

**UNIT 4 - HUMAN
RESOURCES**

**GCSE
BUSINESS**

**THEORY AND EXAM
QUESTION REVISION
BOOKLET**

GCSE Business is assessed by two final exams and is broken down in the following way:

Paper 1: Influences of operations and HRM on business activity	+	Paper 2: Influences of marketing and finance on business activity
What's assessed <ul style="list-style-type: none">• Business in the real world• Influences on business• Business operations• Human resources		What's assessed <ul style="list-style-type: none">• Business in the real world• Influences on business• Marketing• Finance
How it's assessed <ul style="list-style-type: none">• Written exam: 1 hour 45 minutes• 90 marks• 50 % of GCSE		How it's assessed <ul style="list-style-type: none">• Written exam: 1 hour 45 minutes• 90 marks• 50 % of GCSE
Questions <ul style="list-style-type: none">• Section A has multiple choice questions and short answer questions worth 20 marks.• Section B has one case study/data response stimuli with questions worth approximately 34 marks.• Section C has one case study/data response stimuli with questions worth approximately 36 marks.		Questions <ul style="list-style-type: none">• Section A has multiple choice questions and short answer questions worth 20 marks.• Section B has one case study/data response stimuli with questions worth approximately 34 marks.• Section C has one case study/data response stimuli with questions worth approximately 36 marks.

The exams will measure how you have achieved the following assessment objectives.

AO1: Demonstrate knowledge and understanding of business concepts and issues.

AO2: Apply knowledge and understanding of business concepts and issues to a variety of contexts.

AO3: Analyse and evaluate business information and issues to demonstrate understanding of business activity, make judgements and draw conclusions.

Unit 4: Human Resources

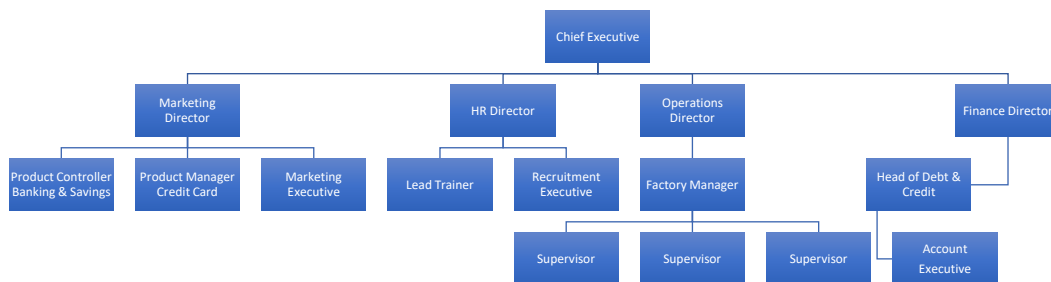
Organisational Structures – What you need to know!

Target	3.4.1 Organisational structures	Insecure	Developing	Secure
T71	Define the following key terms: internal organisational structures, span of control, chain of command, layering and delegation			
T72	Explain why businesses have internal organisational structures, including an understanding of different job roles and responsibilities throughout the business			
T73	Describe a tall structure Explain how a tall structure will affect the way a business is managed and how it will affect communication. Identify the advantages and disadvantages of a tall structure			
T74	Describe a flat structure Explain how a flat structure will affect the way a business is managed and how it will affect communication. Identify the advantages and disadvantages of a flat structure			
T75	Explain the difference between centralisation and decentralisation			

Organisational Structures - The theory

Key Terms	Definitions
Organisational structure	
Authority	
Span of control	
Levels of hierarchy	
Chain of command	
Delaying	
Delegation	
Centralisation	
Decentralisation	
Autocratic	
Democratic	

Task 1: Using the organisational structure below answer the questions.



What is an organisational structure?	
How many layers of hierarchy does this structure have?	
What does span of control mean?	
What is the span of control for the Chief Executive?	
What does chain of command mean?	
Who has the most authority in this structure?	
Why might the Chief executive decide to remove one of the layers of hierarchy? What would this be called?	

Tall organisational Structure		Flat organisational structure	
List three features of a tall structure:		List three features of a flat structure:	
1.		1.	
2.		2.	
3.		3.	
Advantages	Disadvantages	Advantages	Disadvantages

Task 2: Job Roles

Job Role	Describe the responsibilities they have in a business
Directors	
Managers	
Team Leaders or Supervisors	
Workers or Operatives	

Task 3: Communication

Explain the different types of communication used by individuals or groups of people in a business:

1. Meetings -
2. Video conferencing -
3. Telephone conversations -
4. Emails -
5. Other types of written communication (letters, reports) -

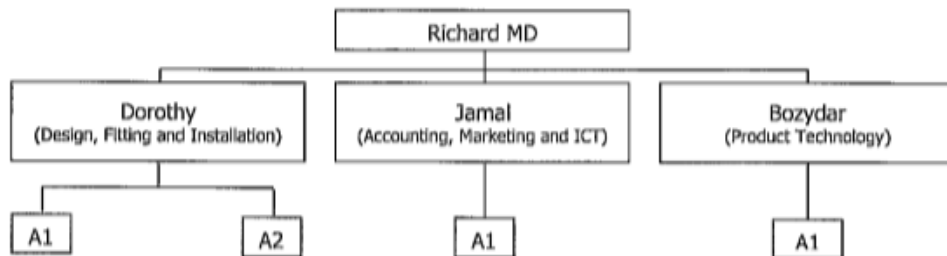
Task 4: Centralisation & Decentralisation

Centralisation		Decentralisation	
List three features of a centralisation: 1. 2. 3.		List three features of a decentralisation: 1. 2. 3.	
Advantages	Disadvantages	Advantages	Disadvantages

Organisational Structures - Exam Questions

Item D – A Growing Tree

At the end of the second year of trading, Blue-Print Limited was a fairly flat-structured organisation with a relatively short chain of command, even though it was still a private limited company. The following internal organisational structure tree clearly shows this.



Richard, a very autocratic manager, is still in central control of the business.

At the start of the third year of trading, Richard called a meeting with his management team of Dorothy, Jamal and Bozydar. They all agreed that the organisation needs to be restructured, have an expanded workforce, but still remain a limited company. It was agreed that the 'new' Blue-Print Limited should have a taller hierarchical structure, a narrower span of control for Richard, but still maintain a very clear chain of command.

The outcome was that by the end of the third year of trading the Blue-Print Limited management team had promoted Dorothy to the post of assistant managing director to Richard, with direct responsibility for a newly appointed manager, Michael, one of her former assistants. Michael will be responsible for all ICT matters and will have two assistants. One assistant was a new appointment and the other was a former assistant of Dorothy.

Dorothy will also be responsible for Jamal, who will take responsibility for finance and marketing. He will keep his assistant and an additional new assistant will be employed to help him. Each of Jamal's assistants will be responsible for two new employees.

Bozydar is now directly responsible to Dorothy. His product technology job description has been expanded to include design, fitting and installation. To help him, he will keep his assistant John. Two new workers will be employed and John will be their line manager.

The management team of Blue-Print Limited realise that recruiting, retaining, motivating and training new staff for an expanded and growing business will bring drawbacks as well as benefits. Consequently, the selection and retention of efficient and effective staff is essential for high productivity, staff motivation and keeping labour turnover at the lowest possible rate. For this reason, Blue-Print Limited operates a very rigorous recruitment process. It also provides new employees with a comprehensive induction programme and provides on-the-job, or in-house, training, and off-the-job training by external courses at local colleges for existing employees.

In addition to training programmes, Blue-Print Limited also implements a variety of employee motivation techniques including staff appraisal, financial recompense and non-financial rewards. Richard is also aware that the style of management he employs will impact on management and employee motivation.

1. Blue-Print Limited has a relatively short chain of command. What is meant by 'Chain of command'? (2 marks)

2. Explain what is meant by an organisational chart, such as that shown in Item D. (2 marks)

3. Using Item D explain what the term 'span of control' means. (2 marks)

4. Give one reason why an employee of Blue-Print Limited might find the organisational chart useful. (2 marks)

5. Identify two problems that Blue-Print Limited might encounter as it increases its levels of management. (2 marks)

6. Explain how the fairly flat organisational structure of the newly formed Blue-Print Limited differs from the tall hierarchal structure developed in its third year of trading. (5 marks)

7. Blue-Print Limited expanded, employed additional staff and restructured its management. It became a taller, hierarchical structure, as indicated in Item D. Draw the organisation tree for the management structure of the 'new' Blue-Print Limited. (5 marks)

8. The 'new' Blue-Print Limited has a relatively narrow span of control. Explain two advantages to the business that might result from this. (5 marks)

9. Blue-Print Limited is centrally and autocratically controlled by Richard, the managing directors. Explain two disadvantages of centralised decision making. (5 marks)

10. The 'new restructured Blue-Print Limited has a tall, hierarchical structure. Discuss the advantages and disadvantages, for all employees, of their business having this type of management structure. Give reasons for your answer. (9marks)

<u>How to structure your answer:</u>	
Paragraph 1: Advantage of the structure	
Paragraph 2: Disadvantage of the structure	
Use the steps below:	
Step 1 (P) - Make one point	
Step 2 (E) - Explain why/how your point is relevant.	
(C) Put your answer in Context by using evidence from the text to support the explanation of your point.	
Step 3 (An) - Analyse by writing about the impact and/or the consequence of your point.	
Paragraph 3: Conclusion	
A - Answer the question set. Make clear your decision.	
J - Justify your decision	
I - consider what the success of your decision depends on and the impact on the short and long term on the business.	
M - State the most important reason why you've come to your judgement	

Recruitment and selection – What you need to know!

Target	3.4.2 Recruitment and selection of employees	Insecure	Developing	Secure
T76	Explain the difference between internal and external recruitment and the benefits and drawbacks of each approach			
T77	Outline the main stages in the recruitment and selection process, including an understanding of job analysis, job description, person specification, and selection methods			
T78	Analyse the benefits of having an effective recruitment and selection process for a business, including high productivity, high quality output or customer service and staff retention			
T79	Explain the difference between part time and full-time contracts, job share and zero hour contracts			
T80	Describe the benefits of full and part time employment.			

Recruitment and selection - The theory

Key Term	Definition
Retention	
Recruitment	
Selection	
Internal recruitment	
External recruitment	
Job analysis	
Job description	
Person specification	
Productivity	
Job share	
Full time	
Part time	
Contracts of employment	
Zero-hour contract	

Task: Complete the flow diagram to show the stages in the recruitment process.

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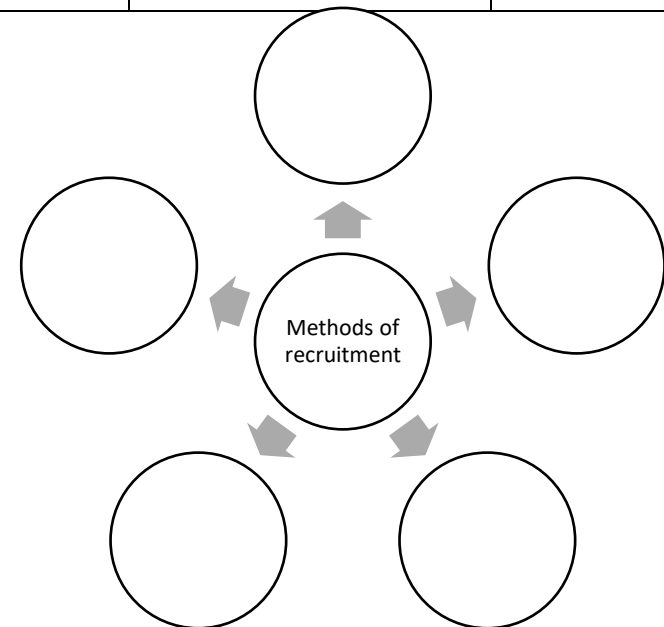
	Benefits	Drawbacks
Internal recruitment		
External recruitment		

Contracts of employment

Explain what a contract of employment is:

Explain each of the following types of business contract a business can issue:

- Full time
- Part time
- Job share
- Zero hours



Recruitment and selection – Exam Questions

Item E – The Human Factor

John was working with a computer repair company for a number of years. One day he decided that he needed a change in his work-life balance and so had the idea of starting up his own independent 'for-profit' business making 'upmarket' business cards.

John considered that he was best to start his business as a sole trader, he being the only person owning and working in it. However, he does realise that at some time in the future he might have to take on extra help.

This extra help might be sought on a full-time or part-time basis and might come from within his immediate family or externally. Irrespective of the type or source of additional help, John must ensure that all new employees are appropriately remunerated and motivated.

John regards treating employees fairly as his moral responsibility. However, he is also very aware that staff employed by him, in any capacity, are also protected by legislation.

1. Identify two methods by which John could recruit additional staff. (2 marks)

2. John realises that in the future he might have to take on extra help. Identify two benefits of John taking on such extra help. (2 marks)

3. Explain two benefits to John of recruiting externally. (4 marks)

4. Explain why John might prefer to recruit a part time member staff rather than a full-time member of staff. (4 marks)

Golf is a very popular and growing participation sport around the world. In the UK there are close to 1.5 million players on 3 000 golf courses. Players pay to play on a golf course, with many playing at the weekend.

One such business is Bristol based Green Grass Golf Limited who own three golf courses around the UK. One of these courses is called Chelsfield Lakes Golf Centre.

The golf course at Chelsfield Lakes Golf Centre is available to members (who pay an annual fee of over £1 000) and non-members of the club, who pay every time they want to play. In addition Chelsfield Lakes Golf Centre teach people who want to play golf, or want to improve their game, and also provide facilities for weddings and business conferences.

With the growth in the business, Green Grass Golf Limited needs to employ additional workers at Chelsfield Lakes Golf Centre. As part of the recruitment process they will produce a job description and a person specification for each job role.

- (d) (i) What is a job description and why is it important in the recruitment process? [2]

- (ii) What is a person specification and why is it important in the recruitment process? [2]

Green Grass Golf Limited has decided to advertise the new jobs externally.

(iii) Analyse one benefit and one problem with advertising the jobs externally. [4]

Benefit

Problem

Motivating Employees – What you need to know!

Target	3.4.3 Motivating employees	Insecure	Developing	Secure
T81	Define what motivation is and understand the benefits of a motivated workforce, such as staff retention and high productivity.			
T82	Explain the use of financial methods of motivation (including an understanding of the main methods of payment including salary, wage, commission and profit sharing).			
T83	Explain the use of non-financial methods of motivation, including styles of management, importance of training and greater responsibility, fringe benefits.			
T84	Describe Maslow and how it can be used to assess employee's motivation.			

Motivating Employees - The theory

Key Terms	Definition
Job enrichment	
Fringe benefits	
Salary	
Wage	
Piecework	
Commission	
Profit Sharing	

Explain how the following are benefits of a motivated workforce:

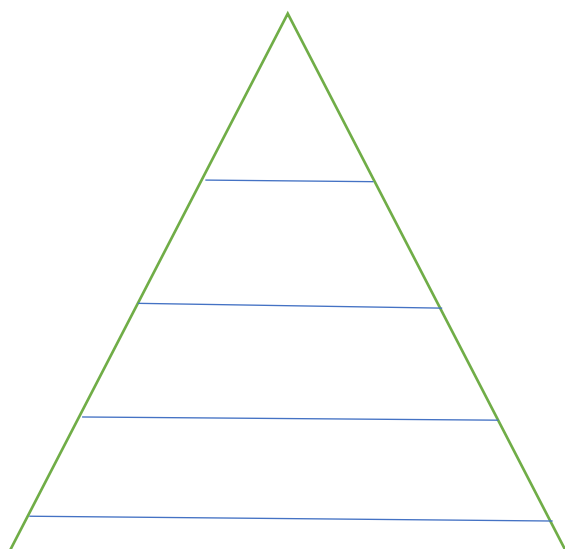
Increased levels of productivity	
Improved employee retention rates	
Higher levels of sales	
Improved reputation as a good employer	

Methods of motivation used by businesses

Non-financial methods of motivation	Financial methods of motivation

Explain the difference between an autocratic and democratic leadership style:

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Complete the triangle to show the 5 human needs identified by Maslow that he suggested if people could meet by working, then this would motivate them at work.

You may find it useful to use this theory useful in explaining why employees can be expected to behave in certain ways.

Motivation – Exam Questions

Item E – The Human Factor

John was working with a computer repair company for a number of years. One day he decided that he needed a change in his work-life balance and so had the idea of starting up his own independent 'for-profit' business making 'upmarket' business cards.

John considered that he was best to start his business as a sole trader, he being the only person owning and working in it. However, he does realise that at some time in the future he might have to take on extra help.

This extra help might be sought on a full-time or part-time basis and might come from within his immediate family or externally. Irrespective of the type or source of additional help, John must ensure that all new employees are appropriately remunerated and motivated.

John regards treating employees fairly as his moral responsibility. However, he is also very aware that staff employed by him, in any capacity, are also protected by legislation.

1. John believes that motivation of employees will bring his business benefits. Identify two benefits to John's business of highly motivated staff. (2 marks)

2. John would be advised to give any new employee a period of training. Identify and explain two reasons why this might be a good way to motivate them. (4 marks)

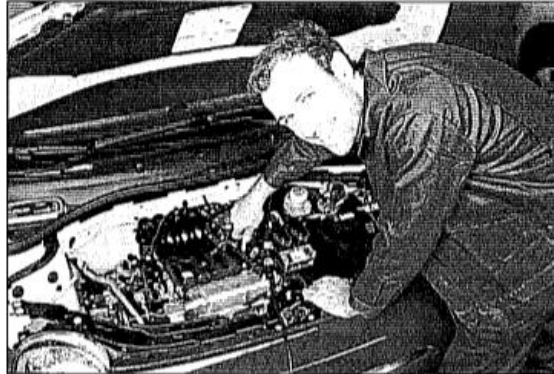
3. Identify two relevant ways a small business-like John's might motivate their staff. (2 marks)

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4. If John takes on new staff and does not motivate them properly, explain two consequences that this might have for him as an employer. (4 marks)

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5. Explain why a small organisation like John's might find it easy to successfully motivate employees, while a large organisation such as McDonalds might find it more difficult. (5 marks)
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Question paper 1 – Item B – Tom’s Midnight Garage

Tom Crews has been running a successful garage in his local town for over 10 years. He specialises in repairs and servicing of high-end sports cars, and opens until midnight two nights a week so that customers working late can drop off their cars. However, he noticed last year that his revenue through income was falling. He thinks the cause may be the new, larger garage that has opened in the same town, which is offering MOTs and repairs of any car. Due to the increased competition, he has had to reduce the hours of his five mechanics and one receptionist that he employs, so staff morale is currently very low. Tom is now considering his next move and whether he should change his business objectives; he thinks he may need a new business plan.



So that he can be competitive in the town, he is considering reducing the price of his standard car services that car owners need to have every year. He is also considering opening an MOT bay to start taking advantage of the many requests he gets to do MOT testing on his regular customers' cars. He would need to hire two new specialist mechanics for this, or consider retraining the ones that he has already. He hopes this will increase demand for his garage services and improve business.

6. Advise Tom’s Midnight Garage on the best way to improve the motivation of their staff.
Give reasons for your advice. (9 marks)

How to structure your answer:	
Paragraph 1: Suggest discuss way to improve motivation	
Paragraph 2: Discuss why another method is not suitable	
Use the steps below:	
Step 1 (P) - Make one point	
Step 2 (E) - Explain why/how your point is relevant.	
(C) Put your answer in Context by using evidence from the text to support the explanation of your point.	
Step 3 (An) - Analyse by writing about the impact	

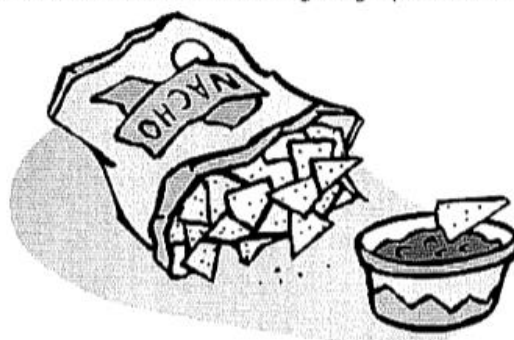
and/or the consequence of your point.	
Paragraph 3: Conclusion	
A – Answer the question set. Make clear your decision.	
J – Justify your decision	
I – consider what the success of your decision depends on and the impact on the short and long term on the business.	
M – State the most important reason why you've come to your judgement	

Question Paper 2 – Item A – Salsa A-Go-Go Ltd

Eva Mandes has run her successful salsa dip production business for over 10 years. She makes salsa, guacamole and sour cream dips which she sells at farmers' markets, local shops and small supermarkets. She is very popular with local customers who love the genuine Mexican flavour of her products. She has been able to take advantage of the boom in demand for Mexican food in the UK, with many families enjoying fajitas, tortillas, burritos and salsa on a regular basis.

Eva uses batch production when making her salsa, as she can make large quantities at a time and then bottle and label the product ready for sale.

She employs two highly skilled chefs to help her, and they have worked for Salsa A-Go-Go since she started 10 years ago. At the moment she needs one more chef to help her with new orders coming in from a local chain store, who want to start selling her gift packs of all three dips.



She is facing increased competition from the major food manufacturers, who are all trying to make their own versions of the dips. She is wondering how she can keep costs down, and is thinking about paying the chefs on the number of jars of dip that they produce and having one chef working on each particular dip. She is also hoping that this method of payment will start to motivate her chefs, who at the moment seem to be struggling to get to work on time and take long breaks.

7. Eva is thinking of offering higher wages than those paid in other factories. Advise Eva on whether you think that this is the best way to motivate her staff. Give reasons for your answer. (9 marks)

<p><u>How to structure your answer:</u></p> <p>Paragraph 1: Discuss why higher wages would be the best option</p> <p>Paragraph 2: Discuss why they might not be the best option</p> <p>Use the steps below:</p> <p>Step 1 (P) - Make one point Step 2 (E) - Explain why/how your point is relevant. (C) Put your answer in Context by using evidence from the text to support the explanation of your point. Step 3 (An) - Analyse by writing about the impact and/or the consequence of your point.</p> <p>Paragraph 3: <u>Conclusion</u> A - Answer the question set. Make clear your decision. J - Justify your decision I - consider what the success of your decision depends on and the impact on the short and long term on the business. M - State the most important reason why you've come to your judgement</p>	Empty space for student answer
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Training – What you need to know!

Target	3.4.4 Training	Insecure	Developing	Secure
T85	Define what training is			
T86	Explain the benefits of training employees for a business, including increased productivity, ability to deal with changes in technology, increased motivation, staff retention, production of high-quality goods and good customer service.			
T87	Define what induction training is Explain the advantages and disadvantages.			
T88	Define what off -the-job training is Explain the advantages and disadvantages.			

T89	Define what off -the-job training is Explain the advantages and disadvantages.			
T90	Analyse the benefits and drawbacks of on the job and off the job training and evaluate which would be the most appropriate method for a variety of businesses.			

Training - The theory

Key Term	Definition
Training	
Induction training	
On-the-job training	

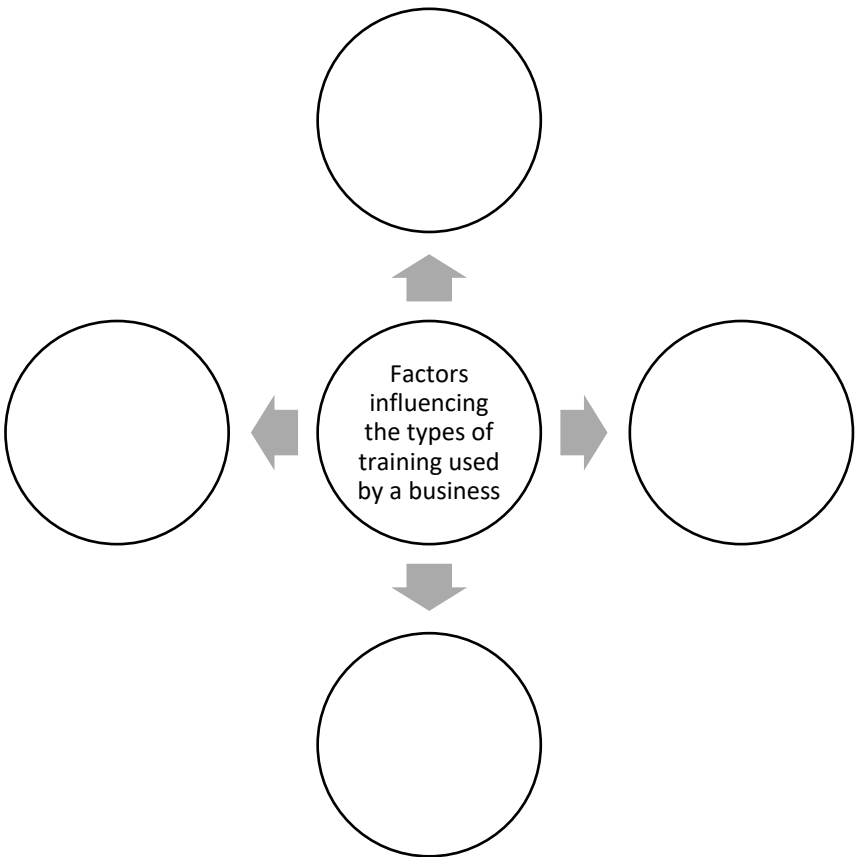
Off-the-job training	
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Benefits of training to a business	Disadvantages of training to a business

Induction Training for new employees	What might it involve?	Benefits of it could be...

	Benefits	Drawbacks
On the job training		
	Benefits	Drawbacks

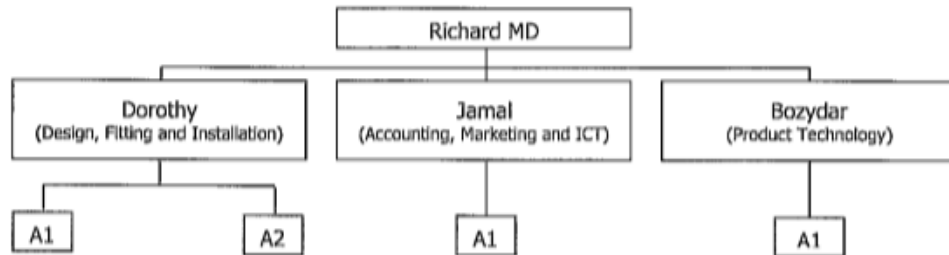
Off the job training		



Training - Exam Questions

Item D – A Growing Tree

At the end of the second year of trading, Blue-Print Limited was a fairly flat-structured organisation with a relatively short chain of command, even though it was still a private limited company. The following internal organisational structure tree clearly shows this.



Richard, a very autocratic manager, is still in central control of the business.

At the start of the third year of trading, Richard called a meeting with his management team of Dorothy, Jamal and Bozydar. They all agreed that the organisation needs to be restructured, have an expanded workforce, but still remain a limited company. It was agreed that the 'new' Blue-Print Limited should have a taller hierarchical structure, a narrower span of control for Richard, but still maintain a very clear chain of command.

The outcome was that by the end of the third year of trading the Blue-Print Limited management team had promoted Dorothy to the post of assistant managing director to Richard, with direct responsibility for a newly appointed manager, Michael, one of her former assistants. Michael will be responsible for all ICT matters and will have two assistants. One assistant was a new appointment and the other was a former assistant of Dorothy.

Dorothy will also be responsible for Jamal, who will take responsibility for finance and marketing. He will keep his assistant and an additional new assistant will be employed to help him. Each of Jamal's assistants will be responsible for two new employees.

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In addition to training programmes, Blue-Print Limited also implements a variety of employee motivation techniques including staff appraisal, financial recompense and non-financial rewards. Richard is also aware that the style of management he employs will impact on management and employee motivation.

1. Identify two things that could be included in Blue-Print's induction programme for new employees. (2 marks)

2. Blue print provides both on the job and off the job training for existing staff. Explain how they are different methods of training.

3. Explain the advantages for Blue-Print Limited of offering existing employees one the job training. (4 marks)
