

TOPIC 2.5 MAKING HUMAN RESOURCE DECISIONS

START

1 Define the term hierarchical structure.

2 The Marino brothers have been very keen to operate their business with a very flat structure. Explain two advantages to Little Italy of organising the business in this way.

3 Although the organisational structure is flat, decision making is centralised. Explain two disadvantages of this to the business 'Little Italy'.

4 Little Italy is a very busy restaurant. Explain two reasons why maintaining effective communication is vital to the continued success of the business.

14 Explain how job rotation could motivate the employees at Little Italy.

BUSINESS PROFILE



Little Italy, a small Italian restaurant owned and run by brothers Luca and Stefano Marino, opened its doors in 2016.

In a short space of time the Marino's have watched their venture go from strength to strength. Little Italy now employs 15 staff in total and are looking at taking on two further chefs to cope with the additional demand at the weekends.

Luca has a background in HR and appreciates the importance of employing the right people and looking after them well. He regularly tells Stefano that

"happy staff = satisfied customers."



13 State three financial methods of motivating employees.

12 Luca is keen to ensure that they have a happy, motivated workforce. Explain two ways in which motivation can help to retain employees.

11 Define the term retention.

10 Little Italy takes considerable pride in the training and induction programme provided for all new employees. State two benefits the business will gain from this programme.

9 Explain the difference between formal and informal training.

5 Define the term 'barrier to communication'.

6 Many of the staff employed by Little Italy will work flexible hours. Explain two benefits to the business of this approach.

7 State the 4 key documents used in the recruitment process.

8 Luca has advertised the current vacancies on a national job vacancy website. Explain two advantages of this as a recruitment method.

MAKING HUMAN RESOURCE DECISIONS SUGGESTED ANSWERS

1 A hierarchical structure is when an organisation has many layers of management, therefore creating a tall pyramid.

14 Job rotation could motivate the staff as it provides them with more variety in their job roles, which in turn prevents them from becoming bored with one role. In addition, it allows the staff to experience several aspects of the business e.g. waiting on tables, or working in the kitchens, which can help them to gain a better understanding of the overall running of Little Italy.

13 Bonus, commission, fringe benefits.

12 Motivated staff are likely to stay with the business for longer as they are happy at work and in their jobs – this means that they are less likely to leave the business and therefore retention remains high at Little Italy. Secondly, because Little Italy invests in training and develops the skills of their employees they are going to have opportunities to progress within the business and therefore be less likely to look for alternative jobs to develop their careers, again this leads to the business retaining its staff.

11 Retention is a calculation of how many staff stay loyal to the business rather than leave for other job opportunities. For example, the number of staff staying as a percentage of all staff.

2 The first advantage of operating with a flat structure will be that there is faster, more efficient communication – important in a busy restaurant. Secondly, a flatter structure often means that managers will give more responsibility to the employees which can lead to increased job satisfaction.

3 The disadvantages of having centralised decision making are that opportunities may be lost because people are not allowed to make decisions. Secondly, if employees feel excluded from key decisions it can lead to a loss of morale, which could result in employees leaving the business.

4 One reason effective communication is important to Little Italy is due to nature of the business. A busy restaurant will need information to be processed accurately and efficiently at several stages e.g. taking customer orders, informing the chefs, orders being taken to customers quickly. Secondly, to maintain excellent standards of customer service and high quality food communication has got to be highly effective to ensure that customers are not waiting too long and that the food is served quickly and meets expectations.

5 Barriers to communication are something that prevents the flow of communication. This results in communication becoming ineffective which can result in problems for the business.

6 One benefit to Little Italy is that it helps to reduce staffing costs as staff can be scheduled to work when they are needed. Secondly, it provides flexibility to the business if an employee is off sick and cover is needed at short notice.

7 Job description, person specification, application form, CV.

8 This is a method of external recruitment which means that they will benefit from the advert being seen by many more people resulting in a wider range of candidates than with internal recruitment. Secondly, there is a greater chance of recruiting someone that already has the skills required which will help reduce training costs for the business.

10 One benefit is that all employees will receive the same basic level of training which will help the business to maintain its standards and expectations. Secondly, training will ensure that customers continue to gain the expected level of customer service from Little Italy and maintain their loyalty to the business.

9 Formal training is an official training programme that often leads to a qualification on completion. Informal training is the unexpected, unplanned extra advice or demonstrations that come from colleagues or sometimes customers.

TIME TO REVIEW YOUR LEARNING...
List three content points that you are confident with and three that require some attention.

Confident with	Requires attention
1	1
2	2
3	3