1.4.1 People in Business – Recruiting High Calibre People Like You Pg 81

This section introduces you to the way in which businesses recruit (or hire) the employees that they need. It also explains the difference between wages and salaries and how businesses decide how much to pay their employees. We will then look at financial and non financial benefits that employees might receive.

By the end of this session you should know:

- Why businesses recruit employees
- How businesses recruit employees
- How business decides on the level of wages and salaries
- The monetary and non monetary benefits given to employees

Definition

What is recruitment ?

Why do businesses recruit employees ?

Full time

Part time

Zero hours (temporary)

Recruiting the right people & why it is so important to get it right (hint aims &

objectives, start up business skill set, fixed & variable costs, productivity and thinking outside the box),

How do businesses recruit employees (what information needs to flow)

Is there a job ?

What is it ?

Advert

Job description

People spec

Definition of Internal recruitment

Definition of external recruitment

How to choosing the right employees

CV & Application form

Job description & people spec (tick box technology, essential & desirable)

Psychometric testing

Interviews

How business decides on the level of wages and salaries (Renumeration)

Definition of renumeration

Definition of wages

Definition of salaries

Fixing levels of pay based on SKILLS, EXPERIENCE, local & national PAY RATES

Skills earn money

Experience is priceless

Local & regional levels of pay

Monetary Benefits **Non Monetary Benefits**

Examiners Tip

- Think about the advantages and disadvantages to an entrepreneur or business owner of using different types of employees. Exam questions might ask you to either explain the advantages or disadvantages of certain employee types or say which is best in a given situation.
- New businesses cannot pay high wages as they do not normally have much money. They may have to recruit less experienced employees or those with fewer skills so remember this when writing about what influences the pay rates of new businesses.

Test

1. State TWO reasons why a new business might decide to employ people (2)

2. What is the difference between a full time and part time employee (4)

3. Explain ONE reason why some businesses employ temporary employees (4)

4. Give TWO ways in which a small business might recruit internally (2)

5. Explain the difference between internal recruitment and external recruitment (4)

6. What is the difference between wages and salaries (4)

7. Give THREE factors that influence the level of pay received by employees. (3)

8. Give TWO examples of monetary benefits that an employee might receive (2)

9. Which TWO of the following are non monetary benefits: bonuses, free lunches, flexible hours, pension contributions? (2)

10. Explain why a business might choose to use non monetary benefits (3)