Human resource management

IB DP Business Management Unit 2 Human resource management full package

Human resource management

- explain the role of human resource management and **workforce planning**, and calculate **labour turnover**;
- compare **recruitment**, training, appraisal and dismissal methods;
- analyse organisational structures, including tall and flat structures and delayering;

Human resource management (2)

- compare management and **leadership** styles;
- evaluate **motivation** theories and financial and non-financial rewards;
- explain the HL topics of **organisational culture** and employee and employer relations;
- explain formal and informal communication and its barriers.

Introduction to human resource management

- **demographic change** : for example, an ageing workforce;
- **labour mobility** : how easily workers move between jobs and places;
- **migration** : workers coming from or going to other countries;

$$\text{labour turnover} = \frac{\text{number of staff leaving in a year}}{\text{average number of staff}} \times 100$$

Introduction to human resource management (2)

- new working patterns: **flexi-time** (choosing when to work the agreed hours), **teleworking** (working from home or elsewhere), and the **gig economy** of short-term jobs paid task by task, as for delivery riders.
- **Internal recruitment** fills the job with someone already in the firm. It is quicker and cheaper, and the person knows the business. But it brings no new ideas, and it leaves another job empty.
- **External recruitment** brings in new skills and ideas, but it costs more and takes longer.

Introduction to human resource management (3)

- **Induction training** introduces new staff to the firm, its rules and its people.
- **On-the-job training** happens while working, for example by watching an experienced worker. **Off-the-job training** happens away from the workplace, such as a college course.
- **Cognitive training** develops thinking skills; **behavioural training** develops how people act with others, such as **teamwork** and dealing with customers.

Introduction to human resource management (4)

- **formative**: ongoing feedback to help the person improve;
- **summative**: a final judgement at the end of a period, often linked to pay;
- **360-degree**: feedback from managers, colleagues, junior staff and sometimes customers;

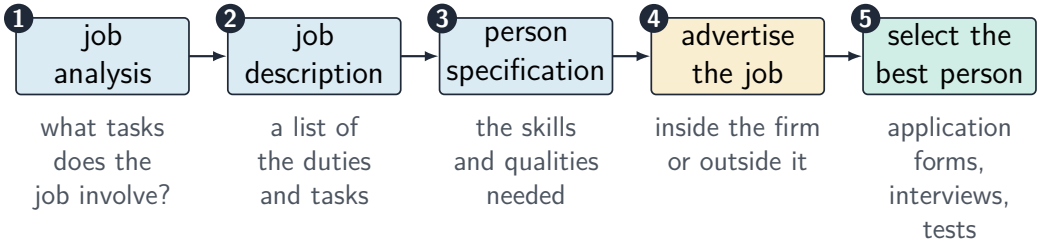
Introduction to human resource management (5)

- **self-appraisal**: employees judge their own work.
- **self-interest**: they fear losing pay, status or their job;
- **low tolerance of change**: they want security and routine;

Introduction to human resource management (6)

- **misinformation**: they do not know the real reasons for the change;
- **different interpretation**: they judge the situation differently from managers.

Figure: Introduction to human resource management



- The steps of **recruitment** and selection, from analysing the job to choosing the best person
- Match each part of the diagram to the text.

Organisational structure

- **Span of control** : the number of people a manager directly supervises.
- **Levels of hierarchy** : the number of layers of management.
- **Chain of command** : the line of authority from the top to the bottom.

Organisational structure (2)

- **Delegation** : passing authority to a junior. The manager still keeps the responsibility.
- **Centralisation** keeps decisions at the top; **decentralisation** passes them down.
- **Bureaucracy** : many rules and procedures.

Organisational structure (3)

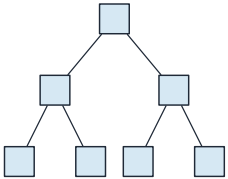
- **Delayering** : removing levels of management.
- by function, as a **functional structure** : departments for marketing, finance, operations and HR;
- by product, as a **product-based structure** : a division for each product line;

Organisational structure (4)

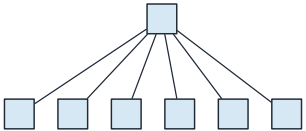
- by region, as a **regional structure** : a division for each country or area.
- the **core workers** : permanent managers and experts who are vital to the business;
- the **contractual fringe** : outside firms paid to do particular jobs, such as cleaning, IT or catering;
- the **flexible workforce** : part-time, temporary and seasonal staff.

Figure: Organisational structure

tall
many levels, narrow span



flat
few levels, wide span



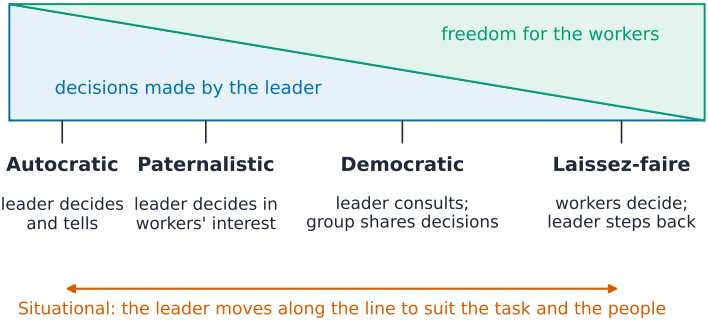
- A tall structure has many levels and narrow spans; a flat one has few levels and wide spans
- Read the axes and units first.

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Leadership and management

- **Management** is about getting things done.
- Henri Fayol listed its functions: planning, organising, commanding, coordinating and controlling. **Leadership** is about setting a direction and inspiring people to follow it.
- A good manager is not always a good leader, and the reverse is also true.
- The best style depends on the situation: the task, the time available, the skills of the workers, and the culture of the business.

Figure: Leadership and management



- **Leadership** styles differ in how much decision-making the leader shares
- Match each part of the diagram to the text.

Motivation and demotivation

- **Frederick Taylor** : workers are motivated mainly by money. He used **scientific management** : break each job into simple tasks, find the fastest method, and pay by output (**piece rate**). Critics say people want more than money, and repeated simple tasks are boring.
- **Abraham Maslow** : people have a **hierarchy of needs** . A lower need must be met before the next one motivates.
- **Frederick Herzberg** : two separate sets of factors. **Hygiene factors** such as pay and conditions do not motivate, but if they are poor, workers become unhappy. **Motivators** such as recognition and responsibility create real **motivation**.

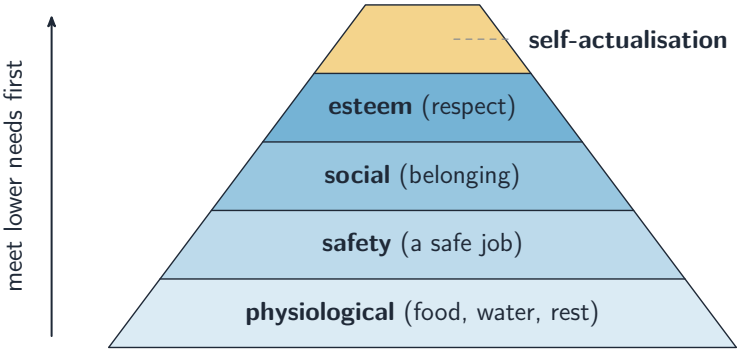
Motivation and demotivation (2)

- **David McClelland** : people are driven by three learned needs: the **need for achievement** (to do well), the **need for affiliation** (to be liked and belong) and the **need for power** (to influence others). Managers should match jobs to each person's strongest need.
- **Deci and Ryan** : **self-determination theory** . People are most motivated when they feel **autonomy** (control over their work), **competence** (being good at it) and **relatedness** (connection to others).

Motivation and demotivation (3)

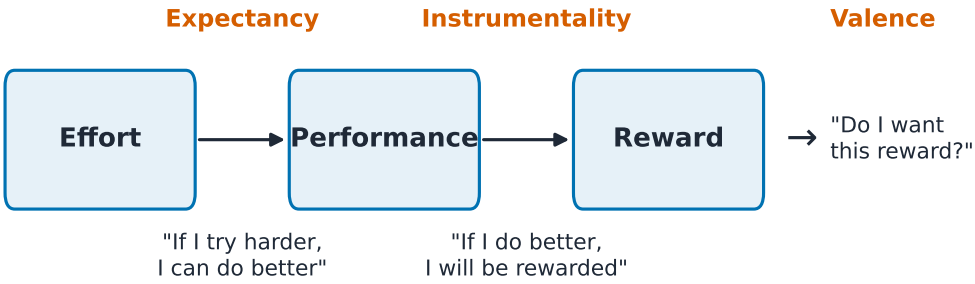
- **Equity theory** (Adams): workers compare what they put in (effort, skill, time) and what they get out (pay, praise) with other workers. If they feel it is unfair, they lose **motivation**, work less, or leave.
- **Expectancy theory** (Vroom): workers are motivated only if they believe that effort leads to better performance, that performance leads to a reward, and that the reward is worth having. If any one link breaks, motivation falls.

Figure: Motivation and demotivation



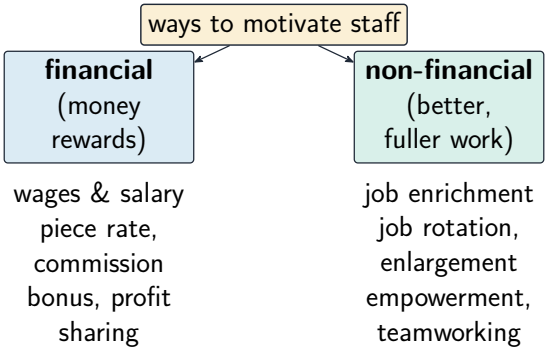
- Maslow: lower needs are met first, from physiological to **self-actualisation**
- Match each part of the diagram to the text.

Figure: Motivation and demotivation ·



- **Expectancy theory**: if any link is broken, extra effort seems pointless
- Match each part of the diagram to the text.

Figure: Motivation and demotivation ..



- **Motivators** are either financial (money) or non-financial (better, fuller work)
- Match each part of the diagram to the text.

Organisational culture (HL)

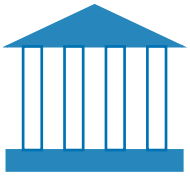
- **Power culture** : one powerful person or small group at the centre controls everything. Decisions are fast, but depend on that person.
- **Role culture** : clear jobs, rules and procedures, as in a government office or a large bank. Stable, but slow to change.
- **Task culture** : teams form to solve problems; expertise matters more than rank. Flexible and creative, but hard to control.
- **Person culture** : individuals with their own expertise work under one roof, as in a law firm or a group of doctors.

Figure: Organisational culture (HL)



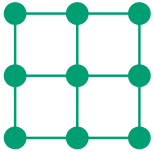
Power culture

one strong leader at the centre decides



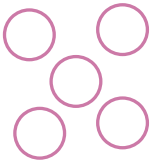
Role culture

clear jobs, rules and procedures (a bureaucracy)



Task culture

teams form around projects; skill matters



Person culture

experts work for themselves (a law firm)

- Handy's four cultures: power, role, task and person
- Match each part of the diagram to the text.

Communication

- **Formal communication** follows official channels: meetings, reports, emails and notices.
- **Informal communication** happens outside them: chats and rumours (the **grapevine**). It is fast, but often wrong.

Employee and employer relations (HL)

- **collective bargaining** : the union negotiates for all its members;
- **work-to-rule** : doing only exactly what the contract says;
- an **overtime ban** ;

Employee and employer relations (HL) (2)

- a **strike** : stopping work completely.
- **Conciliation** : a neutral third party helps the two sides talk and reach their own agreement.
- **Arbitration** : a neutral third party listens to both sides and then makes the decision. **Binding arbitration** must be accepted.

Employee and employer relations (HL) (3)

- **Employee participation** : workers have a say in decisions, for example through works councils.
- **No-strike agreements** : the union agrees not to **strike**, often in return for binding **arbitration**.

Sources for this lesson

- International Baccalaureate, *Business Management guide* (first assessment 2024).
- Haidilao International Holding, annual reports 2018–2023 and the November 2021 restaurant review announcement.
- F. Herzberg, B. Mausner and B. Snyderman, *The **Motivation** to Work* (1959); A. Maslow, "A Theory of Human Motivation", *Psychological Review* (1943).

Sources for this lesson (2)

- C. Handy, *The Age of Unreason* (1989) and *Understanding Organizations* (4th edition, 1993).
- E. Deci and R. Ryan, ***Self-Determination Theory*** (2017).

Common errors

- Calculating **labour turnover** with the wrong base: divide the leavers by the **average** number of staff, then multiply by 100.
- Treating a **job description** and a **person specification** as the same: one describes the job, the other the person wanted for it.
- Writing "flat structures are better"; a wider span of control saves money but can overload managers, as Haidilao found.

Common errors (2)

- Confusing **dismissal** (for poor work or behaviour) with **redundancy** (the job is no longer needed).
- Naming a **motivation** theory without applying it: say which need or factor the case is missing and what the business should change.
- Saying money never motivates; for Herzberg pay is a hygiene factor, but piece rates and profit shares can still change behaviour.

Key terms

- **Workforce planning**: forecasting the number and type of employees a business will need, and how to meet that need.
- **Labour turnover**: the percentage of employees who leave a business in a year.
- **Span of control**: the number of people who report directly to one manager.

Key terms (2)

- **Delayering**: removing **levels of hierarchy** from an organisational structure.
- **Delegation**: passing authority to a subordinate to carry out a task.
- **Hygiene factors**: in Herzberg's theory, features of a job that cause dissatisfaction if they are poor but do not motivate when they are good.
- **Non-financial rewards**: ways of motivating staff other than money, such as **job enrichment**, **empowerment** and teamwork.

Check yourself

- 1. 12 of the repair business's average 80 staff left last year.
- Calculate **labour turnover**, and give one cost to the business of high turnover. 2.
- Give one advantage of internal **recruitment** and one of external recruitment. 3.
- A manager has 12 mechanics reporting to her.