2.1 Human resource management

Name: _____ Class: _____ Date: _____ **Total: 25 marks**

KEY WORDS labour turnover • motivation

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Objective

Use the vocabulary of organisational structure, apply leadership and motivation theories to a case, calculate labour turnover, and (HL) analyse culture clashes and employee-relations options (syllabus 2.1–2.7).

1 Key knowledge and worked examples

Unit 2 toolkit. Structure: span of control, chain of command, levels, delegation; tall vs flat; by function, product, region; matrix. Leadership: autocratic, paternalistic, democratic, laissez-faire, situational. Motivation: Taylor, Maslow, Herzberg (hygiene vs motivators), McClelland, Deci and Ryan; equity and expectancy (HL). Labour turnover = leavers ÷ average staff × 100: 12 of 80 is 15%. Rewards: financial (salary, wages, commission, PRP, profit share, shares, fringe) and non-financial (enrichment, rotation, enlargement, empowerment, purpose, teamwork). HL: Handy's power, role, task and person cultures; conciliation (helps the parties agree) vs arbitration (decides for them).

2 Practice

2.1 Define *span of control* and *chain of command*. [2]

2.2 The repair business employs 80 people on average and 12 left during the year. Calculate the labour turnover rate and state one cost of a high rate. [3]

2.3 Distinguish Herzberg's hygiene factors from his motivators, giving one example of each. [4]

2.4 State two reasons why employees may resist change. [2]

2.5 Classify each reward as financial or non-financial and name its type: (a) a share of annual profit paid to all staff, (b) letting a mechanic design their own working day, (c) 5% of each sale. [3]

3 Exam-style questions

3.1 *(Original, Paper 1 style.)* The owner is considering removing the senior-mechanic level so that each workshop manager supervises 19 mechanics directly. Explain one advantage and one disadvantage of this flatter structure for the business. [4]

3.2 *(Original, HL culture.)* The business acquires a rival run by written procedures and fixed job descriptions, while its own workshops use self-managing teams. Using Handy's culture types, explain the clash and one consequence for the integration. [4]

3.3 *(Original, HL employee relations.)* The acquired staff's union demands the owners' bonus scheme. Recommend conciliation or arbitration, justifying the choice. [3]

Solutions

2.1 Span of control: the number of subordinates a manager directly supervises (1). Chain of command: the line of authority along which instructions pass from the top of the hierarchy to the bottom (1).

2.2 Labour turnover = $12/80 \times 100 = 15\%$ (2). Any one cost: recruitment and selection costs; induction and training of replacements; lost experience and customer relationships; lower morale among those who stay (1).

2.3 Hygiene factors are conditions whose ABSENCE causes dissatisfaction but whose presence does not motivate – pay, working conditions, company policy, supervision; example: a clean, safe workshop (2). Motivators are features of the work itself that create satisfaction and effort – achievement, recognition, responsibility, advancement, growth; example: being trusted with the diagnosis of difficult repairs (2).

2.4 Any two of: self-interest (loss of status, pay or routine); low tolerance of uncertainty; misinformation; misunderstanding of the change; a different assessment of its costs and benefits.

2.5 (a) Financial – profit-related pay (1). (b) Non-financial – empowerment (or job enrichment) (1). (c) Financial – commission (1).

3.1 Advantage: removing a level shortens the chain of command and cuts salary costs, so decisions and communication between the manager and the mechanics are faster and cheaper (2). Disadvantage: a span of 19 leaves little time for coaching or appraisal of each mechanic, so quality and motivation may fall and the manager may be overloaded – the senior mechanics also lose a promotion step (2).

3.2 The acquired firm has a ROLE culture – authority comes from the job description and written procedure; the repair business has a TASK culture – authority comes from expertise within self-managing teams (2). The clash: acquired mechanics feel unsupported without procedures while the owners' mechanics resent paperwork, so each side judges the other incompetent or chaotic (1). Consequence: slower integration, lost staff (the turnover the business has just reduced rises again) and failure to realise the acquisition's savings unless a deliberate culture programme bridges the two (1).

3.3 Recommend CONCILIATION: a neutral third party helps the union and the owners reach their own agreement (1), which keeps control of the bonus scheme's design with the parties and builds the trust the merged workforce needs (1). Arbitration would be faster and binding, but it hands the decision to an outsider and may leave one side resentful – appropriate only if conciliation fails and a strike threatens the workshops (1).

Local review guidance: the division written out with the $\times 100$ before the percentage; theories NAMED and then applied to the workshop case, not recited; (R1 3.3) a recommendation with the condition under which the other option would be preferred. This is authored classroom guidance.