

Organisational structures (1)

These have two key elements:

- spans of control
- levels of hierarchy

These decide whether a business's structure is tall or flat.

Organisational structures (2)

Flat structures:

- have fewer levels of hierarchy
- may make use of delegation
- have wider spans of control

Tall structures:

- have more levels of hierarchy
- have narrower spans of control
- junior employees may have little independence

Decentralisation

This allows employees — working in all areas of the business — to make decisions.

Benefits:

- reduces load on senior managers
- may give faster and better decisions

Problems:

- training will be needed
- communication may not be good enough

Recruitment needs

- Job descriptions and person specifications.
- Job adverts and CVs.

Selecting the right employees may also involve:

- interviews
- psychometric tests

Training

- Induction training at the start.
- Followed by on-the-job and off-the-job training.

Why do businesses spend money on training?

Motivation

- The will or desire to do something.
- This can come from within.
- Can be the result of external factors such as pay.

Financial methods of motivation

- Piece-rate pay.
- Bonuses.
- Fringe benefits.
- Profit sharing.

Can you give examples of fringe benefits?

Non-financial methods of motivation

- More interesting jobs.
- More challenging jobs.
- Teamworking.
- Training.

How could a job in a supermarket be made more interesting?

Retaining employees

- Avoids spending on recruitment and training.
- Allows businesses to have skilled employees.
- Can reduce spending on training.

What actions can a business take to retain its employees?