

### UNIT 3: People in Organisations

**Recommended prior knowledge:** It is assumed that Units on Business and the Environment and Marketing have been taught but that students have no prior academic knowledge of the “People in Organisations” subject material. However, they will all have experienced examples of both good and poor communication, they are likely to be aware of the organisational structure of their own school/college and they will undoubtedly have some views on what motivates them! Therefore, it will be possible to engage them in discussion about many areas of the part of the syllabus based on their own experiences or opinions. No detailed knowledge of Employment Acts/Laws is required and students may use local references in their answers e.g. to employment protection and equal opportunity etc.

**The Unit in context:** This Unit introduces the “human” factor into the consideration of what makes for successful business operations. The impact of business decisions on the workforce is a key consideration for any student of Business Studies.

**Outline:** The Unit provides coverage of human motivation theories and how these may apply in the business world. Different approaches to financial and non-financial motivation are considered in detail. Organisational structure is examined and students need to be able to discuss different types. Extension work at A level includes the importance of communication to effective management and motivation of staff.

Learning Outcomes	Suggested Teaching and Student Activities	Resources	Online Resources
<b>a) The need for and nature of organisational structure</b>			
<p><b>Students should be able to:</b></p> <p>i.) recognise different approaches to organisational structure. Be aware of why organisations need a formal structure. They need to be able to draw and understand a simple hierarchical structure diagram and identify chain of command, levels of hierarchy, spans of control. They need to be able to criticize this style of organisation structure and then compare it with a matrix structure</p>	<ul style="list-style-type: none"> <li>use the school/college as a starting point. Ask students to draw what they believe to be the formal structure – and then compare it with the actual one!</li> <li>discuss issues in class such as the advantages and disadvantages of a “tall” structure (many levels) and a “short” structure which is likely to have wide spans of control</li> <li>use any work experience that students have had to help illustrate these points</li> </ul>	<ul style="list-style-type: none"> <li>Stimpson: Chapter 16. Activities on Penang Cars, Majestic cinemas, Malaysian Airlines and Mitsubishi motors. Revision questions p267</li> <li>Barratt and Mottershead: Unit 48 and Mr.Patel’s case study on p549</li> <li>Jewell: Chapter 3 and essay questions p45 (some of these are difficult but could be discussed in class)</li> </ul>	<p>Two of the most useful sites for the whole Unit are likely to be:</p> <p><a href="http://www.hrmguide.net">www.hrmguide.net</a> This contains free articles and features on Human Resource management and Human Resource research.</p> <p><a href="http://www.osl-ltd.co.uk">www.osl-ltd.co.uk</a> Click on “free resources” and refer to the case studies and questions available. These are updated but recent case Studies include:</p> <p>No. 6 – Sham Shui Ferry Co. ‘The typical Chinese business’</p>

<p>ii.) explain and discuss authority, responsibility and delegation</p>	<ul style="list-style-type: none"> <li>class notes needed</li> </ul>	<ul style="list-style-type: none"> <li>9707/1 June 2002 Q2</li> </ul>	<p>No. 8 Nam Fong Airlines 'The art of communication'. No. 12 First Atlantic Bank 'Training and development'.</p>
<p>iii.) <i>explain and discuss accountability, centralisation, decentralisation, line and staff managers</i></p>	<ul style="list-style-type: none"> <li><i>again some of these issues can be discussed within the context of the school/college. The advantages and disadvantages of centralization could be assessed by referring to large MNC's operating in the country</i></li> <li>class notes needed</li> </ul>		
<p><b>b) Motivation, leadership and management</b></p>			
<p><b>Students should be able to:</b></p> <p>i.) understand why a motivated workforce is important – what are the likely consequences of a poorly motivated staff?</p> <p>ii.) use Maslow's hierarchy to explain human needs</p> <p>iii.) explain and discuss the main findings of certain motivational theorists – Taylor, Mayo, Herzberg, McGregor</p> <p>iv.) discuss the usefulness of these theories to HRM</p>	<ul style="list-style-type: none"> <li>ask for definitions of "motivated students" – discuss if this is the same as motivated workers (essentially, yes!)</li> <li>group work – ask for 2 lists, one of benefits from well motivated staff and one of business costs resulting from poorly motivated staff</li> <li>introduce Maslow's hierarchy with a taught lesson. Explain how these needs could be satisfied at work. Students should be able to relate these levels to their own experience at school/college or in work experience that they have undertaken</li> </ul>	<ul style="list-style-type: none"> <li>Stimpson: Chapters 13,14,15 and activities such as: B and K; Technoloc; Quality circles, Telemarketing and Revision Exercises on pages 232,244 and 255.</li> <li>Barratt and Mottershead Units 49,50 and 52. Case Studies on 561 and 572</li> <li>Jewell: Chapters 42 and 45. Essay questions on p522</li> <li>visiting speakers could be a useful resource for many aspects of the « People » Unit – even the Head teacher/Principal!</li> </ul>	<p><a href="http://www.tt100.biz">www.tt100.biz</a> (Edition 8) has a case study on a construction firm Taylor Woodrow entitled "Involving employees in meeting corporate objectives".</p>

<p>v.) explain the main forms of financial motivation and discuss their likely effectiveness and appropriateness in different contexts</p> <p>vi.) explain the main forms of non-financial motivation e.g. job enrichment, teambuilding etc., and discuss their likely effectiveness and appropriateness in different contexts</p> <p>vii.) understand the importance of leadership in business and the qualities of a good leader. Explain the different styles of leadership – autocratic, democratic and laissez-faire and discuss the likely effectiveness of these styles</p> <p>viii.) understand the main functions of managers</p>	<ul style="list-style-type: none"> <li>• introduce the other motivational theorists – notes need to be given on these. Was Taylor right? Debate between two groups on whether pay “moves or motivates” staff</li> <li>• explain the main staff payment systems and their suitability in different situations. Debate “Should teachers be paid on the basis of A level results”!</li> <li>• non-financial motivation – explain and discuss the important issues of job enrichment. How might this be achieved? Is it more difficult in some business situations than others?</li> <li>• leadership styles – discuss the leadership style at school. Is this suitable? When might other styles be more appropriate? Notes need to be given on these styles</li> <li>• brief discussion of the work/functions of managers.</li> </ul>	<ul style="list-style-type: none"> <li>• 9707/1 Nov 2001 Q6</li> <li>• 9707/1 Nov 2002 Q6</li> <li>• 9707/3 June 2003 Q(a)</li> <li>• 9707/3 June 2003 Q(b)</li> </ul>	
<p>ix.) <i>appropriateness of leadership style in different circumstances</i></p>	<ul style="list-style-type: none"> <li>• <i>students should be encouraged to suggest and discuss different situations in which different leadership styles would be appropriate</i></li> </ul>		

<b>c) Business Communication</b>			
<p><b>Students should be able to:</b></p> <p>i.) define effective communications</p> <p>ii.) understand the importance of effective communications, the purpose of communication and the methods of transmitting messages</p> <p>iii.) analyse the likely barriers to effective communication and discuss how they might be overcome</p> <p>iv.) recognise the differences between one/two way; vertical/horizontal and formal informal networks</p>	<ul style="list-style-type: none"> <li>• discuss why communication is necessary. Give business examples of how poor communication can lead to real problems</li> <li>• define communication and the communication diagram with feedback</li> <li>• use examples of communication methods at school – which media are used? Are they appropriate? Which others might be better and why? Students should be encouraged to discuss the suitability of different media in different circumstances. Notes on media and suitability</li> <li>• why does communication sometimes fail? Notes on barriers – and how they might be overcome</li> <li>• explain why communication might be more difficult in larger businesses</li> <li>• try sending a verbal message though the group – which communication net would be best? Does the message become distorted?</li> <li>• communication direction and one way/two way</li> </ul>	<ul style="list-style-type: none"> <li>• Stimpson: Chapter 17 and activities such as Palm Nut oils and Matsushita. Revision question on page 278</li> <li>• Barratt and Mottershead: Unit 51</li> <li>• Jewell: pp46-55.</li> <li>• 9707/1 June 2001 Q3 (note that this is now an extension topic.)</li> </ul>	<p>See also case Study on communication above.</p>

d) Human Resource Management			
<p><b>Students should be able to:</b></p> <p>i.) understand the purpose and functions of the HR department</p> <p>ii.) recognise that HR strategy can either be to control staff or to develop them – and that the style used will determine payment systems used and methods of motivation adopted</p> <p>iii.) understand the importance of management/labour relations. Why people might join trade unions and the role of trade unions</p>	<ul style="list-style-type: none"> <li>• discuss why people need to be “managed”. Explain the role of HR department e.g. workforce planning, recruitment, training, appraisal, job evaluation</li> <li>• HR can either be used to control staff (“hard” HRM) or used to develop staff as suggested by Herzberg (“soft” HRM). Probably depends on leadership style and corporate culture</li> <li>• explain the role of trade unions – use recent newspaper articles if TU’s exist in own country. Should managers encourage union membership? Students should be able to discuss advantages and disadvantages</li> <li>• use role play of dispute between TU and employer e.g. pay or discipline of staff. Ask group to discuss the issues involved</li> </ul>	<ul style="list-style-type: none"> <li>• Stimpson: Chapters 18 and 19. Activities such as: Cameron Sweets, Select College, GNER, Kenyan breweries and revision exercises on page 307</li> <li>• Barratt and Mottershead: pages 531-532</li> <li>• Jewell: Chapter 44</li> <li>• 9707/1 June 2003 Q3</li> </ul>	<p><a href="http://www.tt100.biz">www.tt100.biz</a> (Edition 8) has a Case study on training : ‘Audi: investing in people’.</p> <p>Same web site as above but this time a case study on trade unions: UNISON: Trade Unions dealing with change.</p> <p>Try any trade union web site e.g. <a href="http://www.tgwu.org.uk">www.tgwu.org.uk</a> or <a href="http://www.tuc.org.uk">www.tuc.org.uk</a>. This site has a great deal of information on UK employees employment rights and current employment issues. <a href="http://www.ilo.org">www.ilo.org</a>. is the site of the International Labour Organisation</p>

<p>iv.) <i>evaluate the role of trade unions including single union deals and no strike deals</i></p> <p>v.) <i>analyse methods of dispute settlement; reasons for labour legislation and the advantages of collective bargaining</i></p> <p>vi.) <i>analyse and evaluate the methods and usefulness of job evaluation</i></p> <p>vii.) <i>analyse potential health and safety problems in the workplace and evaluate the need for legislation</i></p> <p>viii.) <i>evaluate different training methods and the importance of training for a flexible workforce. Understand why some firms do not spend much on training staff e.g. fear of losing them to other employers</i></p>	<ul style="list-style-type: none"> <li>• <i>discuss the impact on business of single unions/no strike deals</i></li> <li>• <i>impact of employment legislation on business and employee/employer relations – use local country examples.</i></li> <li>• <i>discuss whether firms should be concerned about health and safety – should they just do the absolute legal minimum? How does the school meet health and safety laws?</i></li> <li>• <i>explain reasons for training, methods and why some firms do not train</i></li> <li>• <i>students could try a job evaluation exercise on three different jobs within the school. advantages and disadvantages of this technique</i></li> </ul>		
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