalities of the employee's own role within the business.
- New knowledge and skills can be implemented immediately in the employee's own workplace, creating a sense of achievement.
- Can result in opportunities for secondment and/or promotion.

- Increase in salary and career advancement.

Disadvantages
- ❖ Time consuming and can take employees away from their work tasks
- ❖ Costs to put employees through the courses and be assessed.

MOTIVATION AND LEADERSHIP

HOW CAN PEOPLE BE MOTIVATED – FINANCIAL, NON-FINANCIAL AND ADDITIONAL BENEFITS

Different people work for different reasons, so may be motivated by various incentives.

The most common methods of motivation are:

- **Financial Reasons**

  Employees are paid in different ways:

  Salary – employees are paid the same amount each month for completing certain tasks. Salaried employees often have a set number of hours to work, however they may not be paid overtime if they work additional hours to complete their tasks.

  Bonus – employees may be set targets, and if they are achieved they receive a bonus payment.

  Time Rate – employees get paid a certain amount for each hour that they work.

  Piece Rate – employees are paid for each product they make.

  Overtime – when employees work additional hours they will get an additional payment. This is usually paid on time rate, and is a higher rate of pay than 'normal' time.

  Commission – when employees are paid depending on how many of a product they sell. Commission is usually calculated as a percentage of the amount of money the employee generates for the business.

- **Non-Financial Reasons**
  - be part of a team
  - enjoyment of the work
  - achieve success
  - improve themselves
  - to 'make a difference'
- **Additional benefits which could save the employee money**
  - Private Health Care
  - Company Car
  - Discounts from goods and services supplied by the business

Each worker has **his or her own targets to achieve**. Some **want to earn money**, others also **want satisfaction and pleasure from working**. Each business must help which lets its workers achieve their particular goals.

Employers can **motivate staff through**:

- Providing fair pay for the labour provided
- Empowering employees by giving them responsibility to carry out tasks and make decisions
- Avoid the use of Temporary Contracts or Zero Hour Contracts
- Provide opportunities for Continuing Professional Development
- Offer incentives for reaching targets
- Have an open door policy and be supportive to staff

Advantages of a Motivated Staff

- ✓ Higher Quality of work
- ✓ Lower Staff turnover
- ✓ Lower Absenteeism
- ✓ Higher Productivity
- ✓ Better employee relations
- ✓ Less chance of Industrial Action
- ✓ Better customer services

THEORIES OF MOTIVATION

1. Maslow's Hierarchy of Needs

Maslow believed that all people are motivated by the same things. The three lower needs at the bottom of the pyramid have to be achieved before the two higher needs can be met.

Self Actualisation	People want to feel they are achieving something. Managers should help staff set and reach their own personal targets.
Self-Esteem	People want to feel valued by others. Managers should praise and encourage, and give financial rewards for good performance.
Love	People enjoy the company of others. Managers should encourage team work and social contact.
Safety	People want to feel safe and secure from harm. Managers should give their workers job security.
Physical Survival	People need food, water, shelter, clothing and warmth. These should be met by a basic wage.

2. Herzberg's Hygiene Factors

Herzberg's ideas are much more straightforward than Maslow's. Herzberg believed all the needs of workers can be put into two groups.

- Hygiene Factors – are the things a business has to provide to keep workers contented. These include clean, quiet and safe working conditions – as well as adequate rest breaks.
- Motivating Factors – are the things that will encourage workers to do their best – like praise from managers, career advancement for good workers and more responsibility

If the hygiene factors are poor then the motivating factors will not work.

3. McGregor's Theory X and Theory Y

McGregor believed there are 2 types of manger. They motivate workers in different ways.

Theory X Managers believe:
- Workers are only motivated by money
- Workers are lazy, selfish, dislike work and lack ambition
- Workers need to be controlled and coerced by managers

Theory Y Managers believe:
- Workers are motivated by many needs
- Workers can take pride and responsibility in doing a good job
- Management should trust workers and help them do their best

4. Taylor's Scientific Management

Taylors ideas were formed at the beginning of the 20th Century (1920-1930)
- He believed workers were lazy and only interested in earning money
- He carried out time and motion studies to find out the most efficient way to perform a task
- Mangers were then appointed to make sure the task was carried out exactly as planned
- He believed this would improve productivity
- In practice it wasn't very successful due to boredom

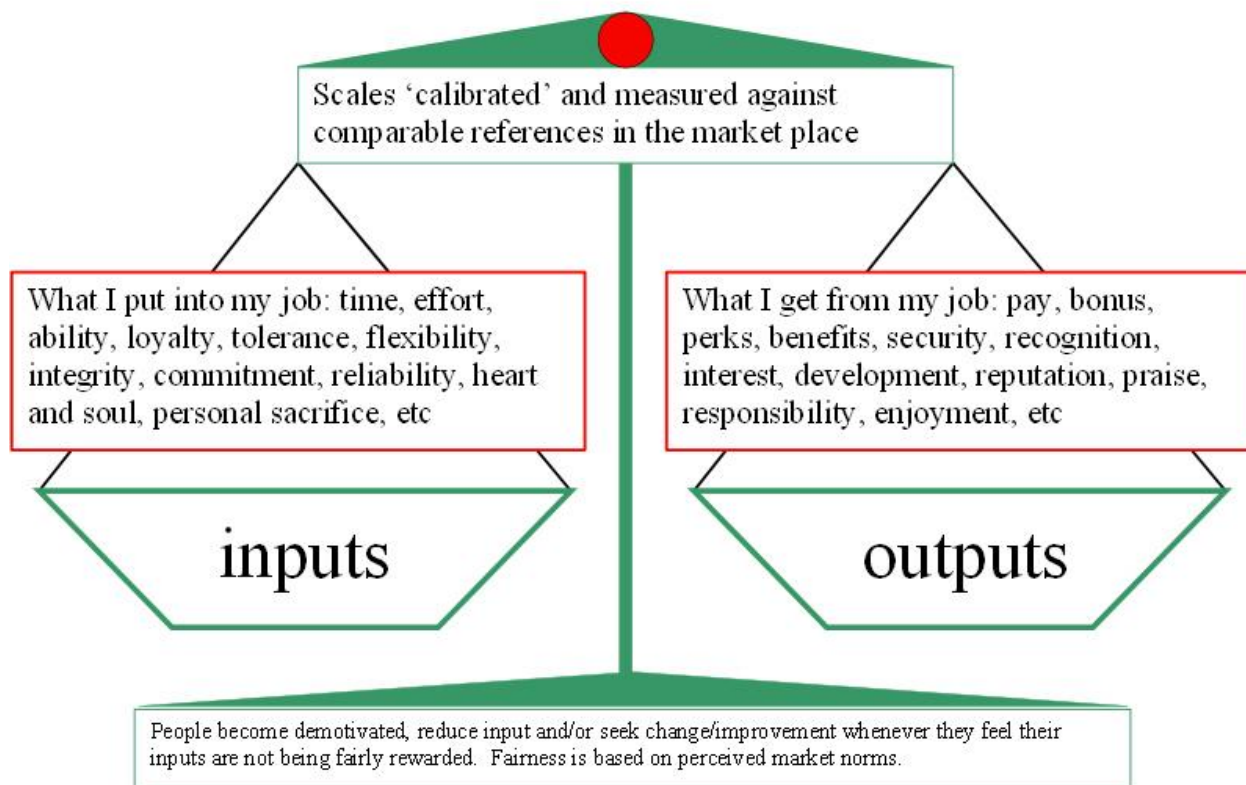### 5. Mayo's Human Relations School

He thought that workers were motivated when managers took a personal interest in them e.g. by involving them in decision making (empowerment):
- Firms need to meet the personal satisfactions of their workers
- Make sure employee goals are the same as organisational goals
- Firms should encourage employees to socialise with each other

Adams Equity Theory

This proposes that will be most motivated when inputs are matched ay appropriate outputs ie they are are fairly paid for the job done. If the inputs outweigh the outputs workers will become demotivated.

Adams' Equity Theory diagram - job motivation

Scales 'calibrated' and measured against comparable references in the market place

What I put into my job: time, effort, ability, loyalty, tolerance, flexibility, integrity, commitment, reliability, heart and soul, personal sacrifice, etc

What I get from my job: pay, bonus, perks, benefits, security, recognition, interest, development, reputation, praise, responsibility, enjoyment, etc

inputs

outputs

People become demotivated, reduce input and/or seek change/improvement whenever they feel their inputs are not being fairly rewarded. Fairness is based on perceived market norms.

© design alan chapman 2001-4 based on J S Adams' Equity Theory, 1963. More free online learning materials are at www.businessballs.com.

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Problems with Motivation Theory
- Some of the theories contradict each other
- Many theories were developed a long time ago when working conditions and relationships between workers and managers were very different to how they are now
- Everyone is different – so no single theory is likely to motivate every single employee

THEORIES OF LEADERSHIP

Directors and managers are **leaders** in their companies. They set targets for their workers, organise their work and monitor their progress.

The ways in which mangers lead is important for the business, because if the workers does not respond to the leader the business can fail.

There are **three main leadership styles identified by Lewin, Lippit and White**:

1. Autocratic Leaders
Make decisions without consulting their team members, even if their input would be useful. This can be appropriate when you need to make decisions quickly, when there's no need for team input, and when team agreement isn't necessary for a successful outcome. However, this style can be demoralizing, and it can lead to high levels of absenteeism and staff turnover.

2. Democratic Leaders
Make the final decisions, but they include team members in the decision-making process. They encourage creativity, and people are often highly engaged in projects and decisions. As a result, team members tend to have high job satisfaction and high productivity. This is not always an effective style to use, though, when you need to make a quick decision.

3. Laissez-faire Leaders
Give their team members a lot of freedom in how they do their work, and how they set their deadlines. They provide support with resources and advice if needed, but otherwise they don't get involved. This autonomy can lead to high job satisfaction, but it can be damaging if team members don't manage their time well, or if they don't have the knowledge, skills, or self-motivation to do their work effectively. (Laissez-faire leadership can also occur when managers don't have control over their work and their people.)

More creative and technology based organisations will be better suited to democratic or laissez-faire eg Google, Marketing.

Autocratic management is more traditional but is still suitable in areas that need clearly defined roles decisions and actions eg Army, Police, Surgery

To be **effective** the **style of management should suit the organisation and its aims.**

Section3

Explain how employee relations can impact on the success of a large organisation.

EMPLOYEE RELATIONS

'**Employee relations'** is a term that refers to the way that employers deal with their employees. They cover the **normal relations between management and employees.**

The Human Resource Department is responsible for ensuring that a suitable **framework** and **policies** is set up to **enable employers and employees** to **discuss matters which affect them**.

Traditionally most discussions take place between **employers (represented by managers)** and **employees (represented by trade unions).**

Employee relations cover many things such as:
- **disciplinary** and **grievance** procedures
- **staff welfare**
- **terms and conditions** of employment
- **redundancy**, (outsourcing, downsizing and de-layering)

Good relations between staff and managers will lead to a motivated workforce.

Poor relations can lead to animosity, disputes and a lack of productivity in the organisation.

Employee relations

Employee relations are the **formal relationship between employers and their employees**, either as a group or as individuals. This includes **industrial relations** which involves dealings between employers and trade unions.

Positive relations will lead to a more effective workforce.

The **main areas** covered by **employee relations** policies are:

trade union recognition, ie whether trade unions should be recognised and, where they are, which should be accorded recognition

collective bargaining, ie how discussions with trade unions should take place: should they be centralised, for example covering a whole organisation or a number of organisations, or decentralised, for example taking place at each workplace

employee relations procedures such as discipline, grievance, redundancy

the employment relationship, ie the terms and conditions of employment, which could be agreed in several ways: individually by each employee, collectively for all employees or for specific groups of employees

participation and involvement: ie the extent to which an organisation is prepared to allow the workforce to participate in decisions that may affect them and how this will be done.

Processes in employee relations

Three main processes are used in **maintaining relationships** between employees and employers:

Negotiation: Where employers and employees discuss matters of mutual concern and come to an agreement on what should take place. The essence of this process is that both parties must agree to the final outcome. Negotiation usually involves bargaining and compromise.

Consultation: Where a business discusses matters of mutual concern with their employees and listens to the views expressed. However, the final decision lies with the business and there is no obligation to come to any agreement. In making its decision the business may or may not take account of the opinions of its employees.

Arbitration: Where employers and employees agree that a decision will be made by an independent, neutral arbitrator. Both parties agree to accept the decision, whatever it may be. This process usually involves both parties putting their case separately to the arbitrator, who may also collect other

relevant evidence. This often happens when negotiations have broken down and employers and employees have failed to agree on the matters under discussion.

The role of management

The role of management in employee relations is to
inform,
consult and
negotiate with employees and their representatives.

This may mean **facilitating**:

- meetings with trade union representatives
- having an employee representative on the Board of Directors
- having regular meetings to inform employees of decisions made by management
- forming a works council or quality circles
- methods of communicating eg open door policy.

The **Human Resources Department** sets up these **channels of communication**. It also checks to **make sure that they are working properly**.

The role of the employee

Employees **should comply with relevant legal requirements** and use the **correct channels of communication** within the organisation.

A key concern of HRM is to create a favourable employee relations climate, ie one in which the two main parties (employers and employees) maintain good working relationships. Establishing a works council and/or quality circle can help to achieve this.

Works councils are made up of an equal number of representatives from employees and management. Meetings of the works council provide an opportunity for people to discuss matters affecting the business, especially the impact they have on the workers.

Works councils do vary a lot between different organisations. In some cases they are simply a way of getting **employers and employees together to discuss matters**. In other cases, works councils **may agree terms and conditions of employment**, for example where there is no trade union in the organisation.

Quality circles are groups of employees and managers who **meet regularly to identify, analyse and attempt to solve work-related problems.** They increase the **motivation of the workforce as they become involved in the decision making** around their own jobs, which in turn increases efficiency and raises profitability.

Good employee relations usually mean that staff are:

- ✓ happier in the workplace
- ✓ more motivated
- ✓ committed to achieving the objectives of the business
- ✓ more adaptable to change
- ✓ more flexible in their response to requests from management
- ✓ more able to recognise the need for the organisation to achieve its objectives.

Consequently, the staff is more loyal to the business and staff turnover will be low. This results in continuity in the workplace and for customers, as well as avoiding the expense of having to recruit and train new staff.

Poor employee relations result in:

- less co-operation from the workforce
- more industrial action
- a poor image for the business.

Institutions which exist to assist with employee relations.

The role of trade unions

Trade unions **represent employees** when dealing with employers in national and local discussions. This could involve **collective bargaining** for higher wages, better working conditions or better terms and conditions of service within an organisation. The union can also assist with **grievance procedures** by providing **legal advice** to members. They also give members **financial advice**. Members pay a **subscription** to become a member of the union.

The role of ACAS

If the management and unions cannot agree both sides can go to ACAS (**Advisory, Conciliation and Arbitration Service)** to seek a resolution. They are an independent organisation that can be approached to help resolve disputes between employers and employees.

1. **By preventing or resolving employment disputes**
   ACAS believes that the best way of improving industrial relations is for employers and employees to work together to solve problems *before* they develop into full-blown disputes and confrontation. Through workshops and joint working parties, ACAS's experienced staff can help a business avoid industrial relations problems.

   Under employment law, ACAS has a statutory duty to try to obtain an agreed settlement of a complaint that an individual has made or could make through an industrial tribunal. This could come under the heading of unfair dismissal, equal pay for equal work, sex discrimination or racial discrimination.

2. **By conciliating in actual or potential complaints before industrial tribunals**
   Where parties agree to conciliation by ACAS, a conciliation officer is assigned to the case. This officer will explain tribunal procedures, outline the legal aspects of the case and generally help the parties to be aware of the options open to them.

3. **By providing information and advice**
   ACAS operates a nationwide network of public enquiry points. These deal with queries on almost all employment matters, including rights and obligations under employment law. The service is available, free of charge, to any individual or organisation.

4. **By promoting good practice**
   ACAS organises conferences and seminars on current employment and industrial relations issues. It also runs self-help workshops for small organisations at which employment policies and procedures can be discussed. There is usually a charge for these. ACAS also produces a range of publications offering practical guidance and advice on employment practices and industrial relations.

They provide information, advice, training, conciliation and other services for employers and employees to help prevent or resolve workplace problems.

CBI

The **Confederation of British Industry** is a UK business organisation, speaking for some 1500 direct members and businesses through its trade association members.

Described by the *Financial Times* as "Britain's biggest business lobby group". Incorporated by its mission is to promote the conditions in which businesses of all sizes and sectors in the UK can compete and prosper for the benefit of all.

The CBI works to promote business interests by lobbying and advising governments, networking with other businesses and creating intelligence through analysis of government policies and compilation of statistics, both in the United Kingdom and internationally.

The role of the CBI is to lobby or persuade government to pass legislation which will help the Private Sector in Britain be competitive globally.

Examples

- ✓ Lowering of Corporation Tax
- ✓ Lowering of VAT
- ✓ Lowering of Income Tax

Professional associations

These represent diverse professional occupations such as doctors (British Medical Association), the police (Police Federation), even footballers (Professional Footballers Association) etc. In some cases they perform a similar function to trade unions and represent their members in bargaining for pay and improved terms and conditions of employment. Professional associations may also be involved in setting and maintaining the standards and qualifications required to belong to a particular profession, for example the British Medical Association insists on certain qualifications before admitting doctors to its membership.

The role of works councils/quality circles

Works councils are made up of an equal number of representatives from employees and management. At meetings of the works council, people can discuss matters affecting the business, especially the impact they have on the workers.

The things that works councils do vary a lot between different organisations. In some cases, they are simply of way of getting employers and employees together to discuss things. In other cases, **works councils may agree terms and conditions of employment** e.g. where there is no trade union in the organisation.

Quality Circles have a similar membership and is an opportunuity for employees to discuss the procedures for production of the product in the organisation

Employee relations policies and procedures

The HR department is responsible for developing and implementing policies and procedures to ensure that employees are aware of what is expected of them at work and how their performance will be measured. These policies also **contribute to employee relations.**

The main human resources policies and procedures relate to the following.

Appraisal: The performance of employees is reviewed at regular intervals, for example annually. Normally, this involves a discussion between the employee and their line manager on the extent to which objectives set for the period concerned have been achieved. It can involve a rating of the employee's performance against agreed criteria. In some cases, appraisal is referred to as a 'performance review'. The HR department would be expected to develop and give advice on procedures to ensure that appraisals are conducted properly and fairly.

Grievance: This is a procedure that sets out what employees should do if they are aggrieved at something that has happened to them in the organisation, for example if they think they have been badly treated. The employee must follow the agreed procedure and follow all of the steps involved. This may involve the HR department, a trade union representative and management. If the employee and employer cannot reach a satisfactory outcome the next step is for ACAS to become involved and if no resolution is reached then ultimately an industrial tribunal will take place.

Discipline: There is a procedure to be followed if an employee is in breach of the organisation's rules of behaviour, for example unauthorised absence or stealing from the employer. The disciplinary procedure will specify what constitutes a disciplinary offence, what action may be taken and by whom. Normally it requires several stages to have been completed before an employee can be dismissed (such as verbal warning, first written warning, final written warning, etc.). The number of stages involved usually varies depending on how serious the breach of discipline is.

Health and safety: These procedures set out matters like the organisation's health and safety policy, what safety precautions should be taken, what should be done in the event of an accident, etc.

Redundancy: This is when the employer finds that they no longer require a number of their employees. Employers must make redundancy payments to the employees and give them a period of notice. The employer cannot then employ

other workers to do the job previously done by the workers who were made redundant as they would then be able to claim for unfair dismissal.

Downsizing/delayering

As business aims to reduce costs they may decide to downsize, reduce the amount of workers, or de layer where they take out layers of management. In both cases the employees may have a **right to redundancy payments**.

Outsourcing

Some functions of the business can be done by external organisations. This allows the business to concentrate on its core activities eg cleaning, catering, recruitment. The employees may have a **right to redundancy payments**.

Grievance

If there is no solution then an employee can take out a grievance against the employer. The employer will have set procedures for this. If a solution cannot be met the case **may go to ACAS**. The employee has the right to union representation. Grievance procedures should be fair and transparent.

Discipline Policy

If a member of staff does not follow the procedures of the business they will be placed on the Discipline Route. This will hopefully guide them back to working productively but if not this could lead them to being dismissed/fired.

Typical Discipline Policy

- Informal verbal warning
- Formal verbal warning
- Written warning
- Dismissal

All **policies and procedures** should be **fair and transparent**. How they are handled by management can have a **serious effect on Employee Relations.**

Effects of Poor Employee Relations

Absenteeism

This **normally rises when motivation is low**. Many businesses now have an **Attendance Policy** to address any employee that has **high absenteeism** or lateness. This is to **help address any problems** that the employee may be having.

Staff Turnover

In human resources context, turnover or staff turnover is the rate at which an employer loses and gains employees. Simple ways to describe it are "how long employees tend to stay.

High turnover often means that employees are dissatisfied with their jobs. It can also indicate unsafe or unhealthy conditions, or that too few employees give satisfactory performance (due to unrealistic expectations, inappropriate processes or tools, or poor candidate screening). The lack of career opportunities and challenges, dissatisfaction with the job or conflict with the management have been cited as predictors of high turnover.

Low turnover indicates that none of the above is true: employees are satisfied, healthy and safe, and their performance is satisfactory to the employer.

Good career opportunities, salary, corporate culture, management's recognition, and a comfortable workplace seem to impact employees' decision to stay with their employer.

An **exit interview** could be used to find out why the employee was unhappy t stop it recurring.

High turnover will cost the business:

- ❖ In recruitment and selection costs
- ❖ Breaks in production while new employees are found
- ❖ Training new staff.

INDUSTRIAL ACTION

When employees **are not happy with decisions** that are being made within the business they may decide to take industrial action. All **forms of industrial action will reduce the productivity of the business.**

Types of Industrial Action

- Overtime Ban – this is when employees refuse to do any overtime.

- Work to Rule – employees will only carry out the tasks that are in their Contract of Employment.

- Strike – employees refuse to work. A ballot of members must be held, to make sure that the majority of employees want to go on strike, then employees do not go to work on a specified day. The workers may form a picket line, at the entrance to their work, to show others that they are not at work. Employees are not paid for the days they are on strike.

- Go Slow – Employees complete their tasks but at a much slower rate.

This will disrupt the work of the business meaning:

- ❖ **Loss of productivity**
- ❖ **No goods being made**
- ❖ **Customers Lost to Competitors**
- ❖ **Continued problems with Employee Relations.**

RETAINING STAFF

Flexible Working

We have already looked at the advantages of flexible working practices for the employer to get the right Workforce at minimum cost.

Some advantages of flexible working for employees are
- being more motivated by feeling more empowered,
- save time and money traveling to work
- promote a better work/life balance.

This can lead to further advantages for the employer:
- increased productivity
- smaller offices
- therefore reducing costs,
- reduced absenteeism and the business will get a good reputation,
- so will attract highly skilled applicants for jobs.

Examples of Flexible Working

- Homeworking/Teleworking – employees can work from home, using ICT.
- Hot desking. Desks are free to be booked for staff only when they need to be in the office.
- flexi-time requires workers to work a certain number of hours per week or month. Employees often need to work core time – a set time in the day when all workers attend, e.g., 10 am–12 noon **and** 2 pm–4 pm
- Shift working - some organisations require to have people working round the clock either for necessity or for maximum efficiency and the most profitable use of resources. To achieve this staff work in **shifts**, ensuring that the organisation is running day and night. Employees will be paid higher rewards to make up for having to work unsociable hours.

Job Satisfaction

As people spend a great deal of their lives at work they expect to be rewarded and satisfied with their job.

What gives people job satisfaction?

- good pay
- recognition of job well done
- possibility of increase in pay
- colleagues you get on with
- training opportunities
- good working hours
- job security
- fringe benefits
- appraisal and training
- employer/manager you can get on with
- possibility of promotion
- pleasant working environment
- variety of tasks to do
- possibility of differing tasks on same level, perhaps in another department
- challenging and interesting work
- good holidays.

The Human Resource Department in an organisation is responsible for ensuring that the terms and conditions of work **enable employees to gain as much job satisfaction as possible.**

APPRAISALS

This is a report on how well an employee is progressing. It is usually carried out at annual intervals by the employee's line manager. Appraisals are used to:

- evaluate performance
- identify employees suitable for promotion
- increase motivation
- identify training needs
- set future performance targets
- identify the strengths and weaknesses of staff
- assess the success recruitment and selection process
- improve communications
- award salary increases
- plan future staffing.

Appraisal, however, can only be successful if targets are set for performance. Target setting can be used for issues such as:

• attendance at work	• level of output achieved
• quality of work	• training to be undertaken
• communication abilities	• relationships with other staff

OTHER TYPES OF APPRAISAL

Peer to peer
+ When a colleague at the same level of responsibility conducts the appraisal.

360 degree
+ To compare the skills and performance of an employee of all those who work around then using self-evaluation.

Informal Appraisal
+ An informal chat from a supervisor on the performance of the employee.

BENEFITS	COSTS
Identify employees with potential for promotion	Can be seen as a "tick box" by staff and not taken seriously
Feedback can be given to highlight development areas and praise areas of strength	De-motivating for staff if it is negative or if not enough support is given
The following years training can be agreed	Time consuming process and therefore production is lost
Targets for future performance can be set.	The Development needs could lead to added workload and stress

Advantages of a Motivated Staff through Positive Relations

- ✓ Higher Quality of work
- ✓ Lower Staff turnover
- ✓ Lower Absenteeism
- ✓ Higher Productivity
- ✓ Better employee relations
- ✓ Less chance of Industrial Action
- ✓ Better customer services

Good Employee relations depends upon
- ✓ Style of Management
- ✓ Good channels of communication
- ✓ Empowerment of staff
- ✓ Fair and transparent policies and procedures
- ✓ A range of flexible working practices
- ✓ A fair appraisal system
- ✓ Sensitive dealing of employee issues, welfare, redundancy.
- ✓ Good working conditions

Section 4

Describe the impact of current employment legislation.

LEGISLATIVE REQUIREMENTS

Employment legislation falls into various categories:

1. health and safety legislation which covers physical working conditions.
2. employment legislation which covers the terms and conditions under which employees work.
3. electronic storage of information which covers how data is stored and accessed in a business.

1   Health and Safety

The Health and Safety at Work Act 1974

This Act places a responsibility on employers and employees to maintain safe working conditions. Employers must take reasonable care to ensure the health, safety and welfare of all employees. Employees must take reasonable care to ensure both their own safety and the safety of other employees who may be affected by what they do.

The Health and Safety at Work Act brought together a lot of earlier legislation on health and safety. Some of this still applies – for example, the Factories Act 1961 and the Offices, Shops and Railway Premises Act 1963.

The Factories Act applies to a wide range of factory premises including garages while the Offices, Shops and Railway Premises Act covers non-manufacturing premises. Both deal with aspects of health and safety such as lighting, temperature, ventilation, overcrowding, washing facilities, first aid and fire precautions.

The government appoints **Health and Safety Inspectors** who check premises to make sure that the legislation is not being broken and employers can be investigated and prosecuted by the **Health and Safety Executive** if they are in breach of the legislation.

Reporting of Injuries, Diseases and Dangerous Occurrences Regulations, 1985 (RIDDOR)

These regulations require any injuries resulting from accidents at work to be reported to the authorities within seven days.

Health & Safety (First Aid) Regulations 1981

These regulations were introduced to ensure that employers provide first-aid equipment, facilities and staff in the event of an accident or incident. Under this Act employers are required to provide a suitably stocked first-aid box, appoint a first-aider (one for every 50–100 employees is recommended in an office) and inform staff of first-aid arrangements.

Fire Precautions (Places of Work) Regulations 1995

These regulations ensure that employers take reasonable steps to protect employees in the event of a fire. Employers should:

- assess fire risks in the workplace
- check fire detection times and warning systems
- check evacuation routes
- provide reasonable fire-fighting equipment
- check employee knowledge of fire procedures
- check and maintain fire-safety equipment.

Health and Safety (Display Screen Equipment) Regulations 1992

In keeping with technological advances, this legislation was introduced to ensure employers provide comfortable working conditions for computer users. The key points of this legislation require employers to:

- assess the computer environment, identify potential risks and take action to minimise these

  - assess workstation requirements and provide:
    – adjustable controls on VDU
    – adjustable and stable seating
    – suitable workstation surface and design
    – adjustable, separate keyboard

  - vary work and allow regular breaks

  - arrange eye tests and provide corrective spectacles if appropriate

  - provide adequate training and information for employees regarding health and safety in relation to their workstations.

2   Employment legislation

The following Acts protect employees:

The Equality Act 2010.

The Act replaced previous anti-discrimination laws with a single Act to make the law simpler and to remove inconsistencies. This makes the law easier for people to understand and comply with.

The Act covers nine protected characteristics, which cannot be used as a reason to treat people unfairly. Every person that has one or more of the protected characteristics is protected against unfair treatment. The protected characteristics are:

- age
- disability
- gender reassignment
- marriage and civil partnership
- pregnancy and maternity
- race
- religion or belief
- sex
- sexual orientation.

The Equality Act sets out the different ways in which it is unlawful to treat someone, such as direct and indirect discrimination, harassment, victimisation and failing to make a reasonable adjustment for a disabled person.

Direct discrimination
Direct discrimination happens when an employer treats an employee less favourably than someone else because of one of the above reasons. For example, it would be direct discrimination if a driving job was only open to male applicants.

There are limited circumstances in which an employer might be able to make a case for a genuine occupational requirement for the job. For example, a Roman Catholic school may be able to restrict applications to Catholics only.

Indirect discrimination
Indirect discrimination is when a working condition or rule disadvantages one group of people more than another. For example, saying that applicants for a

job must be clean-shaven puts members of some religious groups at a disadvantage.

Indirect discrimination is unlawful, whether or not it is done on purpose. It is only allowed if it is necessary for the way the business works and there is no other way of achieving it. For example, the condition that applicants must be clean shaven might be justified if the job involved handling food and it could be shown that having a beard or moustache was a genuine hygiene risk.

Harassment
You have the right not to be harassed or made fun of at work or in a work-related setting, for example an office party. Harassment means offensive or intimidating behaviour, sexist language or racial abuse that aims to humiliate, undermine or injure its target or has that effect, for example allowing displays or distribution of sexually explicit material or giving someone a potentially offensive nickname.

Victimisation
Victimisation means treating somebody less favourably than others, for example preventing someone from going on training courses, taking unfair disciplinary action against an employee or excluding someone from company social events.

Under the Equality Act 2010, it is unlawful for employers to discriminate against people with protected characteristics. The disability parts of the Act cover:

- application forms
- interview arrangements
- aptitude and proficiency tests
- job offers
- terms of employment, including pay
- promotion, transfer and training opportunities
- work-related benefits such as access to recreation or refreshment facilities
- dismissal or redundancy
- discipline and grievances.

An employer must also **make reasonable changes** to **applications, interviews** and **working condition**s so that applicants are not disadvantaged. These are known as **'reasonable adjustments'.**

Breaking the legislation can lead to an **Industrial Tribunal.**

National Minimum Wage Regulations 1999

The national minimum wage sets minimum hourly rates that employers must pay their workers. It covers almost all workers in the UK. There are three aged based rates and an apprentice rate.

CONTRACT OF EMPLOYMENT

The Employment Rights Act 1996 requires that employers give employees, who are employed for one month or more, a written statement of their terms and conditions of employment and their rights as employees. This contract of employment should be issued within two months of the employee starting work.

Features of a contract of employment

A contract of employment should contain the following:

- the name and address of the employer and the employee

- the title of the job and the date when employment began (and, if applicable, when it will end)

- the hours of work

- the rate of pay (or the method to be used to calculate pay), when payment will be made (weekly or monthly) and the dates of any increases

- holiday entitlement

- conditions relating to sickness benefit

- details regarding any pension schemes

- a note explaining disciplinary rules and procedures and grievance procedures

- period of notice that the employee must give and is entitled to receive.

This statement should be kept up-to-date and the employee notified in writing of any changes within one month of the change.

These details are the terms and conditions of employment for the person concerned. The Human Resource Department is responsible for issuing contracts of employment and for making sure that terms and conditions of employment are properly applied to all employees – for example, that employees are paid on time and that hours of work, etc., are agreed with employees.

3   Electronic Storage of Information

Data Protection Act 1988 and 2003

What Companies have to do!

When businesses or organisations keep information about people on computer systems they need to make sure that:

1. data is backed up: A system of making regular backup copies is necessary. This makes sure that if data is lost it can then be recovered from the backup copy.
2. data is protected: Anyone who holds data on people must try to protect it from hackers. A common way of doing this is to use **IDs and passwords**. This is a good system and does restrict access to people who are authorised to see, search through and update data. Unfortunately, it does not stop all hackers.
3. data is checked for accuracy When data is being entered into a system or being updated people can make mistakes with the result that the data is inaccurate. Unfortunately, despite the fact that businesses and organisations carry out checks mistakes still happen and inaccurate data does get stored on computer systems.

Freedom of Information Act 2000

The Freedom of Information Act gives you the right to ask any public sector organisation for all the recorded information they have on any subject.

Anyone can make a request for information – there are no restrictions on your age, nationality or where you live.

Computer Misuse Act 1990

A lot of sensitive information is stored on computers and the law makes damaging a computer system by hacking into it illegal and subject to penalties. For example it is illegal to:

1. Gain unauthorised access to a computer system (hacking)
2. Make unauthorised modifications to computer materials.
   What is modifying computer material? It means:
3. Damaging a computer system by inserting a virus
4. Preventing authorised access by changing or deleting passwords
5. Making unauthorised changes to software or data.

ROLE OF TECHNOLOGY IN MANAGING PEOPLE

- Databases for staff records/automatic training updates.

- Jobs are advertised and application forms are submitted online.

- Intranet could be used to download templates so that information is standardised.

- Online training courses being offered.

- Email communication to all/selected groups of staff at the same time.

- Selection may use IT to assess skills and qualities.

- Interviews via web cam to reduce travelling for candidates, and encourage candidates from other geographical locations to apply for jobs.

- Employees being able to work flexibly ie from home using ICT, this will increase the number of people able to apply for jobs so should find better employees.

- Smart phones allow employees to be contacted at any time.

- Documents for example job descriptions are produced on word and made available to download so they don't need to be printed.