

NCFE Level 1/2 Technical Award in Business and Enterprise

Unit 2

Understanding resources for business and enterprise planning

LO2

Understand human resource requirements for a business start up

Student Workbook

Name:	
Class:	
Teacher	
2.1 Human Resources 2.1.1 Methods of recruitment	

Internal Methods	External Methods
<p>transfers notice board newsletter website intranet</p>	<p>headhunting newspapers trade journals careers fairs shop windows recruitment agencies web based</p>

Key Words	Explanation
Transfers	A member of existing staff could be 'transferred' to another office, department or location where there is a vacancy
Intranet	This is a restricted website which only staff can access. It could be used to display internal staff vacancies.
Headhunting	This occurs when a specific person is contacted and offered employment without needing to apply for the role.

Identifying a need	<ul style="list-style-type: none"> Retirement of a member of staff or employee leaves the business An existing employee is promoted New location for the business which needs staffing New skills required which current staff do not have.
Stage 2 Create a job description	The business creates a document which sets out the job role in detail. The candidate can then decide if they are able to fulfil the roles and responsibilities.
Stage 3 Person Specification	Sets out essential and desirable criteria. It is used to measure the candidate against and compare to others who have applied. Includes qualifications required, previous experience and attributes/ characteristics/ qualities.
Stage 4 Advertising a position	The business will advertise their vacancy in a suitable place. The advert needs to include all important information, such as business name, job title, pay and hours.
Stage 5 Shortlisting	This is where businesses decide who they want to interview based on their applications. It is important this is done fairly and the job description and person specification is usually used to help.
Stage 6 Interview	Candidates will be interviewed and answers are recorded. They are sometimes given a score and this is then compared to others to ensure fairness.
Stage 7 References	References will be obtained from previous employers, teachers or others. It cannot be from a family member or friend. This helps to make sure they have a true and honest view of the applicant.
Stage 8 Offer the position	If successful candidates will be offered the position verbally or in writing. There is always a formal written offer sent with key information, such as start date.

Lesson 1

Starter: What do you think the term 'recruitment' means?

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Extension: State 3 different ways in which you might find out about a job

- 1.
- 2.
- 3.

1. Methods of Recruitment

Definition: Internal Recruitment
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Think: What are the benefits and drawbacks of recruitment **internally**?

Benefits of internal recruitment	Drawbacks of internal recruitment

Definition: **External Recruitment**

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Think: What are the benefits and drawbacks of recruiting **externally**?

Benefits of external recruitment	Drawbacks of external recruitment

External recruitment methods

Activity 1 : Johnny runs a small TV production company that specialises in producing documentaries about natural history. He has to have a specialised team of film producers because of the locations they film in, as well as the time they spend aboard. He needs an additional producers and want to recruit a new member to the team in the next two months.

Advise Johnny on the different options that he could use to find the right employees to join the company.

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Activity 2 : Olli owns a small female only hairdressers in your local town. His business has gained an excellent reputation with customer and sales have risen fast. He wants to expand by opening a male hair-salon next door. He needs to recruit a manager, hairdresser and a trainee for it.

For each job, explain whether Ollie should use internal recruitment or external recruitment and give reasons for your choice.

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Exam Style Question: Explain two reasons why a business might recruit externally. (4 marks)

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Plenary: 3,2,1

3 Methods of External Recruitment

- 1.
- 2.
- 3.

2 Benefits of internal recruitment

- 1.
- 2.

1 Difference between internal and external recruitment

- 1.

Lesson 2

Starter: What skills/characteristics do you think you need to have to be a good teacher?

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How can a school identify whether a candidate has these skills/characteristics when they are recruiting?

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Definition: **Stages of recruitment**

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There are 10 stages of recruitment – Why do you think there is 10 stages? Why not just 1 stage?

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Activity: Sort the stages of recruitment into the correct order then get your green pen ready for the answers.

- 1. Vacancy occurs
- 2. Person Specification
- 3. Vacancy is filled
- 4. Short listing
- 5. Interviews are held
- 6. Candidates apply
- 7. Gather references
- 8. Job is advertised

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.

Think: Why is it important for a business to get the recruitment process right?

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Exam Style Question: Explain two reasons why it is important for a business to go through the stages of recruitment (4 marks)

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Plenary: 3,2,1

3 Stages of Recruitment

- 4.
- 5.
- 6.

2 Reasons why it is so important to recruit the right candidates

- 3.

4.

1 Difference between a job description and a person specification

1.

1. What are the different types of contracts?
2. Why is the Equality Act 2010 so important?
3. What are the redundancy and disciplinary procedures?

Equality in Recruitment

Businesses must ensure they treat all workers fairly. They must offer equal pay and promotion opportunities for women and ethnic minorities.

This also applies to recruitment. Employers must not discriminate against applicants based on race, sex, age or disability.

Equality Act 2010

This act legally protects people from discrimination in the workplace and in wider society.

Redundancy Procedures

- Staff can lose their job through **redundancy** if the business suffers a fall in profit or they no longer offer the services of products the employee provides.

- Redundancy procedures must be fair.

- Can receive compensation for being made redundant.

Voluntary redundancy

Employees can volunteer for redundancy.

Contract of employment

A **contract** is an agreement that sets out an employee's employment conditions, rights & responsibilities and duties. The legal parts of a contract are known as **terms**. An employer should make clear which parts of a contract are legally binding.

Permanent contract

This employment contract does not have an end date. This can offer better job security as it is ongoing.

Temporary contract

This employment contract is flexible and both sides have a notice period. This is often used in seasonal work, for example, shop staff at Christmas, or fruit pickers in summer.

Fixed term contract

This employment contract has a fixed end date. This can be used when the employer knows exactly when the contract needs to end. For example if someone is covering maternity leave the employer will know when the person is returning to work.

Part-time contract

A contract of less than a full time worker. There is not a set number of hours and can range from 1-34 hours per week.

Full time contract

A contract of full time employment. Full time is usually considered a contract of over 35 hours per week.

Zero hour contract

This contract means that the employer is not required to provide a minimum number of hours and the worker is not required to accept any work offered.

Disciplinary Procedures

Disciplinary procedures

Employers' disciplinary rules set the expected standards of employees and make it clear what conduct is and is not acceptable in the workplace. If this is not followed then staff can be disciplined. Verbal warnings, written warnings, final warnings or instant dismissals can be used.

2. What is a staff appraisal?
3. Why is staff training important?

Staff Appraisals

Appraisals are annual meetings to:

- review a staff member's performance over the previous year
- set targets for the next year
- support staff and motivate them to improve
- discuss any training needs or Continuous Professional Development (CPD).

Appraisal should be based on the **job description**.

They should be based on evidence of the employee's performance such as sickness record, disciplinary records, any previous targets.

Once the performance has been reviewed targets should be set for the following year.

Training

1. **On the job training:** where employees train within the business. Train whilst they work. Also called in house training.
2. **Off the job training:** where employees go off site to be trained by an external provider.

The purpose of the induction is to introduce the new member of staff to the job and workplace as quickly as possible, so they can contribute as quickly as possible.

Training can include:

1. Introduction to their new team
2. Introduction to building including health and safety guidelines (including first aid and fire exits)
3. Business policies and procedures
4. How to carry out their role; usually carried out by their line manager and can include job shadowing and training

Training

Why is training needed?

- New skills required by employees. This could be because of new equipment or updated products
- Changes to the business sector e.g. new legal requirements to diving qualification for lorry drivers.
- Expansion of a business into new areas which the staff do not have the required skills for.
- Promotion of staff to a new role they have not experienced before.
- Staff maybe required to gain a recognised qualification to carry out their job.
- Employers may want to help staff develop their functional skills to support their life chances.

Internal Training

Carried out by staff members of the business often in their own premises. This training is usually part of continuous staff development. Can include mentoring, job rotation and coaching.

External training

Carried out by others who are not part of the business. They could be consultants/trainers from another organisation or training provider who have the skills and knowledge the business lacks

2.1 Human Resources
2.1.3 Legal Considerations
2.1.4 Staff Development

Lesson 3

Starter: Tick whether the method of recruitment is internal or external.

Method of recruitment	Internal	External
1. Advertising in local newspapers		
2. The owner telling their employees about the vacancy (e.g. through email)		
3. Employment agencies		
4. Advert placed in the business's employee newsletter		
5. Advertising on the internet		
6. Advertising placed on notice boards		
7. Advert placed on notice boards		

All businesses must follow the laws relating to the recruitment of staff. Once a person is **offered a job**, they will **agree the working arrangements** with the employers and **sign a contract**.

Definition: **Contract of employment**

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The contracts will contain such information:

- If the job is full or part time
- The hours that will be worked
- Location
- Pay
- Holiday entitlement
- Sick pay

There are several types of employment contracts a business can give to their employees

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Activity: Read the descriptions and match up the contract type to its name using the options below. The first one has been done for you.

Full-time contract, Temporary contract, Zero-hours contract, Part- Time contract, Fixed Term, Permanent contract

Contract	Description
Permanent contract	Means the employee is employed by the business for an unlimited length of time. The limit will be when the employee decides to leave. Having this type of contract means job security and stability for both the business and employee
	This is given to employees who are required to work for the business for a certain length of time. These contracts have a start and finish date. These contracts often are used during busy times of the year. Eg. Christmas
	Is similar to a temporary contract but it has a pre-defined start and end date. For example, a business may want to employ a person for six months to set up a new IT system. They would hire an employee in this field for a fixed-term.
	The employee works only a certain number of hours per week, which will be less than a person who works for the business full time. This contract is often helpful for a business, as it shows that it can be flexible and the employee can fit it around their life.
	Work a number of hours per week determined by the business, so it could be Monday to Friday from 9am till 5pm. According to UK Government, 'a full time working will work usually 35 hours or more per week.'
	This type of contract is becoming more common. This is when a business gives successful applicants a contract, but the hours they are required to work are not on the contract and are up to the business's discretion.

Equality in recruitment

All employees expect their employers to treat them fairly and to abide by the laws that protect both employees and employers.

The Equality Act 2010

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The Equality Act protects all people who are in any form of employment from the following:

- 1.
- 2.
- 3.

Redundancies

If a job role is no longer required in a business, the person who is employed to fulfil this role may be made redundant.

Task: State one reason why a business might make some of their employees redundant.
(Hint: think back to Unit 1)

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Disciplinary Action

If an employee is unable to complete the job role they were employed to do, they could be dismissed. Examples could be because of non-attendance at work.

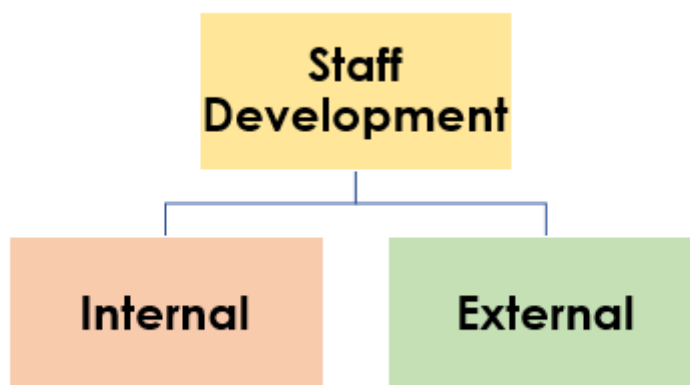
What are the stages of disciplinary action?

- 1).....
- 2).....
- 3).....
- 4).....

Task: It is very important to make your staff feel valued. Why do you think this is?

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Definition: **Internal Training**

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<i>Internal Training Method</i>	Description
	This is where a junior member of staff is paired with an experience member of the team to learn new skills.
	This is where an employee gains skills in different areas within the business.
	This is where a specialist in a particular part of the business works with an employee for a short time to demonstrate how to complete a specific task required

Another method of staff development is through staff appraisals.

Definition: **Staff Appraisals**

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Definition: **External Training**

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Activity: Read the following scenarios and decide what form of training would be suitable for each individual. Justify your decision.

- 1) Scenario 1: *Raj has recently started at the company and is unsure how to use the spreadsheet program that the business uses. He speaks to his manager, who suggests that he needs training specifically on the software.*

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- 2) Scenario 2: *David is keen to go into management but is aware that his current qualifications and experiences do not reflect his potential abilities. He speaks to his manager, who says they would support any further training.*

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Induction Training

When a new member of staff starts at an organisation, they are often given training to introduce them to the different aspects of the business that they will need to know. This is called induction training. A typical induction includes:

1. to the key members of staff that they will be working with, such as their managers, deputy manager and team
2. How the business is, the functional areas and a history of the company
3. The business ,for example health and safety
4. Key of employees and the employer
5. A of the business
6. Allocation of a (in some cases)

Activity: We have discussed so far some of the benefits for a business of developing their staff.

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Now think, what might be the downside of staff development?

Benefits of Staff Development	Drawbacks of Staff Development

Plenary: In your opinion, do you think it is worthwhile a business investing in staff development? Explain your answer.

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<p>2. What is performance related pay</p>		<p>Performance Related Pay</p> <p>Based on an employee reaching clearly set targets that can be measured. This can include commission, bonuses and profit sharing.</p> <p>People who receive performance related pay are usually paid a lower salary and are set pre-agreed targets. If they achieve the targets they will be paid a higher rate of pay.</p>	
<p>Commission</p>	<p>Where staff are paid a basic wage and then a target based commission. For example, the more they sell, the higher their commission payment will be. Or if they meet a target then they receive the payment. If targets are not met then no commission will be paid.</p>	<p>Wage</p> <p>A wage is a fixed regular payment earned for work or services, typically paid on a daily or weekly basis.</p> <ul style="list-style-type: none"> • Payment may be calculated at an hourly or daily rate. • Waged employees may also receive tips paid directly by customers. • Someone working in a shop, bar or restaurant is likely to receive a wage as opposed to a salary. 	<p>Salary</p> <p>The employer pays an arranged amount of regular intervals (such as a week or month) regardless of hours worked.</p> <p>Employees who receive an annual salary would also receive pay for holidays and sickness.</p>
<p>Bonuses</p>	<p>Staff are given an extra payment. This is usually linked to the profitability of the company and the performance of the employee.</p>	<p>Piece work</p> <p>You are paid for each thing you make or do and not for the amount of time you work.</p> <ul style="list-style-type: none"> • Many piece workers work from home. This is classed as 'output' work. • Many piece workers are self employed. This means they are responsible for their own tax and national insurance. • Piece work can be very low paid. It should be paid at minimum rate but this would depend on the employer estimate of how long it should take to complete the tasks! <p>For example, 50p for every scarf you make.</p>	<p>Performance related pay</p> <p>Based on an employee reaching clearly set targets that can be measured. This can include commission, bonuses and profit sharing</p>
<p>Profit sharing</p>	<p>Profit sharing is an incentive plan by a business to encourage their staff to perform better.</p> <p>The company allocates a percentage of the pre-tax profits to share amongst staff.</p>	<p>Performance related pay</p> <p>Based on an employee reaching clearly set targets that can be measured. This can include commission, bonuses and profit sharing</p>	<p>Performance related pay</p> <p>Based on an employee reaching clearly set targets that can be measured. This can include commission, bonuses and profit sharing</p>

2.1 Human Resources

2.1.5 Pay and Remuneration

Lesson 4

Starter: Write the pay you *think* each worker receives **per week**.

Job	Answer	Correct Answer
Bar Worker		
Premier League Player		
Train/tram Driver		
Nurse		
Prime Minister		

Do you think the rate of pay different jobs give is unfair? Use examples from above to support your justification.

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Definition: **Remuneration**

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Employees work for a business in order to earn money that they can then to live on. Your job role determines the amount of money that you earn. The way a business pays its staff depends on the individual business and the job role.

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There are 7 different methods of pay and remuneration that you need to know.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.

Formula to calculate wages:

Activity: Calculate how much these employees earn *per week*.

1. *Ishaq works 30 hours this week at a rate of £8.50 per hour. Calculate his earnings this week.*

Calculations:

Answer:

2. *Blessing also works 30 hours this week for £8.50 per hour. She gets paid double for any overtime he does. She does 2 hours of overtime. Calculate her earnings this week.*

Calculations:

Answer:

3. *Arda C earns £12 per hour but is only on a part time contract of 16 hours per week. Calculate his earnings this week.*

Calculations:

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Answer:

4. Sally is 16 has a part time job in Tesco earning minimum wage. Use the table to calculate how much she will earn this week if she works 10 hours.

Calculations:

Answer:

Think: What is the difference between a salary and a wage?

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Activity: Match the Remuneration method to its meaning.

Wages
Salary
Piece Rate
Performance Related Pay
Bonuses
Commission
Profit Sharing

Activity: Identify which form of pay and remuneration method is most appropriate for the following scenarios?

1. John works in a showroom and sells expensive cars. Each month his sales targets are reviewed and he is rewarded if he has exceeded his targets.

Employee is paid on a weekly basis depending on how many hours they work
Employee is paid for the quantity of units they complete
An amount of money is added to a person's basic salary as a reward for good work or compa
Employees are paid a percentage of the sales revenue they generate
When an employee is rewarded for their individual performance at work
Employees receive an amount of business profits each year
Employee is paid annually and divided by 12 for each month they work

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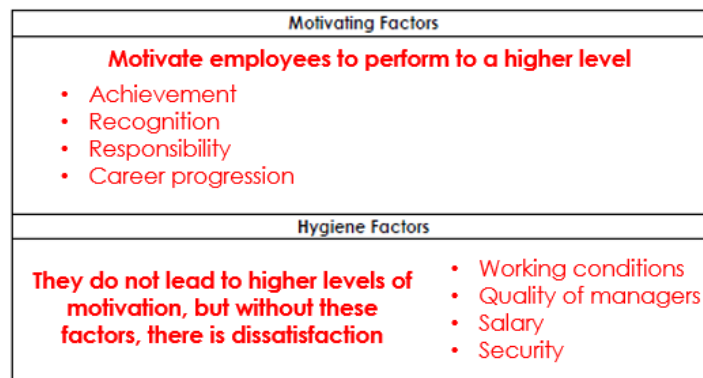
2. Ruby is the manufacturing manager in a large company and has to work long hours. She enjoys working for the business and had been there for five years.

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3. Raj works with his family in their business. For the past few years the business has made some profits, meaning that it has expanded. As the business has continued to remain profitable, it was deduced at the family meeting three years ago to change the way that the profits were used. Each family member now received part of the profits, which they consider fairer as they all work very hard together as a team.

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Activity: According to Herzberg and the diagram below, why is pay and remuneration so important for employee motivation?



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LO2 Quiz

1. Complete the following sentence (1):

The stage within the recruitment process that reduces the number of applicants to be interviewed is called

2. How many stages are in a typical disciplinary process? (1)

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3. What is the difference between internal and external training? (1)

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4. Which one of the following is **not** an employment contract? (1)

A Piece Rate

B Temporary

C Part Time

D Permenant

5. What is the name of the act that protects employees from discrimination, victimisation and harassment? (1)

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6. List one method of internal training. (1)

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7. What is the first stage of recruitment? (1)

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8. State one advantage of recruiting internally (1)

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9. State one advantage of recruiting externally (1)

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10. State one thing that is likely to happen during an employees first induction training at a new company (1)

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Score	/10
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