# Human resource management

IB DP Business Management Unit 2 Human resource management full package

# Why trust the lowest-paid workers?

> The people in a business: organised, led, motivated and kept.

- Haidilao's waiters can give a free dish or a discount without asking a manager.
- Google, Haidilao and others spend large sums on benefits, **training** and team events.
- How people are organised, led, motivated and kept.

# Labour turnover

1. **Data** Average staff 80; 12 leave in a year.
2. **Calculate** 12 / 80 x 100 = 15%.
3. **Cost** Recruiting and **training** replacements; lost skills and customer knowledge.

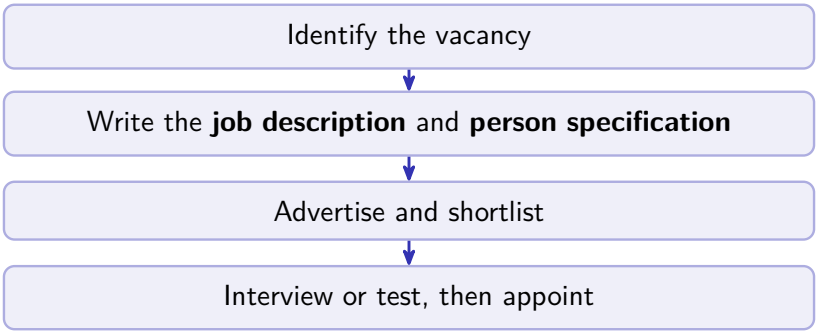
## Decision

Some turnover is healthy - new staff bring new ideas.

# What changes the workforce plan

| External factor | Example |
|---|---|
| **demographic change** | an ageing workforce |
| **labour mobility** | how easily workers move between jobs and places |
| **migration** | workers coming from or going to other countries |
| flexi-time and teleworking | choosing when to work; working from home |
| the gig economy | short jobs paid task by task, like delivery riders |

# Recruiting step by step



# Training, appraisal and leaving

| Type | What it is |
| --- | --- |
| **induction training** | introduces new staff to the firm, rules and people |
| on- / off-the-job | learning while working, or away, such as a college course |
| formative **appraisal** | ongoing feedback to help the person improve |
| summative appraisal | a final judgement for a period, often linked to pay |
| 360-degree appraisal | feedback from managers, colleagues, juniors, customers |

# Tall or flat?

| **Feature** | **Tall** | **Flat** |
|---|---|---|
| levels | many | few |
| **span of control** | narrow | wide |
| **communication** | slow, through many levels | fast and direct |
| supervision | close | less close - needs trust |
| cost of managers | high | low |

# Adding a level at the repair business

1. **Before** Three levels; each workshop manager supervises 18 or 19 mechanics.
2. **Change** A senior mechanic in each workshop: four levels.
3. **After** Each senior mechanic supervises 9 or 10 people.

## Decision

**Training** improves, but a complaint now passes through one more link.

# Four ways to draw the chart

| Structure | Arranged by | Watch out for |
|---|---|---|
| functional | departments: marketing, finance, operations, HR | departments working apart |
| product-based | a division for each product line | repeated work across divisions |
| regional | a division for each country or area | repeated work across regions |
| matrix | functions crossed with project teams | two bosses, different orders |

# Five leadership styles

| Style | How decisions are made | Works well when |
|---|---|---|
| **autocratic** | the leader decides alone | a crisis; quick decisions |
| **paternalistic** | the leader decides, in workers' interest | staff want security |
| **democratic** | the leader consults; the group shares | skilled staff, complex problems |
| laissez-faire | the workers decide | creative experts |
| situational | the style changes with task and people | most real businesses |

# Five content theories

| **Theory** | **What motivates** |
|---|---|
| Taylor | money - **scientific management** and piece rates |
| Maslow | a **hierarchy of needs**, met from the bottom up |
| Herzberg | **motivators**; hygiene factors only prevent unhappiness |
| McClelland | achievement, affiliation or power |
| Deci and Ryan | autonomy, competence and relatedness |

# Herzberg's two factors

## Hygiene factors

Pay, conditions, security, rules, relations with the boss.

If poor, workers are unhappy; fixing them does not motivate.

## Motivators

Achievement, recognition, responsibility, interesting work, growth.

These create real **motivation**.

# Financial and non-financial rewards

## Financial

**Salary**; **wages** by time or **piece rate**; commission.

Profit- and performance-related pay; share ownership; fringe payments.

## Non-financial

Job enrichment, rotation and enlargement.

Empowerment, purpose and teamwork.

# Fixing the turnover

1. **Diagnose** Late parts and pay disputes: hygiene failures to fix first (Herzberg).
2. **Fix** Parts on time; basic **salary** plus a team bonus; formative **appraisal**.
3. **Result** 6 leavers: 6 / 80 x 100 = 7.5% - six fewer replacements to pay for.

# Formal, informal and the barriers

## Formal communication

Official channels: meetings, reports, emails, notices.

In a tall structure, messages change as they pass through many levels.

## Informal communication

Chats and rumours - the **grapevine**.

Fast, but often wrong.

# Check yourself

## Your turn

Without notes,

A. Calculate turnover when 9 of an average 60 staff leave.
B. Compare a tall and a flat structure.
C. Pick a leadership style for a workshop fire, and say why.
D. Use Herzberg to explain why a pay rise may not motivate.