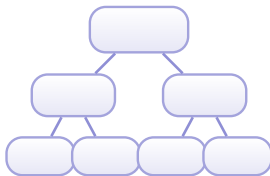


Human Resource Management

A-Level Business ■ Topic 7

A-Level Business



What we will cover

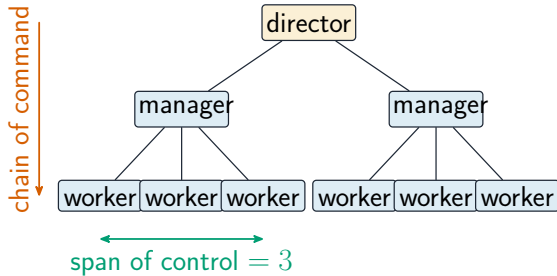
- 1 Organisational structure
- 2 Centralisation & matrix
- 3 Delegation
- 4 Communication
- 5 Leadership & HRM
- 6 Recap



leaders set direction



Organisational structure



An **organisational structure** shows who reports to whom.

- **hierarchy** – the levels, top to bottom
- **chain of command** – the line orders pass down
- **span of control** – staff per manager

What an organisational structure has to do

organisational structure

how a business arranges its people – who reports to whom, and who does what

chain of command

the line of authority from the top down

span of control

how many people one manager supervises directly

the trade

a **wide** span means fewer layers and faster decisions, but less supervision

a good structure

makes responsibilities clear, speeds decisions, and lets information travel

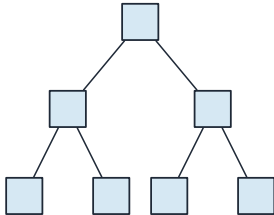
A tall structure has narrow spans and many layers; a flat one has wide spans and few. The choice is really about **how much supervision the work needs**.

Tall vs flat structures

- **tall:** many levels, narrow spans, slow messages
- **flat:** few levels, wide spans, more trust in staff

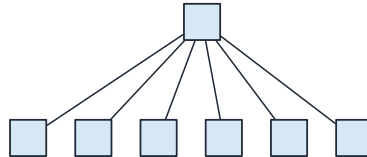
tall

many levels, narrow span



flat

few levels, wide span

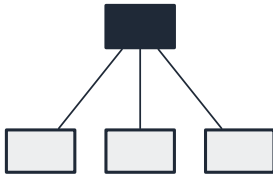


Centralisation vs decentralisation

- **centralisation** – top decides; strong control, ignores local knowledge
- **decentralisation** – branches decide; faster & motivating, weaker control

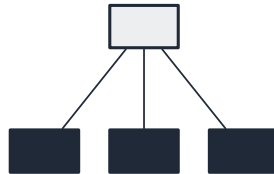
Most firms sit between the two.

Centralised



top decides

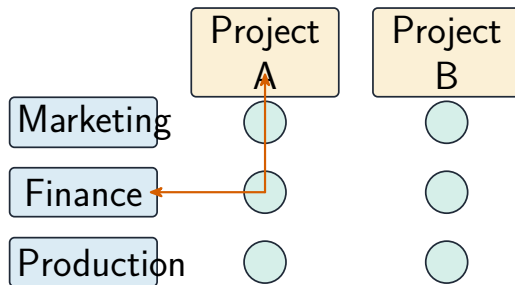
Decentralised



branches decide

Delaying and matrix structures

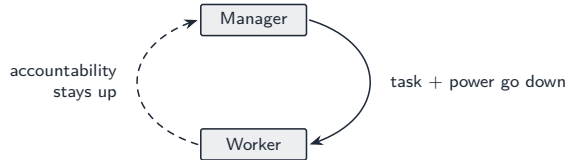
Delaying removes a level of management – cheaper, shorter chain, but more work for those left. In a **matrix structure** a worker reports to **two** managers (function & project) – great for teamwork, risky for clarity.



each worker reports to a function manager *and* a project manager



Delegation and accountability



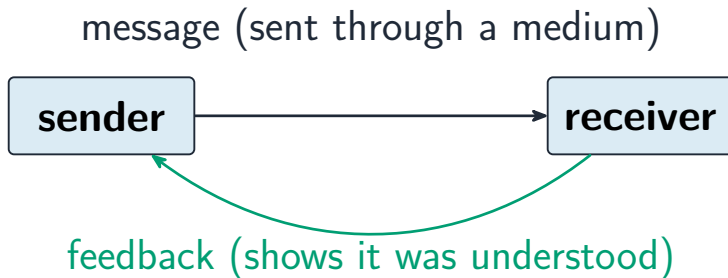
Delegation passes a task *and* the authority down – it frees the manager and develops staff.

The task moves down, but **accountability** for the result *stays up* with the manager.

Communication and its barriers

A **sender** sends a message through a **medium** to a **receiver** ; **feedback** confirms it.

Barriers : unclear message, poor medium, too many levels, language & trust gaps.



Communication, and what blocks it

communication	passing a message from one person to another – and it being understood
the path	sender → message → medium → receiver → feedback
the methods	verbal, written, or visual – the best one depends on the message and the audience
what good communication does	raises motivation, cuts mistakes, and speeds up decisions
the barriers	the wrong medium, too long a chain, technical jargon, information overload, noise
and	language or cultural differences, and a lack of trust

Feedback is what separates communication from broadcasting. Most barrier questions are answered by naming the link in that chain where the message stopped.



Leadership styles

- **autocratic** – leader decides alone
- **paternalistic** – decides for staff's good
- **democratic** – asks staff first
- **laissez-faire** – staff decide freely

The best style fits the task, staff & time.

Leadership styles, in detail



The styles form a continuum: autocratic keeps all control with the leader, while laissez-faire gives staff the most freedom

The leadership styles, by who decides

autocratic

the leader decides alone and tells staff – fast, and it wastes their knowledge

democratic

staff are consulted before the decision – slower, and better accepted

paternalistic

the leader decides, but in what they judge to be the staff's interest

laissez-faire

staff decide for themselves – excellent with experts, poor with novices

what should decide

the urgency, the risk, and **how skilled and motivated the staff are**

No style is best in general. The mark is for matching the style to the **situation** the case study describes.

Emotional intelligence and leading change

emotional intelligence

understanding and managing one's own and others' feelings – it builds trust and handles conflict



leading change moves staff from resistance to acceptance

Hard vs soft HRM, and unions

hard HRM

staff = a cost; tight control, short contracts

soft HRM

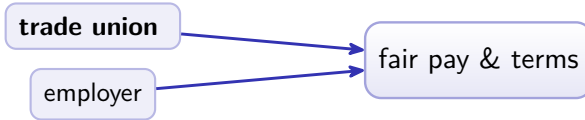
staff = an asset; develop & motivate

trade union

employer

fair pay & terms

collective bargaining



Planning the workforce, and when relations break down

Workforce planning

Workforce planning : forecasting how many people with which skills will be needed, and comparing that with who is there now.

Management of change

The **management of change** : consult early, explain the reason, train, and phase it – resistance is usually about loss, not about the change.

Industrial action

Industrial action runs from a work-to-rule and an overtime ban up to a **strike** .

Why it matters

Every step costs both sides, which is why negotiation, conciliation and arbitration exist between them.

A change imposed without consultation is the commonest cause of the dispute that follows it.

Hard and soft HRM, and emotional intelligence

hard HRM

treats staff as a **resource** to be used efficiently – short contracts, close control, pay as the lever

soft HRM

treats staff as the firm's **most valuable asset**, to be developed and motivated – training, involvement, empowerment

emotional intelligence

recognising your own and others' emotions, and acting on that

why it matters most

when **leading change**: people resist because they fear losing their job or status

what the leader must do

explain *why* the change is needed, involve staff, and support them through it

Hard HRM is cheaper in the short run and costlier in the long one, because turnover and lost knowledge do not appear on this year's cost statement.

Exam tips

- Read an **organisation chart**: span of control, chain of command and levels of hierarchy.
- Compare **tall vs flat** structures and **centralisation vs decentralisation** (tight control vs local responsiveness).
- Distinguish **hard vs soft HRM** (workers as a cost versus as an asset).
- Explain how **trade unions** and good communication shape employer-employee relations.



Worked example – layering

A firm cuts its hierarchy from five levels to three. Evaluate.

- Fewer levels $\Rightarrow$ wider spans of control and a flatter structure.
- Gains: lower salary costs, faster communication, more delegation.
- Risks: managers overloaded, fewer promotion rungs, redundancy costs and fear.
- Works if staff are skilled and trusted (McGregor's Theory Y); fails if they need supervision.

Delaying trades cost and speed against control and morale. Judge it on the workforce's skill and the leadership style – not in the abstract.

Topic 7 – key takeaways

1

Structure

hierarchy, chain of command,
span of control

2

Tall vs flat

delayering & matrix reshape the
chart

3

Delegation

task goes down, accountability
stays up

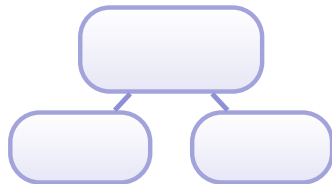
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Leadership

four styles; hard vs soft HRM

Check yourself

- 1 What is a manager's span of control?
- 2 In a matrix structure, how many managers?
- 3 After delegating, who stays accountable?
- 4 Which leadership style gives staff the most freedom?

**Answers**

1. staff one manager directly controls 2. two 3. the manager 4. laissez-faire