

# Cambridge (CIE) IGCSE Business



## 2.3 Recruitment, Selection & Training

#### **Contents**

- \* Recruitment Methods
- \* Choosing the Right Employee
- \* Part-Time Versus Full-Time
- \* Types of Training
- \* Downsizing the Workforce
- \* The Impact of Legislation on Employment



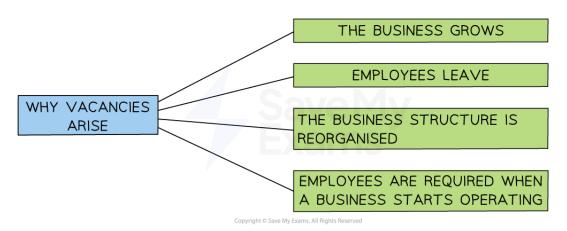
#### **Recruitment Methods**

## Your notes

## An Introduction to Recruitment and Selection

- Recruitment is the process of attracting and identifying potential job candidates who are suitable for a particular role
  - Recruitment activities include job advertising, job fairs, social media outreach and referrals from current employees
  - The goal of recruitment is to create a pool of qualified candidates who can be considered for the role
- Selection is the process of choosing the best candidate from applications received
  - The goal of selection is to hire the **most suitable candidate** for the job
- A business will need to recruit and select a new employee(s) when a vacancy arises within the business

### Diagram: reasons why vacancies arise



Vacancies can arise for reasons including business growth, employees leaving and reorganisation

- During periods of business growth more employees are needed as the business expands its operations
- When an employee leaves their job and needs replacing
- Businesses often reorganise their organisational structure which may result in the need for additional staff



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A new business start-up needs to recruit workers for the first time



- Businesses can choose to use a recruitment agency to carry out the recruitment and selection process on their behalf
  - New employees may be found **quickly** from its pool of available talent
  - Management time can be saved
  - Recruitment agencies usually charge a finding fee for their specialist services



#### **Examiner Tips and Tricks**

Make sure you know the difference between a job description and a person specification. You will be expected to know specific types of recruitment documentation for the exam

### Internal and External Recruitment

- Internal recruitment involves promoting or redeploying employees that already work for the business
- External recruitment involves appointing an employee from outside of the business

#### Benefits and Drawbacks of Internal and External recruitment

Method	Explanation	Benefits	Drawbacks
Internal	<ul> <li>Where a person who already works for a business is appointed to a job role</li> <li>This is commonly achieved through promotion or redeployment</li> </ul>	<ul> <li>The member of staff is already familiar with the business culture and working practices</li> <li>The business is aware of the employee's strengths and weaknesses</li> <li>There is no need for induction training</li> <li>Expensive advertising is not needed</li> </ul>	<ul> <li>When an employee moves to a new role their old job needs to be filled</li> <li>There may be resentment amongst employees who are overlooked</li> <li>No new ideas or experience come into the business which could limit creativity and innovation</li> </ul>



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		<ul> <li>Employees can be ready to start their new role immediately</li> </ul>	
External	<ul> <li>Where a business hires an employee from outside of the business</li> </ul>	<ul> <li>A large number of applicants may be attracted</li> <li>New recruits are usually highly motivated and keen to impress</li> <li>New ideas and experience are brought into the business</li> </ul>	<ul> <li>New employees may need support from colleagues and induction training which slows down productivity initially</li> <li>Advertising for external staff can be expensive and take a long time</li> <li>A candidate who performs well at interview may be unsuitable for the job when they start work</li> </ul>





### **Examiner Tips and Tricks**

Be prepared to analyse why a business might recruit a senior manager externally rather than from internal applicants. One of the main reasons is to bring in outside expertise or skillset that does not exist in the business



### **Choosing the Right Employee**

## Your notes

## The Employee Recruitment Process

- The recruitment and selection process details the steps a business takes when bringing new employees into a business
- A manager or HR employee is usually nominated to manage the application process
  - This person (possibly together with others) will draw up a shortlist of candidates from the applications received
  - The shortlist is a list of candidates who are invited to interview or asked to complete an assessment tas

#### Diagram: stages in the recruitment process



The recruitment process starts by defining the role the business wants applicants to apply for

## Step 1: Defining the role

- Businesses should determine exactly what is required and part of that is developing a job description and a person/job specification
  - A job specification (sometimes known as a person specification) outlines the qualifications, skills, experience, and personal qualities required from a candidate for a specific job e.g. problem solver, good communicator, able to code in Java etc.
  - A job description outlines the duties, responsibilities, and requirements of a particular job

Comparison of the Person Specification and Job Description



Job Specification	Job Description	
<ul> <li>Details the essential and desirable characteristics of the person suitable for the job including</li> </ul>	<ul> <li>Details the features of the job including</li> </ul>	
<ul><li>Qualifications</li></ul>	<ul><li>Duties</li></ul>	
<ul><li>Experience</li></ul>	<ul> <li>Hours and location of the job</li> </ul>	
<ul> <li>Skills such as the ability to drive or IT capabilities</li> <li>Personal characteristics and attributes</li> </ul>	<ul> <li>Managerial or supervisory responsibilities</li> </ul>	
	■ Pay and conditions	



## Step 2: Identifying the source of required employees

- Internal recruitment involves a business promoting or redeploying workers that already work for them
  - Internal recruitment can be beneficial as it encourages employee development, builds morale and can save time and money on training
- External recruitment involves bringing in new workers from outside of the business
  - External recruitment can bring fresh ideas, experiences and perspectives to the organization

## Step 3: Advertising the role

- Roles may be advertised internally or externally
  - If the business is seeking an **internal candidate** business newsletters, staff noticeboards or internal email can be used to display job advertisements
    - Line managers may be asked to recommend suitable candidates following appraisals
  - **External candidates** can be targeted with advertisements in newspapers, industry magazines, specialist recruitment websites, agencies and government-run agencies
    - Existing employees may be asked to nominate people they know for roles sometimes they receive a reward of their nominee is successfully recruited
    - Headhunting can be used to fill high level roles
    - Businesses with a strong social media presence can use these platforms to advertise cost effectively e.g. Facebook, LinkedIn, TikTok
    - Specialist recruitment portals may be used to advertise



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- These tend to be expensive but target specific groups of potential applicants
- E.g. The Times Educational Supplement is one of the main publications in the UK used to recruit teaching staff

## Your notes

## Step 4: Receiving applications

- The business may accept applications from candidates via Curriculum Vitae (CV) and covering letter or application form
- A curriculum vitae should be well laid out and clear and usually contains the following details:
  - Name and contact details
  - Qualifications and work experience
  - Positions of responsibility
  - Interests
  - The names and addresses of referees
- The accompanying **letter of application** should outline
  - Why the applicant wants the job
  - Why they would be suitable for the advertised role
- **Application forms** are often preferred in place of a CV
  - They usually ask for the same information as the CV
  - Sometimes **further information** that is specific to the job is requested
  - Applications from a selection of candidates can be **easily compared**
  - Many application forms are now **completed online**

#### **Comparison of Application Methods**

Application Form	Curriculum Vitae (CV)	Covering Letter
<ul> <li>A standardised form         designed by the recruiter         to collect the same details         from each candidate</li> <li>Responses are collected in         a consistent formatand         comparison is         straightforward</li> </ul>	<ul> <li>A professional document compiled by the applicant</li> <li>Details career experience, key skillsand strengths</li> <li>Includes qualificationsand character/professional referees</li> </ul>	<ul> <li>A letter that accompanies the candidate's application form or CV</li> <li>Gives reasons for submitting an application</li> <li>Draws attention to the applicant's particular</li> </ul>



-	A large volume of
	candidates can be
	narrowed down for
	interview

 Provides contact details for the recruiter to get in touch with the applicant suitability for the role
 Allows recruiters to sift applications without having to compare detailed application forms/CVs



## The Employee Selection Process

## **Step 5: Selection**

 Once candidates have submitted their applications and the business has shortlisted suitable candidates, a variety of methods can be used to select the right worker for the role

#### **Interviews**

- Interviews are commonly used to meet with candidates
  - They usually include a face to face, telephone or online discussion between a manager and the candidate about their suitability for the role
  - It is important to prepare a **set of relevant questions** to ask all candidates and to ensure that the interview is conducted in a fair and consistent manner
  - Interview questions may focus on
    - Skills and experiences that are relevant to the job
    - Successes and failures and how these were overcome
    - Personal interests and experiences

#### Selection tests

- Candidates may be asked to undergo a test to demonstrate their skills and suitability for the job
- Candidates may be asked to complete tests individually or within groups to assess how they may work as part of a team
- The different types of tests may include:
  - **Skills** tests (e.g. numeracy) show the ability of candidates to carry out certain tasks
  - Aptitude tests show the candidate's potential to improve or increase their skills
  - Intelligence tests are used to assess the candidate's ability to work at a desired level



• **Personality** tests are used to identify desired characteristics or traits such as the ability to work effectively in a team

## Your notes

## **Recommending Which Applicant to Employ**

- The final decision of which applicant to employ depends on several factors
- Even when a suitable candidate is identified the business will need to think about **whether it can finalise their appointment** 
  - Can the business fulfil the applicant's pay and conditions demands?
  - Can appropriate **fringe benefits** be offered?
  - Are attractive **development opportunities** available to the applicant?

#### Factors used to Select the Best Applicant

Factor	Explanation
Experience	<ul> <li>Which applicant has the most relevant work experience?</li> <li>How might broader experiences help an applicant succeed in a specific role?</li> </ul>
Qualifications	<ul> <li>Are formal qualifications essential for filling the post?</li> <li>E.g. A teacher may require a degree in their specialist subject, whilst a retail store manager's experience is likely to be more relevant than formal qualifications</li> </ul>
Internal or external candidate	<ul> <li>How important is it that the applicant already has a good understanding of how the business operates?</li> <li>Time may be saved on induction training and productivity may reach expected levels sooner than with an external candidate</li> <li>How important is it that the new worker has experience and skills gained from outside the business?</li> <li>New ideas, insights into competitor activities and different ways of working could contribute towards a businesses competitive advantage</li> </ul>
Gut feeling	■ Will the worker 'fit' in with the business's culture and values?



## Choosing between two different applicants

- A small children's bookshop business has received two applications for its advertised sales assistant role
- The shop owner is keen to select a knowledgeable candidate who is capable of delivering good customer service, communicating effectively with its (often young) customers and being willing to support administrative tasks such as banking cash
- Which of these two applicants would likely be appointed?





#### COLLETTE DEVERE



#### **QUALIFICATIONS**

IGCSEs in Maths, French & ICT Studying for IB Diploma

#### **EXPERIENCE**

Currently a part-time cafe assistant

#### **SKILLS**

Full driving license Good IT skills including spreadsheets and social media

#### **INTERESTS**

Playing hockey Travel in Europe

#### ASSESSMENT TESTS

Numeracy 74% Communication 45%

## 666666

#### AMIRA SAMRA



#### **QUALIFICATIONS**

IGCSEs in Maths, English Business, ICT & History

#### **EXPERIENCE**

2-week placement in a local kindergarten

#### SKILLS

Basic first aid Good word-processing skills

#### **INTERESTS**

Basketball Playing the piano

#### ASSESSMENT TESTS

Numeracy 80% Communication 62%

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### **Applicant analysis**

- Amira scored better in the assessment tests. She was nearly 20% better in communication
- Amira has had two weeks experience of working with kids, which will suit this role nicely
- Amira also has a first aid qualification, which is a useful skill when working with kids
- Overall, Amira is a better fit for the role advertised



#### Part-Time Versus Full-Time

## Your notes

## Part-time or Full-time Contracts

- Businesses can employ workers on a variety of employment contacts including part-time and full-time
  - Part-time employment is often considered to be between 1 and 30 hours a week
  - Full-time employees will usually work 35+ hours a week
- **Flexible working** is the development of a culture where workers are able to work in a range of employment patterns (full-time, part-time, **zero hours contracts**, work from home etc)

## **Evaluating full-time contracts**

• Hiring full-time workers is expensive but it generates significant benefits

#### The Impact of Full-time Contracts on a Business

Advantages	Disadvantages
<ul> <li>Full-time contracts encourage loyalty to the business from employees</li> <li>Having a stable and consistent</li> </ul>	<ul> <li>Providing benefits and a steady salary to full-time employees is more expensive than hiring part-time or contract workers</li> </ul>
<ul><li>workforce reduces the need for frequent hiring</li><li>Full-time employees are often more</li></ul>	<ul> <li>Full-time employees may be less flexible with working hours which can be a challenge in industries with fluctuating workloads</li> </ul>
motivated, leading to higher levels of <b>productivity</b>	<ul> <li>If business demands fluctuate, having a full-time workforce may lead to overstaffing during slow periods</li> </ul>

## **Evaluating part-time contracts**

#### The Impact of Part-time Contracts on a Business

Advantages	Disadvantages
<ul> <li>Part-time contracts can help businesses attract and retain staff who value work-life balance</li> </ul>	Part-time contracts can create challenges in terms of communication and collaboration



- Productivity may improve as staff feel valued, having been given the option of working part-time
- Can enhance workforce flexibility as it may be easier to schedule employees to work at busy times
- Low business costs if the worker is only needed for part-time hours

- Monitoring and managing part-time workers can be challenging
  - E.g. an employee may be absent from a weekly meeting regularly as it is their day off
- It may be harder for part-time employees to be promoted as they have less opportunity to gain the skills needed
- Part-time employees may be less committed to the business and may be more likely to leave to get another job





## **Types of Training**

## Your notes

## The Importance of Training to a Business

- **Training** is the process of increasing the knowledge and skills of the workforce to enable them to perform their jobs effectively
- Businesses need to make sure that new and existing staff are trained and developed appropriately
  - Training is the teaching of **new skills** E.g. a learning a new process or how to use new equipment
  - Development is the improvement of existing skills E.g. a refresher course for an existing piece of software used

## Reasons why firms train & develop their employees

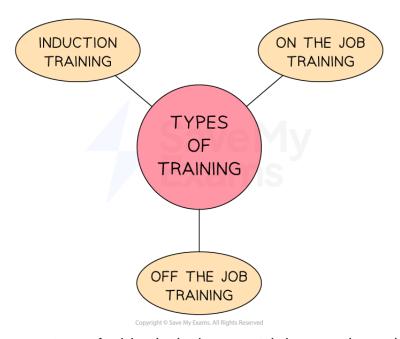
- A well-trained workforce is important for several reasons
  - Well-trained staff are likely to be more **productive**
  - Staff may feel **valued** if a business invests in training and development
  - Staff are more likely to be **flexible** and **resilient** in the face of change
  - Training decreases errors or waste in the production process
  - Improves the opportunities for internal promotion

## **Types of Training**

• There are three main types of training that a business uses

### Diagram: show types of training







Three common types of training that businesses put their new employees through

## Induction training

- Induction training is given to **new employees** when they start working for a business
  - It introduces them to the organisation, its culture, policies, procedures and their job roles and responsibilities
    - E.g. when new employee joins Marks & Spencer they receive induction training that covers customer service, product knowledge, store policies, and safety procedures

#### The Advantages & Disadvantages of Induction Training

Advantages	Disadvantages
<ul> <li>Helps new employees to understand their job roles and responsibilities</li> <li>Improves employee confidence and motivation</li> <li>Reduces the time taken for new</li> </ul>	<ul> <li>Can be time-consuming and expensive to organise</li> <li>May not cover all aspects of the job role</li> <li>May not be effective in all cases, leading to employee dissatisfaction and higher turnover rates</li> </ul>
employees to become <b>productive</b>	

## On-the-job training

- A type of training that takes place while employees are working in their job roles
  - It allows employees to learn new skills and knowledge from colleagues while performing their job duties
  - For example, a sous chef at The Ivy Restaurant in York receives **on-the-job training** from the Head Chef to learn how to prepare new dishes, **use equipment** or improve cooking techniques

#### The Advantages & Disadvantages of On-the-Job Training

Advantages	Disadvantages
<ul> <li>Employees learn new skills and</li></ul>	<ul> <li>Employees may make mistakes while learning or trainers</li></ul>
knowledge while performing their job	could pass on bad habits which may impact
duties	productivity and quality
<ul> <li>Training is tailored to the employee's</li></ul>	<ul> <li>Can be disruptive to the workplace as it requires the</li></ul>
specific job role and responsibilities	trainer to devote time to training the employee
<ul> <li>Training is often more practical and</li></ul>	<ul> <li>May not be effective in all cases, leading to employee</li></ul>
relevant to the employee's job duties	dissatisfaction and higher turnover rates
<ul> <li>Can be cost-effective as it takes place during working hours</li> </ul>	

## Off-the-job training

- A type of training that takes place outside of the workplace
  - It can be in the form of workshops, seminars, conferences or online courses
    - For example, teachers attend exam board training days at which they learn how to deliver the syllabus and help their students to prepare for exams

#### The Advantages & Disadvantages of Off-the-Job Training

Advantages	Disadvantages
<ul> <li>Employees learn new skills and knowledge outside</li></ul>	<ul> <li>Can be expensive to organise, especially</li></ul>
of the workplace, which can bring fresh ideas and	if travel and accommodation are
perspectives to the workplace	required
<ul> <li>Training can be tailored to the employee's specific</li></ul>	<ul> <li>Employees may miss work while</li></ul>
needs and interests	attending training, which can impact

#### Page 16 of 24



- Training can be used as a reward or incentive for high-performing employees
- Can be cost-effective if training is provided online or through webinars
- productivity
- The training may not be directly applicable to the employee's job role or the needs of the firm





#### **Examiner Tips and Tricks**

Different types of training are required for different job roles. You may need to evaluate a particular type of training or recommend one to a business. Think about the nature of the role and whether on or off-the-job training would be the most appropriate.

E.g. On-the-job training may be suitable for a hotel porter who has many hands on aspects to the role and needs to learn quickly. In comparison, employees that need training in a new software may need training sessions from an expert so show step by step how to use it in their role

### **Downsizing the Workforce**

## Your notes

## Dismissal & Redundancy

- Dismissal (firing or sacking) is the termination of employment by an employer against the will of the employee
  - Employees are usually terminated due to their misconduct (e.g. violating company policy) or poor performance
  - The employer may choose to dismiss them immediately (without notice or compensation) or provide a notice period which they can work out
  - In some countries, an employee can take the business to court if they feel they were unfairly dismissed
- **Redundancy** is where a job role is no longer needed by a business and a worker is dismissed, usually with compensation
  - The legal process for selecting workers for redundancy must be very clear and fair

#### The Factors used to Determine who is made Redundant

Worker Productivity	Lateness or Absence data	Length of time Employed	Workers with Essential Skills
<ul> <li>Productive workers are most likely to remain employed</li> </ul>	<ul> <li>Reliable workers are less likely to be made redundant</li> </ul>	<ul> <li>Long-standing employees are usually more expensive to replace</li> </ul>	<ul> <li>Skilled workers could be transferred to other roles</li> </ul>

- Some workers are happy to be made redundant
  - This may be because they have another job they can go to, they want to retire early or they want to start their own business
  - Some businesses offer a good redundancy 'pay out' which is attractive to workers

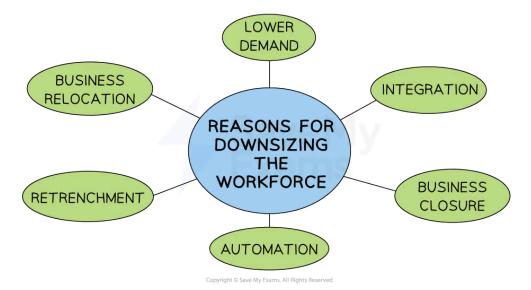
## Downsizing the Workforce

- Workforce planning is the process of determining the human resource needs for the foreseeable future, in terms of the number and skills of employees required
  - When expanding, a business often requires more employees



 However, on some occasions they need to downsize the workforce (reduce the number of employees)

### Diagram with the reasons for downsizing



Reducing business size can be caused by a range of factors including business relocation, falling demand and automation through the introduction of technology

- Lower demand is likely to reduce the volume of output a business needs to produce
  - Fewer workers are required to produce a reduced level of output
- Integration with other businesses through mergers or takeovers could mean that some workers' roles are duplicated
- Business closure will mean that only a few workers will be required to legally dissolve the organisation
- Automation involves more machinery being used in the business
  - Workers' jobs are replaced, with remaining workers focused on operating machinery
- Retrenchment is likely to mean that fewer resources of all types are required, including employees
- Business relocation may allow a business to reorganise its operations, requiring fewer employees





### The Impact of Legislation on Employment

## Your notes

## **Legal Controls & Their Impact on Business**

- Legislation refers to laws and regulations passed by governments that require businesses to conduct their behaviour in a particular manner
- Many countries have passed laws that determine the required behaviour of employers towards their workers

### Diagram: legal controls over business



Employment legislation helps to reduce worker exploitation and unfair dismissal from the workplace

## Legal Minimum Wage

- A national minimum wage (NMW) is a legally imposed wage level that employers must pay their workers
  - It is set above the market rate of pay
  - In some countries, the minimum wage varies by age
  - A minimum wage makes it illegal for an employer to pay an hourly rate below the minimum wage set

Impact of Legal Minimum wage on Employers and Employees

Employers	Employees



- Implementation and periodic increases of a minimum wage increase variable costs as all workers must be paid the minimum legal limit
- Employers may invest more in training unskilled workers as they are being paid a higher wage
- Skilled workers who are receiving slightly more than the NMW may demand higher pay to maintain their wage differential
- Low-paid workers' earnings are increased and their living standards are likely to improve as a result
- Reduces exploitation of workers, as without a minimum wage powerful businesses can legally pay their workers very poorly
- Acts as an incentive to enter the workforce due to the attractiveness of higher pay



- Businesses in some countries are free to pay their workers very low wages leading to much lower business costs
- Businesses are often questioned about this decision as it compromises business ethics

## **Employment Contracts**

- An employment contract is a **legal agreement between the employer and employee**, which sets out the terms and conditions of employment
  - It is often a legal requirement for employers to provide a new employee with a contract of employment
- The contract of employment will usually include
  - The name of employee and employer
  - Employment start date
  - Working hours
  - Remuneration
  - Holiday entitlement
  - Duties and responsibilities of the role
  - Place of work
  - Notice period
- The main types of contract include full-time, part-time, job share and zero hours contracts
  - Often, a business will have a mixture of employees with a range of different employment contracts



- A contract of employment reduces misunderstandings around issues such as working hours, pay, and holidays
- Your notes

- Both employers and employees know what is expected of them
- The contract provides some security of employment to the employee
  - E.g. If an employer ignores any terms of the contract, such as paying the worker less than the agreed amount, then the worker could take legal action against the employer
- If the employee does not meet the conditions of the contract, then legal dismissal is allowed
  - E.g. this could occur if the worker refuses to work the agreed amount of set hours in the contract of employment

## **Health and Safety**

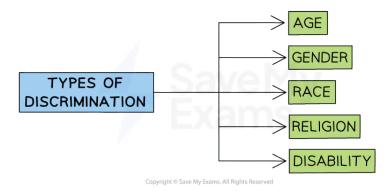
- Health and safety legislation requires businesses to operate in a way that protects the physical and mental wellbeing of its employees, contractors and customers
- Health and safety legislation covers areas including
  - The provision of adequate breaks and rest periods
  - Temperature and noise levels
  - The provision of safety equipment
  - Hygienic, safe and sanitary conditions
  - Preventing stress
- Implementation of procedures and equipment required to maintain healthy working conditions are likely to incur financial and time costs, such as
  - Staff training and supervision
  - Changes to working hours and rest provisions
  - Arrangement of manuals, signage and safety documentation
  - Purchase and maintenance of safety equipment
  - Drawing up and implementing a code of practice
- Serious health and safety breaches can lead to fines or investigations by the Health and Safety
   Executive and, in some cases, prison sentences

## Discrimination



- Discrimination at work occurs when the employer treats employees with protected characteristics such as gender or race less favourably than one without these characteristics
  - In many countries, discrimination based on these characteristics is illegal

## Diagram: the main forms of discrimination



Laws are in place to protect workers from discrimination based on gender, age, race, disability and religion

- Employees who are victims of discrimination in the workplace can take legal action against the employer
  - Trade unions often support employees with legal claims against employers and provide legal advice and support
- Businesses can miss out on recruiting the best applicant if recruitment policies are discriminatory
- Reputational damage may result if a business is found to have discriminated against employees

#### **Unfair Dismissal**

- Dismissal takes place when an employer ends an employee's contract of employment with the business
- Dismissal can be fair for a number of reasons
  - The job no longer exists, which means the employee is made **redundant**
  - An employee cannot do the job properly e.g. they may lack the right skills
  - Long-term illness
  - Gross **misconduct**, such as theft or violence at work
  - For other "substantial" reasons, such as the employee has been sent to prison





- Unfair dismissal is when an employee of a business has their employment terminated without a valid reason or against government legislation
- Your notes
- Reasons for unfair dismissal include **discrimination** or avoidance of paying for **redundancies**
- In cases where there is unfair dismissal, the worker may take his/her complaint to a court called an
  industrial tribunal to decide whether there is a case to answer
  - If the independent tribunal finds that the worker was **wrongfully dismissed**, then the worker receives **compensation** and their job is offered back to them