

NCFE Level 2

Certificate in Principles of Team Leading

CUSTOMER SERVICE

MOTIVATION

INFORMATION MANAGEMENT

LEADERSHIP ROLES

SUPPORT

EQUALITY AND DIVERSITY

Workbook 1

How to use your learning materials

This course is delivered on a flexible learning basis. This means that most of your study will take place away from your Assessor/Tutor. It helps to carefully plan your studying so that you get the most out of your course. We have put together some handy tips for you below.

Study Guidance

- Try to plan an outline timetable of when and where you will study.
- Try to complete your work in a quiet environment where you are unlikely to be distracted.
- Set realistic goals and deadlines for the various elements of your course.
- Plan what you are going to study during each session, and try and achieve this each time.
- After each session, reflect on what you have achieved and plan what you hope to complete next time.
- Remember that not only do you have the support of your Assessor/Tutor, but it is likely that your family, friends and work colleagues will also be willing to help.

Assessor/Tutor Support

- Your Assessor/Tutor will be available to support and guide you through the programme. They are experts in your area of study and are experienced in helping many different types of learners.
- They can help you to improve the standard of work you submit and will give you useful feedback on areas in which you have excelled, as well as where you can improve.
- Remember to listen to, or read, their feedback carefully. Ask if you are unsure about any of the feedback you receive as your Assessor/Tutor is there to help.
- Make note of any tips they give. Refer to the learning materials as they contain the information you need to complete the end-of-unit assessments.
- Look out for areas in which you can improve, and set yourself an action plan to make sure you complete the required work.
- Take positive feedback on board; this demonstrates you are doing things right and have a good understanding of the subject area.
- Use the feedback to avoid repeating any mistakes you may have made.

Enjoy your studies!

NCFE Level 2 Certificate in Principles of Team Leading

Workbook 1

Workbook Contents

In this workbook, we are going to look at the principles of team leading, business structures and environment, and communicating work-related information. We will cover different techniques for dealing with teams, organisational change, motivation, business planning, and verbal and written communication in the workplace.

Within the workbook, there are several Knowledge Activities that help to focus on the various topics. These are informal activities that help to consolidate knowledge. In the last section, there are Extension Activities for learners who wish to develop their knowledge further.

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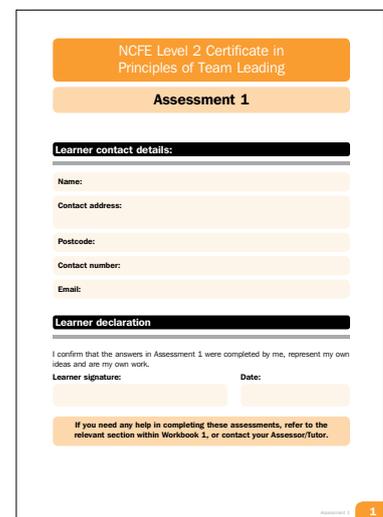
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Each section has a corresponding assessment that must be completed in order to achieve this part of the programme.

The assessments for this workbook can be found in:

Assessment 1

When you have completed this workbook you should attempt the assessment. Your Assessor/Tutor will then give you detailed written feedback on your progress.



The thumbnail shows the layout of Assessment 1. It includes the title 'NCFE Level 2 Certificate in Principles of Team Leading' and 'Assessment 1'. There are sections for 'Learner contact details' with fields for Name, Contact address, Postcode, Contact number, and Email. Below that is a 'Learner declaration' section with a statement: 'I confirm that the answers in Assessment 1 were completed by me, represent my own ideas and are my own work.' and fields for 'Learner signature' and 'Date'. At the bottom, there is a note: 'If you need any help in completing these assessments, refer to the relevant section within Workbook 1, or contact your Assessor/Tutor.' and a page number '1' in the bottom right corner.

Section 1: Principles of team leading

Introduction

This section of the workbook deals with leadership styles in organisations. We will look at team dynamics, techniques used to manage the team's work, organisational change and team motivation.

Leadership styles

Please read the following as it will help you to answer questions 1, 2a, 2b, 3 and 4.

Leadership and management go hand in hand. Managers and team leaders need a balance of management and leadership skills. Some will be excellent managers, but they may not be very good leaders. Others will be inspirational leaders, but not very good at management functions.

Team leaders need a good balance so that they can cope with the various demands of the role and be effective members of their organisation.

What is management?

Dictionary definition of management:

The process of dealing with or controlling things or people

In simple terms, management is the achievement of an organisation's objectives through people and other resources. Managers use their own time, energy and expertise to achieve the best return from the organisation's resources – people, materials and a budget.

What is leadership?

Dictionary definition of leadership:

The action of leading a group of people or an organisation

Leadership is about influencing people. Leaders are innovative and they inspire others to give their help and support to accomplish common tasks.



Section 1: Principles of team leading

This section focuses on leadership, but we will be covering elements of management too.

Characteristics of effective leaders

Effective leaders have vision and an ability to influence people. People unite behind them, which makes them valuable to an organisation. A leader can be imaginative and creative, able to inspire change and development, and they work with others to manage the different systems and operations to make their vision a reality.

Skills and knowledge are needed when, for example:

- planning, organising and setting objectives
- controlling, allocating and monitoring physical and human resources
- communicating and coordinating with others inside or outside the organisation
- persuading, influencing or leading by example
- motivating, empowering, valuing and supporting others
- training, coaching and mentoring
- giving, receiving and using feedback
- learning, developing skills and following instructions
- managing conflicts
- dealing with problems

Effective leaders share many characteristics. For example, they are usually:

- self-confident
- adaptable and good at analysis
- proactive, decisive and willing to take the initiative
- ambitious and focused on achieving goals
- good under pressure
- honest and reliable
- energetic and enthusiastic
- inspirational and visionary
- good at influencing and motivating others

Effective leaders are good at persuading and inspiring others to give them the help and support they need to achieve their goals.

Leadership styles

There are many theories and discussions about leadership styles. One management theorist, Kurt Lewin, identified the following leadership styles:

- **autocratic**
- **democratic**
- **laissez-faire**

Autocratic

These people expect others to do things their way only and they insist on having their own way. They do not consult with others and they make decisions based on the needs of the task, not the people.

This can be useful if there is a crisis or a situation that needs quick, assertive leadership – e.g. for inexperienced team members who need close supervision or in an emergency. However, the style can be very demotivating and frustrating to experienced and skilled staff.

Democratic

These leaders allow other people to be involved in the decision-making process. They are consultative and value the opinions of others, and they are influenced by what other people want. They are concerned with building relationships with their team members and are keen to encourage team members to discuss ideas and suggestions.

This can make for a very engaging and easy-going working environment, although it can be frustrating if the leader is timid about making final decisions.

Laissez-faire

These leaders trust their team members' capabilities and are willing to stand back and let the team get on with the tasks. They have minimal input and involvement. They let the team make the majority of the day-to-day decisions and implement the work processes.

This can be very motivating for team members, and the leader is able to step back and take an overview of the whole operation, moving in to take action only when required. This style works with experienced and well-motivated team members, but is not appropriate for unskilled or unmotivated staff.

It helps team leaders to know their preferred leadership style so that they can adapt the style in certain situations. For example, if a team leader is usually laissez-faire, they will let their team get on with the tasks, knowing that the team members will ask for help

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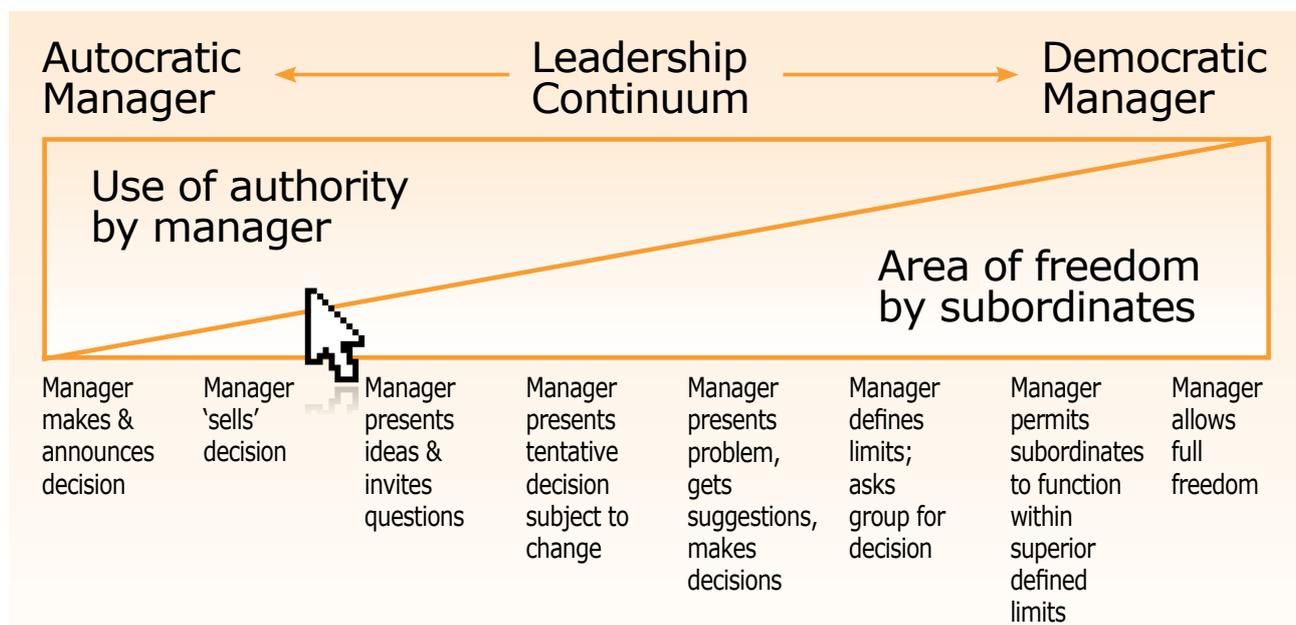
or guidance if required. However, if there is an emergency in the workplace, such as a machine breaking down and becoming dangerous, they need to become autocratic so that they can call out instructions and take quick control of the situation.

The same team leader might be democratic in other situations. For example, in a team meeting, they might let the team members discuss and choose who will do which task, instead of allocating work and telling them what they are going to do. This democratic approach can increase the team members' confidence and involvement, but it can also diminish respect for the team leader if it happens too often.

We have seen **Kurt Lewin's theory** of leadership styles being identified as autocratic, democratic or laissez-faire. There are many other leadership theories and models, and another one is by **Tannenbaum and Schmidt**.

Tannenbaum and Schmidt's Continuum of Leadership Behaviour was written in 1958, and updated in 1973. It is often referred to as 'Tells, Sells, Consults and Joins'. The four main leadership styles covered by the theory are:

- **tells** – the leader identifies a problem, makes decisions unilaterally without consulting anyone, and without giving much thought to their subordinates
- **sells** – the leader maintains control but they spend time persuading staff about the benefits of their decisions
- **consults** – the leader identifies the problem but does not make the final decision until the team members have suggested solutions
- **joins** – the leader defines the limits of the possible decisions that can be made by the team, then makes the final decisions along with the team members



Leadership Continuum – Tannenbaum, Schmidt

Section 1: Principles of team leading



Did you know?

You can find out more about leadership theories on these websites:

www.change-management-consultant.com/kurt-lewin.html

www.lindsay-sherwin.co.uk/guide_team_leadership/html_leadership_styles/4_tannenbaum_schmidt.htm

How leaders can motivate their teams

An important part of a team leader's work is motivating the team. As the team leader often has access to wider information about an organisation's standards, goals, problems, customer feedback and so on, it is part of their role to encourage and motivate their team to make a useful contribution.

Team leaders are usually at the 'sharp end' of the organisation's operation, in charge of the people who actually 'do the job' – e.g. in charge of food production operatives in a food factory, or a team of hospital cleaners who clean the wards. This means that the team leader's role is vital for maintaining or improving standards, introducing new services or products, reaching targets, and so on.

There are a number of strategies that can be employed to engage and motivate team members. These include:

Sharing vision and values – the team members need to know and understand the values, standards, goals and ambitions of the organisation. By understanding these, the team members can focus their own work to achieve the necessary standards of work, meet deadlines, and be part of the organisation's plans and vision for the future.

For example: in a car plant, the team leaders can motivate their teams by making sure that they know and achieve the standard of finish required, and aim for the company's goal to be the best manufacturer in the country. The employees benefit from being associated with a top-quality product and a successful company, and from the better job prospects and security that usually come as a result.

Valuing people – by making team members feel valued, the team leader can help to motivate each individual.

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Giving regular feedback and recognition – everyone needs to know how they are doing, and giving regular feedback is vital to aid motivation.

If someone is doing well, the fact that the team leader has given positive feedback shows that they value the individual, and this will inspire them to continue and improve further.

If there is a problem, the team leader needs to concentrate on how the team member can improve, rather than the negative points. Extra support and retraining from the team leader will help to improve motivation and productivity.

Stretching talent, creativity and ability – some team members may find the lack of challenge demoralising and, after their initial productive start, they may begin to fade. If the team leader can offer a meaningful challenge, new opportunity or responsibility, this will help to motivate and re-engage the talented team member.

Ongoing training and career development – this can be formal or informal, and it reinforces the other strategies. It helps the team leader to: maintain and improve standards; demonstrate how they value the team members and appreciate their different talents and abilities; reassure the team members that they are working to the best standards, supporting their pride in their work and motivating them to continue to improve.

We will cover motivation in more depth at the end of this section.

Benefits of effective leadership

An effective leader will be able to do a variety of things that benefit their organisation, including, for example:

- setting, organising and achieving objectives
- motivating and empowering team members
- inspiring others to develop their skills and commitment
- finding and trying imaginative solutions to problems

The benefits of effective leadership for an organisation are considerable. Benefits can include, for example:

- a stable, well-motivated and engaged workforce
- teams that meet organisational needs and achieve objectives



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- a good reputation for effective delivery of goods and services and excellent customer service
- reduced waste and increased productivity and profitability
- the ability to seek out new trends, ideas and business challenges
- effective and imaginative solutions to problems
- energy and enthusiasm
- a balanced and positive attitude to change
- clear focus on objectives



Knowledge Activity 1: Think about managers and leaders that you have met and seen in action. This can be at work, in a previous job, in a business that you know, or from a relevant TV programme or movie you have seen. Make a few notes about their leadership style and how you would feel (or do feel) working for them. Points to consider could include:

Your motivation

Your confidence

Your willingness to engage and contribute ideas and suggestions

Respect for the manager and confidence in their ability to lead



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Team dynamics

In this section, we will consider team dynamics – the behaviour and relationships between members of a group of people who perform connected tasks within an organisation. We will look at different types of teams, team development and behaviour, roles within a team and how conflicts within a team can be managed.

Types of teams

Please read the following as it will help you to answer question 5.

There are many ways of categorising types of teams. Types can include, for example:

- management
- operational
- support
- functional
- cross-functional
- temporary
- contract or project teams
- virtual
- matrix
- self-managed



Management

The leaders and managers from different departments work together to make strategic decisions for the whole organisation – e.g. long-term business development plans.

Operational

These teams perform ongoing activities to provide goods and service. They have well-defined roles and responsibilities – e.g. to provide a full call centre service to bank customers. Very often, the team members work in the same location, although they can be split into sub-teams if they work in several locations.

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Functional

These people work together and carry out the same or similar functions. The structure is relatively rigid and some projects need to be passed from one functional team to another – e.g. the marketing team has an idea that it passes to the research and development team for design and trial manufacture.

Cross-functional

Workers from different functions or specialities work together. These teams can be put together to work on a task, problem or project that needs a mix of specialists from different functions.

Temporary teams

These are teams that are brought together for a specific task or project – e.g. for the Olympic and Paralympic Games in London in 2012. Temporary teams are also put together to cover a limited period of abnormal activity – e.g. by delivery companies to cover the Christmas rush only.

Contract or project teams

Contract teams can be brought in from outside the organisation to perform project work, and the responsibility lies with the project manager. Strong relationships between the contract team and the client are extremely important. These teams are becoming more common – e.g. specialist consultants working with a bank to update and review its IT systems.

Virtual

Virtual team members can do the same work but be separated by time – e.g. working different shifts or in different time zones. They can also be separated by distance – e.g. staff working at different regional centres for the same company. There can also be cultural differences that separate people even though they are united by who they work for – e.g. people from different countries working together by using interpreters.

Did you know?



Sir Alex Ferguson (ex-manager of Manchester United football club) often used this famous story about teamwork:

“I’m going to tell you the story about the geese which fly 5,000 miles from Canada to France. They fly in V-formation but the second ones don’t fly. They’re the subs for the first ones. And then the second ones take over – so it’s teamwork.”

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Matrix team

Matrix structures are often found in project teams. Individual staff report to different managers for different aspects of their work – e.g. an events team leader reports to the customer service manager when dealing with the public at an event, and the marketing manager for issues concerning the sponsors. This can be confusing and good communication is critical. The team leader needs to know which manager is their main line manager, dealing with appraisals, training, career development and routine tasks.

Self-managed teams

Members take collective responsibility for ensuring that the team operates effectively to meet targets. Once the levels of responsibility and limits of authority have been established, the team can decide how the work is to be done, discuss performance issues, solve problems etc.

Teams can be classified using more than one heading – e.g. a team can be a cross-functional, virtual, project team for the duration of a collaborative, international project.

Team development and behaviour

Please read the following as it will help you to answer question 6.

A useful model to explain the processes of team development and behaviour was designed by Bruce Tuckman in 1965. It is often referred to as the **'forming-storming-norming-performing'** model and has formed the basis for subsequent theories.

Forming

Team members are dependent on the leader for direction. The individual roles are being formed but are not yet developed.

Typical behaviour includes: being positive, polite, anxious and excited to get on with the challenges of the task. Team members treat each other like strangers and begin to establish ground rules.

Storming

Team members compete against each other and their leader for positions.

Typical behaviour includes being frustrated with leaders and fellow team members. Team members start to communicate, but they do not consider themselves as part of a team. They resist control by team leaders and can be hostile.

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Norming

Team members settle down, accept their roles and responsibilities and cooperate with each other.

Typical behaviour includes being respectful of the leaders' and colleagues' strengths and weaknesses. People feel part of a team and respect each other's viewpoints about how to work together.

Performing

The team functions well as a unit. Everyone knows their role and purpose, and the leader delegates and oversees tasks and activities.

Typical behaviour includes being productive, supportive and efficient. The team works well and relationships are open, trusting and flexible. The hierarchy or rank structure is of little importance.

Adjourning

One additional stage to Tuckman's theory is 'adjourning or transforming'. This is where the team breaks up and moves on to a new project.

Typical behaviour can be positive or negative, for example: being happy that the team is moving on to a new project together; being pleased with success and relieved that goals have been achieved; feeling sad about the team being broken up; feeling uncertain and worried about what will happen next. Team leaders and members need to conduct assessments and reviews about the previous project, recognise contributions and plan for new temporary or permanent roles.

Did you know?

This website has more about Tuckman's theory:

www.infed.org/mobi/bruce-w-tuckman-forming-storming-norming-and-performing-in-groups/



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Team role theory

Please read the following as it will help you to answer questions 7 and 8.

Dr Meredith Belbin identified nine team roles that were based on the behaviours that individuals displayed in the workplace. According to this theory, teams need all of the roles if they are to achieve goals and perform well, and most people are comfortable performing more than one role.

The nine team roles according to Belbin are:

- 1. Chair/coordinator** – able to get others working to a shared aim; confident, mature; good at making decisions and delegating.
The coordinator clarifies group objectives, sets the agenda, establishes priorities, selects problems, sums up and is decisive, but does not dominate discussions.
- 2. Shaper** – motivated, energetic, assertive and competitive; thrives under pressure; achievement-driven, keeping the team focused.
The shaper gives shape and energy to the team effort. They can ‘steamroller’ the team, but can get results.
- 3. Innovator/plant** – innovative, inventive, creative, original, imaginative, unorthodox.
The innovator/plant is the source of original ideas, suggestions and proposals.
- 4. Monitor evaluator** – serious, prudent, critical thinker, analytical, impartial and even-tempered.
The monitor evaluator contributes a measured and dispassionate analysis and, through objectivity, stops the team committing itself to a misguided task.
- 5. Implementer/company worker** – systematic, loyal, structured, reliable, dependable, practical, disciplined, efficient; uses common sense but can be inflexible about change.
The implementer turns decisions and strategies into defined and manageable tasks, sorting out objectives and pursuing them logically.
- 6. Resource investigator** – good communicator, enthusiastic, networker, outgoing, affable, seeks and finds options, negotiator.
The resource investigator goes outside the team to bring back ideas, information and developments. This person is the team’s salesperson, diplomat, liaison officer and explorer.
- 7. Team worker** – supportive, sociable, flexible, adaptable, perceptive, listener, calming influence, mediator, dislikes confrontation, hard-working.
The team worker operates against division and disruption in the team, maintaining harmony, particularly in times of stress and pressure.

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8. **Completer finisher** – attention to detail, accurate, high standards, quality orientated; delivers to schedule and specification; good at finding errors.

The completer finisher maintains a permanent sense of urgency with relentless follow-through and attention to detail.

9. **Specialist** – technical expert, highly focused capability and knowledge, driven by professional standards and dedication to personal subject area.

Knowledge Activity 2: Have a look at the team roles in the Belbin model.



Which one is closest to your role at work?

Which others also apply to you?

Did you know?



You can find out more about Belbin's team role theory on this website:

www.changingminds.org/explanations/preferences/belbin.htm

How team role theory is used

Team leaders use team role theory to help create balanced teams. If team members have similar styles of behaviour, they can have similar weaknesses that weaken the team as a whole. If members have similar strengths, they are likely to compete rather than cooperate, unbalance the team and affect productivity.

Team leaders and managers use the principles when team-building and when developing and selecting their leadership techniques.

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Team-building

The team role principles can be applied to, for example:

- the selection of team members to achieve a balance of attributes on the team
- encouraging individuals to recognise their own roles, strengths and weaknesses
- building team members' respect for each other's attributes and strengths
- encouraging members to cooperate, accept allowable weaknesses and help and support each other
- developing strategies for effective team-working

Leadership

The principles can be applied to, for example:

- the allocation of tasks to suit individual needs and strengths and minimise the impact of their weaknesses
- deciding on the allocation of members to different sub-teams
- how to motivate and support individual team members
- managing conflicts, tension and problems within the team
- planning the level of supervision and management required

Managing conflict within the team

Please read the following as it will help you to answer question 9.

From time to time there are conflicts within a team. They can be minor and easily sorted, or they can be complicated, requiring careful handling. Conflict in the workplace can be very damaging. Heated exchanges, isolation and failing to communicate can lead to a decrease in motivation, morale and productivity, changes in behaviour and an increase in sickness and absenteeism.

Sources of conflict

Sources of conflict need to be resolved as soon as possible so that they do not escalate and become more serious. According to the Advisory, Conciliation and Arbitration Service (Acas), conflict falls into two broad categories:

- **conflict between individuals** – e.g. between colleagues or between team members and their team leader or manager
- **conflict between groups** – e.g. between teams or between large groups of employees and management

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Examples of causes of conflict at work could include:

- **dissatisfaction with the workload or work slippages** – e.g. increased workloads or missed deadlines
- **lack of appreciation and perceived unfairness** – e.g. someone feeling that they have not received appropriate credit for their efforts
- **misunderstandings and poor sharing of information** – e.g. concerned discussions and arguments due to not knowing what is happening
- **external problems that affect the team or individuals** – e.g. a supply problem leading to the team's failure to finish on time and receive a bonus
- **differences of opinion** – e.g. between individuals, teams or organisations about working methods
- **people having different objectives** – e.g. some wanting to do overtime to finish the task on time whilst others want to leave and get home on time
- **incompatible objectives and rivalry** – e.g. between different teams
- **bullying, harassment or personality clashes between individuals**

Managing conflicts within a team

When managing conflict within their team, team leaders can try various approaches. These can include, for example:

- **negotiation** – e.g. negotiating an extension to a deadline for a task that the team cannot complete on time due to illness
- **open communication** – e.g. between different teams to find an acceptable compromise; between team members to discuss all options calmly
- **understanding the different personalities of people on the team** – e.g. to gain insight into the cause of conflict and the best way to handle each individual
- **setting non-conflicting goals** – e.g. splitting tasks so that people can finish at their own pace
- **clear explanations of policies and procedures** – e.g. making sure that everyone understands the objectives and instructions
- **being consistent** – e.g. expecting all team members to work to the same high standards
- **being fair** – e.g. giving credit to the people that deserve it
- **recognising and rewarding effort** – e.g. giving praise for tasks that have been done well
- **early intervention** – e.g. talking to team members as soon as a conflict arises or seems likely; to act before the problem escalates

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There are established techniques that a team leader can use to minimise and resolve conflict at work. These are:

- **win-win or collaborating** – e.g. confronting and solving a problem by working with other people
- **forcing or competing** – e.g. the team leader forces their views on team members who are arguing to get a quick resolution
- **smoothing or accommodating** – e.g. the team leader soothes everyone and accommodates their views when making their decision
- **compromising** – e.g. finding a solution that is acceptable to everyone
- **withdrawing or avoiding** – e.g. ignoring or stepping away from the conflict

Conflict can be managed within the organisation, following the policies and procedures, or by using outside agencies. Depending on the nature of the conflict, these could include:

- Acas
- Citizen's Advice
- industry governing bodies or professional associations
- trade unions
- lawyers, accountants, consultants or counsellors
- the police or social services

Minimising and preventing conflict

To prevent or minimise the chances of conflict occurring in the workplace, team leaders can:

- put systems and procedures in place
- develop relationships
- get people working together

Team leaders might need to find extra opportunities for team members to develop working relationships if normal work activities do not provide many chances to promote communication. They could, for example:

- arrange social or team-building activities
- encourage interaction during training courses or sessions

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Achievable – to make sure that the target is within the scope of the team’s abilities and available resources.

Realistic – to make sure that everything is achievable with the time, working methods and resources that are available.

Time-bound – deadlines that are aligned with the organisational targets give a focus for individuals, the team and the organisation.

Individual targets

Targets set for individuals can include, for example:

- **Performance and output** – e.g. sales targets for the month that show how their individual work contributes to the goals of the team and organisation.
- **Quality** – e.g. in line with organisational expectations of quality standards.
- **Career development** – e.g. to improve skills and knowledge with courses and mentoring.
- **Attendance** – e.g. to minimise absenteeism that disrupts the whole team.

When setting individual targets, team leaders need to work with the team member and think about: the person’s current skills, knowledge, experience and attributes; their ambitions and plans for career development; their team role; personal issues that might affect their desire and ability to achieve targets.

Team targets

Targets that are set for teams can include, for example:

- **Group performance and output** – e.g. sales or production targets for the whole team to achieve; targets to meet deadlines that affect other teams.
- **Quality** – e.g. to improve the average for the whole team.
- **Spreading the workload** – e.g. aiming for a fair distribution of tasks.
- **Improved skills, experience and knowledge** – e.g. training up certain team members to improve the overall dynamics of the team; giving certain members specialist training that they can share with the team.
- **Reducing waste** – e.g. using physical resources more efficiently; recycling, reconditioning or reusing equipment.

When setting team targets, factors to consider include: the current levels of experience, skills and knowledge that already exist on the team; previous and current levels of activity and workload; the team roles of different team members; developmental needs; staffing levels and expected holidays and other absences; team morale and motivation; how targets tie in with organisational targets and needs.

Monitoring the flow of work

Please read the following as it will help you to answer question 11.

Once the work is underway, problems and changes almost inevitably occur – e.g. problems with physical supplies; staff sickness or shortages; changes in a customer's order leading to amended objectives; changes in legislation; staff finding the allocated work too easy or too difficult. Team leaders need to monitor progress, and work with their managers to adjust plans and the allocation of work as required.

When monitoring the flow of work for a team, team leaders need to:

- have clear objectives and targets
- measure and assess progress against targets
- use the information to improve the quality and flow of work

Managers and team leaders need to align several elements when monitoring and controlling planned activities, such as, for example:

- **the agreed working standards** – everyone needs to be aware of the agreed standards so that results can be measured against them
- **performance indicators** – these are measures that show the achievement of objectives, sometimes called key performance indicators (KPIs) – e.g. the number of calls made, the value of sales made or the amount of waste generated in a month
- **work schedules** – to show the work hours that have been used when achieving the objectives, and any staff problems or changes
- **quality control checks** – e.g. benchmarking against successful projects; checking orders going out; checking the quality of items being produced; customer satisfaction surveys; physical checks of supplies and waste
- **budgets** – to see if the objectives are being met within the allocated budget

When measuring and assessing performance, team leaders and managers need to compare the projected levels of achievement against the reality of what has been achieved.



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This can be done in several ways, for example:

- **using the agreed SMART targets** – e.g. to measure actual output against the projected output
- **using Gantt charts or other graphs** – e.g. to see the volume of work on an hourly, daily or weekly basis for each team function (see below)
- **visual inspections** – e.g. to see what has been done, and to what standard
- **analysing reports and data** – e.g. looking at printouts of daily activity reports; studying spreadsheets that log production data; computer-generated reports
- **discussions in progress review meetings** – e.g. for the team to discuss output, problems and the next stages of the objectives
- **formal one-to-one meetings** – e.g. to discuss individual performances

Gantt charts

Gantt charts are often used in project management to show activities against time. They can be useful to monitor the flow of work of a team, and see how objectives tie in together for individuals and the organisation. Gantt charts can be paper-based or electronic, with different people having access so that they can update their own progress.

Each activity is represented by a bar, and its position and length illustrates the start and end dates. Gantt charts enable team leaders, managers and others to see:

- what the activities are
- when activities and whole projects begin and end
- how long each activity is scheduled to last
- where they overlap, and by how much



Task name	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16
Planning		XXXXX	XXXXX					
Research			XXXXX	XX				
Design				XXXXX				
Implementation					XXXXX	XXXXX		
Follow-up review and action							X	XX

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The charts can be larger and more complicated to show detail about a project. It is worth looking online to find examples of Gantt charts to see how complex they can be – using colours and graphics to denote different activities, and people's roles and tasks.

The value of monitoring

Having collected and analysed the data that measures progress, team leaders and managers need to provide effective support to the team to help them to achieve their objectives. This can be given to the whole team, small groups or to individuals on their own.

The main point is to have good communication so that team members can report and remedy problems as soon as possible, before progress is disrupted too much.

Identifying and solving problems

Please read the following as it will help you to answer question 12.

Team leaders can use various techniques to identify and solve problems within their team. Problems can arise for a variety of reasons and it is important to identify them as quickly as possible so that remedies can be put in place. Sometimes teams are affected by forces outside the team, such as late deliveries, poor-quality materials or machinery breakdowns, and some problems occur within the team.

Problems within the team

Problems that can occur within a team can be caused by, for example:

- loss of team members – e.g. popular members with valuable skills and experience
- new team members who upset the balance – e.g. an imbalance within the Belbin team roles; due to inexperience
- poor leadership – e.g. weak or authoritarian leadership styles
- poor planning – e.g. resources not being available when needed; targets being unrealistic
- reduced productivity – e.g. due to low morale or poor working practices
- signs of stress – e.g. increased rates of sickness and absenteeism
- missed deadlines – e.g. due to technical problems or poor team skills
- conflict between team members – e.g. about standards or levels of output
- lack of motivation, team spirit and direction – e.g. not engaging with shared objectives



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Identifying problems

Team leaders can identify problems within their team in several ways, including, for example:

- formal and informal observation – e.g. during normal shifts
- appraisals – e.g. during career development discussions with team members
- against key performance indicators (KPIs) for the quality and quantity of output
- checking staff attendance records
- discussions during team meetings and briefings – e.g. to evaluate how a project is going or introduce new targets
- during one-to-one discussions – e.g. if clues indicate that team members may have underlying problems

Techniques used to solve problems

When problems arise within a team, it is very important to discuss the issues. People need to be able to air their views and concerns, sometimes in public and sometimes in private. Team leaders may need to facilitate:

- **one-to-one discussions** – so that members can be open and honest about confidential information and opinions
- **team review meetings and briefings** – for open discussions about options and exchanges of views
- **different opportunities for team members to pass on their views** – e.g. via email or suggestion boxes
- **meetings with managers and other team leaders** – e.g. to discuss problems that affect people outside the team

Once the suitable environment for discussion has been selected, team leaders need to think about what needs to be discussed to solve the problems. Techniques that can be used include, for example:

- **negotiation** – e.g. to solve disputes between team members about workload or working practices
- **mind-mapping or brainstorming** – e.g. involving team members in thinking about how to solve problems
- **succession planning** – e.g. working out how to replace team members and develop the skills and team roles to rebalance the team
- **reviewing, agreeing and setting targets** – e.g. to change deadlines or output levels to help the team cope with external changes

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- **coaching and training sessions** – e.g. to develop individuals, maybe with close monitoring, shadowing or one-to-one mentoring sessions
- **rotate team members between different tasks** – e.g. to be as fair as possible and develop skills and experience
- **improve resource management** – e.g. order extra physical or human resources to support the team

The following table gives some examples of problems that can arise, plus some suggestions on how the problems can be dealt with:

Problems within a team	Suggested actions to overcome the problems
Staff sickness and absenteeism	<p>Make sure that the team members are engaged, motivated and committed to the shared purpose</p> <p>Listen to staff members' comments and feedback about their workload, views on operational problems, suggestions and ideas</p> <p>Make sure that the workload is fair and manageable – rotate tasks to spread the load between different team members</p> <p>Support staff who are off work for genuine reasons and help them to return when appropriate</p> <p>Consider changing people's tasks or workloads, retraining them or giving extra advice and guidance</p>
Team members are unable to maintain quality and output in the agreed standards	<p>Review the agreed policies and procedures – to see if they are being followed correctly</p> <p>Check that specifications and working practices are realistic and workable – consult all concerned and amend as necessary</p> <p>Work alongside team members to identify the problems in detail – e.g. lack of time management skills, lack of motivation, team friction, low aptitude, lack of role clarity</p> <p>Listen to their feedback and suggestions and ideas about how to improve working methods</p> <p>Make sure that team members understand the objectives and have the right skills, knowledge, aptitude and capacity to do the tasks correctly</p> <p>Consider retraining some or all team members</p> <p>Consider rotating staff and having more experienced workers in key positions</p> <p>Increase close monitoring and support until problems are resolved or production quantity and quality improve to satisfactory levels</p>

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<p>When tasks need to be done in order, the delay from one team member leads to delays for other members</p>	<p>When one task impacts another, this is a critical review point – make sure that everything is on track before the deadline or review point is reached</p> <p>Move physical and human resources to make sure that the task is done on time</p> <p>Make sure that people working on the next related tasks know about any possible or actual delays – so that they can replan their activities</p>
<p>Delays in one team's work affecting another team's work</p>	<p>Involve team members to make sure that they know how critical the timing is</p> <p>Encourage early intervention when problems and delays seem possible</p> <p>Move physical and human resources to make sure that the tasks are done on time</p> <p>Advise other teams and managers if delays are possible or inevitable</p>
<p>Outside causes such as bad weather</p>	<p>Have a bad weather plan about how to get staff in to work, how to get supplies and how to maintain production – e.g. hold enough extra stock to keep production going for a week; arrange for staff who live locally to come in and take key roles</p> <p>If bad weather is imminent, plan ahead – e.g. to shut down or reduce production for a day</p> <p>If the planned activities are weather-dependent, have a detailed bad-weather plan – e.g. have other work available to do; increase stock levels; have a flexible delivery schedule</p>

Did you know?



In the winter of 2013/14, the wettest winter on record, 3,200 commercial properties were flooded in the UK.

(Federation of Small Businesses (FSB) December 2014)



Organisational change

Please read the following as it will help you to answer questions 13, 14, 15 and 16.

Organisations need to change for a wide variety of reasons. Some of them are internal reasons – things going on within the organisation that need to be addressed. Some of them are external reasons – things happening out in the rest of the world that influence the organisation and prompt a need for change.

Some businesses only exist because they constantly strive to innovate and change, for example:

- manufacturers of mobile telephone, tablets and electronic games
- television, theatre and film producers
- fashion clothing designers and manufacturers
- space and military engineering companies
- vehicle designers and manufacturers

Reason for organisational change

Several things can prompt the need for organisational change, including:

- **changes in technology** – e.g. telecommunication companies adapting to new generation mobile phones, tablets and other new devices
- **competitors' activities** – e.g. airlines changing their routes, prices or level of service to be able to compete with each other successfully
- **changes in the marketplace** – e.g. customers moving away from the high street and making most of their purchases online or in out-of-town shopping centres
- **changing customer expectations** – e.g. hotel guests expecting a higher quality of accommodation at low cost
- **new legislation, regulations or standards** – e.g. scrap metal companies having new regulations about identifying their suppliers of metal (to reduce theft)
- **environmental factors** – e.g. new waste management procedures to reduce landfill and contamination of the environment
- **financial issues** – e.g. rising costs making current processes unsustainable
- **political factors** – e.g. changes in government funding in education

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- **internal business factors** – e.g. following a change in senior managers and other decision-makers; as a business grows and increases its workload
- **external business factors** – e.g. fluctuations in currency exchange rates

Organisations can go through change at any stage of their development, for example:

- **when they first start to expand** – e.g. leading to changes in working processes, management structure and how they are financed
- **when they need to restructure after being in operation for a while** – e.g. following changes in technology, branding or competitors' activity
- **if they are taken over by another organisation** – e.g. leading to a merger of staff, resources, customers, working practices and so on
- **when they need to close** – e.g. after a major downturn that leads to redundancies or the actual winding up of a business

Accepting change positively

Change can be upsetting for some people and exciting for others. To manage change well, it helps to stand back and review the whole process logically, and to support everyone during and after a period of change. It can help to see the whole picture so that everyone understands the underlying reasons for certain activities.

Organisations need to react to change in a positive way and without too much delay. This can help them to, for example:

- review their operation
- identify the benefits of change
- understand new requirements
- deliver improved performance
- increase efficiency, productivity and profitability
- support team members and other stakeholders (people with an interest in the organisation)
- maintain a positive and optimistic outlook
- enhance career development opportunities for the staff

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By embracing change and managing it in a positive way, organisations, teams and individuals can 'stay ahead of the game' and remain competitive and effective.

When an organisation decides to plan and implement changes, there are many different elements that need to come together. If people work together, the plans for change have a much better chance of success for individuals, work teams and the organisation itself.

Good communication and cooperation are needed between all stakeholders, who can include:

- employees
- contractors
- suppliers
- customers – previous, current and future users of products and services
- managers and directors
- shareholders and investors
- the organisation's bank, accountants and financial advisors
- official bodies – e.g. the local council
- local residents and businesses



Plans are often complicated and many decisions need input from many different people. If people work together, the benefits can include, for example:

- better communication and consultation between people and organisations
- personal support between individuals who share problems and concerns
- less stress – from knowing what is going on
- reassurance – that the change is beneficial and well-managed
- a higher chance of success of the plans for change – from improved momentum and focus
- better monitoring and feedback during the process – so that problems and queries can be addressed
- easier access to information

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Negative responses to change

There can be many negative responses to change with a team; there can be resistance, reduced motivation, reduced productivity and a loss of team members.

If there are negative responses to change, the impacts on the team can include, for example:

- **increased stress** – e.g. from worrying about the future but refusing to take action to improve their own chances of success
- **feeling inadequate** – e.g. feeling unable to cope with new processes
- **reduced productivity and failure to achieve objectives** – e.g. from making mistakes in new processes
- **reduced pay** – e.g. a fall in productivity bonuses
- **reduced job satisfaction** – e.g. not enjoying work any longer due to everyone being worried
- **reduced opportunities for career development** – e.g. from refusing to consider the benefits of adopting new working practices and technology
- **lack of confidence in the team leaders and managers** – e.g. doubting their leadership skills about managing the proposed changes
- **conflict within the team** – e.g. due to stress or changes in workloads
- **the loss of key members of the team** – e.g. to other teams or employers
- **lack of job security** – e.g. due to the organisation's inability to meet customers' changing needs and expectations and outperform its competitors
- **loss of jobs and the closure of the whole organisation** – e.g. from losing income and customers to competitors that have implemented change successfully

Basic principles of change management

To help us to understand the basic principles of change management, it can be useful to think about three key questions that illustrate the process:

Where are we now?

Organisations need to evaluate their current position. They need to look at all aspects of the current operation and performance, including:

- identifying physical and human resources
- measuring production or sales

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- evaluating feedback from stakeholders, such as employees, shareholders, financial backers and customers
- reviewing competitors' activities and achievements

This gives the organisation a base line from which to develop and change the way things are done.

Where do we need to be?

This is where the reasons for change come into focus and the need for innovation and change is identified. For example, an organisation may have decided that it needs to:

- have a fully integrated, new computer system
- have a new range of products and services to meet customers' new expectations
- change its processes to comply with new regulations
- have improved products and services that are better than those supplied by competitors

This sets the targets and objectives for individuals, teams and the organisation to aim for.

How do we get there?

The actual change processes start to become clear at this stage as people see what they need to do to achieve the new objectives for the organisation. They need to create and follow action plans to show the resources, deadlines and critical review points. For example, they might:

- research and order a new IT system
- employ designers or managers to bring in new ideas and working practices
- invest in new machinery and equipment to cope with improved processes
- find ways to reduce costs to become more competitive

As change starts to take place, the organisation needs to measure progress, collect and evaluate feedback, then amend action plans and activities to make sure that they 'get there'.

These principles work when planning change for a team as well.



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Preparing for change within a team

Team leaders need to work with their teams to assess their current position, where they need to be and how they plan to get there. To overcome resistance to change, team leaders need to, for example:

- inform, educate and communicate the benefits of change
- give clear and supportive leadership
- encourage team members to participate and get involved with the action plans
- negotiate and come to agreements that benefit the team members and the organisation
- introduce processes to generate ideas and suggestions from team members
- use good leadership and management skills

A strong sense of teamwork can be a factor when encouraging participation and involvement with action plans. Team members can have a great sense of pride from being associated with a successful and innovative team, and this might be enhanced by competitiveness between teams that inspires the individuals to try harder.

Teams can also unite if they have a strong sense of competition to outperform competitors and make sure that their organisation's changes and innovations are put to good use.

To help bind a team together, and make them strive for new ideas and opportunities, team leaders can encourage team members to have, for example:

- shared values and visions
- a shared commitment to quality and future developments
- clearly defined tasks or goals

Team members and others are more likely to participate and share their ideas if:

- they feel that they are being taken seriously
- credit is given to the appropriate individuals and teams
- ideas are praised, even if they are not fully used
- they are encouraged to think of even more ideas, and to keep an eye out for other opportunities for development and improvement

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People need to feel confident that their ideas will be valued. They need to feel secure and know that their careers are not at risk if they voice concerns or come up with new and innovative ideas.

Implementing change within a team

When implementing change within a team, a useful theory to use is ADKAR. This process was developed in 1999 by Prosci in the United States. It is an outcome-orientated model and is based on:

Awareness – of the need for change

Individuals need to understand the need for change, and planned communication is vital.

Desire – to participate in the change

Once fully aware of the reasons behind the plans for change, individuals make a personal decision to support and participate. This is done using incentives and creating a desire to be part of the change.

Knowledge – about how to change

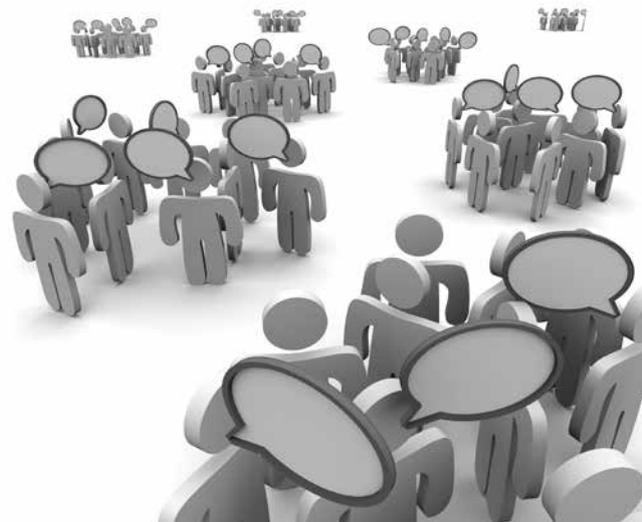
This is the stage that involves learning and development activities. These could be training courses, coaching sessions, mentoring, discussion forums or other learning methods. Individuals need to know about the transition into the new systems, and how to operate once the new systems have become established.

Ability – to implement change

Individuals put the theory into practice. They are supported with ongoing training, coaching and feedback sessions as they develop their new skills and behaviours.

Reinforcement – to sustain the change

This stage makes sure that individuals do not slip back into old ways so that change can be sustained. This is achieved through giving positive feedback, rewards and incentives, measuring performance, and making adjustments to plans and procedures when necessary.



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The ADKAR model focuses on the individual and outcomes, rather than the tasks being performed. It is flexible and can be used for big projects or individual development. It is considered better than some models because it addresses the sustainability and reinforcement of change, something that is neglected by many organisations that go on to fail to bring about change in the long term.

Scenario

A supermarket distribution centre has decided to change its packing procedures and use new barcode technology. The staff use large trolleys, cages and pallets. They fill them with the goods ordered by each store, and fill out a form to show the contents for each one and its destination. The company decides to introduce barcode technology to:

- track the products going into each trolley, cage or pallet, and at every stage of the distribution process
- show the destination of each trolley etc.
- make sure they go onto the correct lorries for transport
- put the trolleys in the correct order on the lorries, based on routes to stores
- monitor stock control at the distribution warehouse

The team members will perform similar tasks, but they need to know how to operate the barcode system and produce labels and reports. The team leaders could follow the ADKAR model when implementing the changes.

ADKAR	Possible actions
Awareness	<ul style="list-style-type: none">● have team meetings to discuss why the new barcode system is needed and what it will do● encourage mind-mapping or brainstorming sessions to discuss ideas and concerns
Desire	<ul style="list-style-type: none">● encourage team members to accept the new system and see its benefits● have incentive schemes to encourage a faster turnaround of goods for loading● show the figures for levels of output for the different shifts and teams – to encourage rivalry and a desire to be the best team
Knowledge	<ul style="list-style-type: none">● go on training courses with the manufacturer of the barcode system● run training sessions for the whole team about the new barcode system before it goes live

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Ability	<ul style="list-style-type: none">● monitor team members closely when they start to use the system for real● provide ongoing training and coaching● give feedback about progress
Reinforcement	<ul style="list-style-type: none">● have informal toolbox training sessions during the shift to answer any queries and develop knowledge● use positive feedback when things are going well● encourage and retrain when there are problems● continue with rewards and incentives● measure the success of the barcode system● make adjustments to the training and operation of the system as required● inform management of progress, successes and problems

Knowledge Activity 6: Think about a major change in your life that you knew was coming – maybe a change of employer, school or house.



How did you feel as soon as you knew about the impending change?

How did you plan for it?

How did others help you to plan for the change?

How did you feel a few weeks or months after the change, once you had settled down?

Did you know?

You can find out more about ADKAR on this website:

www.prosci.com/adkar/adkar-model



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Team motivation

Please read the following as it will help you to answer question 17.

When motivating a team, team leaders need to be aware of the different factors that influence motivation, and techniques that can be used.

Definition of motivation

The term 'motivation' has two broad meanings:

1) It is the reason for acting or behaving in a particular way

It is a reason for doing something – e.g. a team member's motivation for doing overtime last night was the extra money for their holiday next month.

2) It is the desire, enthusiasm or willingness to do something

It is a feeling of enthusiasm or interest that makes us determined to do something – e.g. lively and engaging training sessions help to maintain the student's interest in the subject and their motivation to finish the course.

Motivation can be the **'thing'** that makes us want to do something, or it can be the **'feeling'** for wanting to do something.

In the workplace, one individual's motivation could be, for instance, their determination to finish a project, or their ambition to gain a promotion. Team leaders and managers need to:

- concentrate on the factors that will be seen as things that will motivate their team members
- work to inspire the individuals' own inner desires and feelings about wanting to do something



Did you know?

"The work of a team should always embrace a great player but the great player must always work."

(Sir Alex Ferguson)



Motivational factors in the workplace

Please read the following as it will help you to answer question 18.

Motivation can be **intrinsic** or **extrinsic**.

Intrinsic motivation comes from the individual's internal factors, the **feelings** that motivate them – e.g. a desire for career development; pleasure and personal satisfaction from simply performing the task.

Extrinsic motivation comes from external factors, the **things** that motivate people, and performing the task is just a means to an end – e.g. working for money; taking exams for a place on a better university course.

Important motivational factors include, for example:

- interesting, challenging and exciting work
- job security
- opportunities for promotion and growth
- coaching sessions
- good communication
- control over the job
- good wages
- good working conditions
- fear



Interesting, challenging and exciting work – often seen as the top factor

People want to do jobs that engage them. Some team members will be happy to perform routine tasks that do not vary. Others need new challenges every day and enjoy striving to solve different problems as the main part of their job. Others need longer-term challenges and excitement, where they aim for goals that are set and achieved every few months or years.

Job security

This is particularly important when there is high unemployment and team members are motivated to do well and safeguard their jobs. However, when people feel confident about the job market, they are more likely to take risks about changing jobs and finding better opportunities and career development elsewhere.

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Opportunities for promotion and growth

Many people want to develop their careers and they need to feel confident that their employer can offer them the support and opportunities that they need to improve and grow. Even when people do not want to go for promotion, knowing that they could if they wanted to can motivate them to work well for their employer and keep their skills up to date.

Coaching sessions

Employers can offer coaching - the art of improving the performance of others. It focuses on specific skills and goals, and enables people to become happier and more fulfilled at work. Coaching sessions can be good motivating factors as they help people to discuss and plan their goals, progress and ideas about how they want to develop their careers.

Appreciation of work done

People need recognition and reward for their performance, which can be a simple thank you from a team leader or formal praise from the organisation. Knowing that their work has had an impact on the organisation and being given credit for work that has been done, helps to motivate people at work.

Good communication

We all appreciate good communication at work. Everyone needs to be able to share information – e.g. about objectives, progress, achievements, plans or strategies. We also value good communication skills from team leaders, managers, colleagues and others. When people communicate well with each other, they feel valued and respected and that their opinions matter.

Control over the job

Delegation is a powerful and useful motivational tool. When team members are given responsibility and accountability for their tasks and area of expertise, they are more engaged and involved with the whole process, and feel valued and trusted.

Good wages

Wages go up and down. They can be affected by economic conditions and the supply of labour with the correct skills and experience. During a recession, or when there are many people available with the same qualifications and skills, wages can be lower or static. If the economy is strong and particular skills and experience are in short supply, wages will rise so that employers can attract and keep the people they need.

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Good working conditions

People want to feel safe and secure at work, even if their jobs are inherently dangerous or uncomfortable. We all need to have the safety equipment necessary for our jobs and a comfortable and safe working environment. For example, if team members work outside in all weathers, they need the correct protective equipment and clothing as well as somewhere to go that is warm, dry and comfortable for their breaks.

The conditions in the actual workplace are important too. Factories, offices, hospitals, schools, call centres and so on all need to have adequate heating, lighting and air quality for the workforce to be able to do their tasks well.

Fear

Fear is seen as a short-term motivational factor that does not work for very long. It might spur people on to achieve things in the short term – e.g. if the workforce is worried about a competitor taking the business and their jobs, or if they are worried about adverse reactions from managers if they do not achieve their goals.

However, if people are fearful for too long, they will build a resistance to it and move on if they can no longer cope with it. If they are fearful of a strict, erratic and aggressive team leader or manager, they can become demoralised, which can affect their attendance and performance or even make them leave their job.

Bonuses

If people have a good salary package, bonuses have limited value. Employees value a good steady salary and see that as a reliable and motivational incentive to work hard and aim for promotion.

Bonuses are rarely under the personal control of team members or team leaders, so the element of risk can make them poor motivational strategies. The gambling element of bonuses can destabilise people and affect morale and commitment.



Motivational factors can be very personal and each individual will have their own issues that affect their attitude and motivation at work. A shy, introverted team member who is reliable and has a great eye for quality and detail might be terrified by the prospect of having to develop their role or having to speed up to achieve a bonus. The level of quality of their work might drop as well as the level of job satisfaction.

Similarly, someone who loves to set up a project and get it working smoothly might be very bored and demotivated by repetitive work that has no scope for further improvement or innovation.

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Maslow's Hierarchy of Needs

When considering motivational factors and which techniques to use to motivate team members, a useful theory to look at is Maslow's Hierarchy of Needs. This gives a very clear indication about what motivates each one of us at different times of our lives.

In the 1940s and 1950s in America, Abraham Maslow developed a motivation model known as the Hierarchy of Needs. It has been developed over the years and is often used by team leaders, managers, teachers and trainers.

It is based on a pyramid of five stages of intrinsic needs. As the individual achieves the requirements of one level, they move onto the next. They cannot move up to the next stage until all of the needs have been met. People can also come down the pyramid if something happens, inside or outside the workplace.

● **Stage 1 – physical survival needs**

These are the basic, intrinsic survival needs – e.g. bodily functions and needs such as air, food, water, sleep and reproduction.

● **Stage 2 – safety and security**

Once humans know that they can rely on food, water and so on, they can concentrate on personal and financial security – e.g. physical safety of the body, security of employment, family members, health and property.

● **Stage 3 – love and belonging**

Once they feel secure about their job, health, home and so on, people can concentrate on feeling part of a group – e.g. a family, a sports or work team, a department or a group of friends.

● **Stage 4 – esteem**

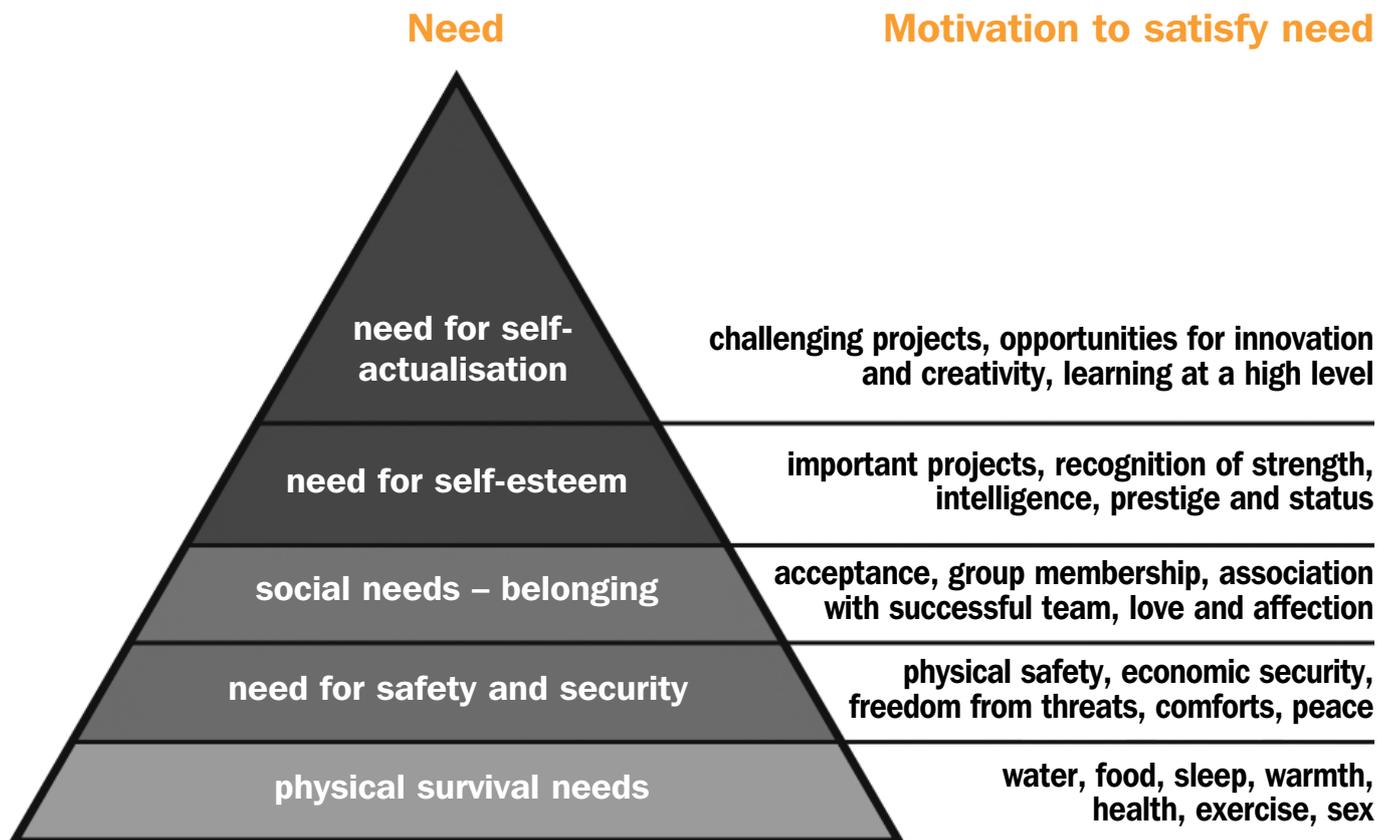
With physical needs, security and belonging sorted, humans move on to wanting feelings of esteem – e.g. self-esteem, confidence, a sense of achievement, respect for others or respect from others.

● **Stage 5 – self-actualisation**

The top level is where people truly become themselves and are totally fulfilled. They are confident in their own opinions and place in the world. Here they can experience morality, creativity, spontaneity, problem-solving, lack of prejudice and acceptance of facts.

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It helps to think of these stages as a pyramid so that it is easier to visualise the climb up and the slide down these levels of needs. It also helps to clarify the importance of the needs lower down the pyramid. Unless the lower needs are met, humans cannot move up to the next stage.



Maslow's Hierarchy of Needs has survived because it still applies in the 21st century. For example, if a well-respected person is at stage 4 at work (esteem) and they are suddenly faced with the threat of redundancy, they will slip down quickly. They will feel that they no longer belong to the work group, they will feel that their job security has vanished, their health will suffer, and they will probably have trouble with sleep, eating etc. They are back down to the bottom stage one in no time.

Some people often think that money is the only motivation to work, but this is clearly not the case. Looking at Maslow's theory, money is at the second stage and supports the higher stages if it is sufficient to live on.

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Knowledge Activity 7: Think about your own position at work (either your current role or a previous position).



Where are you on the pyramid?

What needs have to be addressed before you can move up?

What could happen to you to make you move down?

What motivates you to come to work on a 'bad' day?

What motivates you to develop your career?

Techniques to motivate team members

Please read the following as it will help you to answer questions 19 and 20.

One of the most important skills that a team leader or manager can have is the ability to motivate the team. They need to:

- identify the motivating factors for each team member
- structure their approach around each team member to ensure that they stay engaged, motivated and happy with their work



Employee engagement

When motivating team members, employee engagement is very important and helpful.

Employee engagement happens when employees feel physically, emotionally and mentally connected to their work, their employer and the organisational objectives. If people are engaged at work, they willingly contribute effort, have a positive experience and have meaningful working relationships with colleagues, customers and others.

The type and level of engagement will vary according to the person's job role and activities, but the ideas – that they will 'go the extra mile', feel valued and want to do their best at work – are the same. Engaged employees think hard about their jobs and how to do them better, feel positive about their jobs and take an active part in discussions about work.

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Engaged, motivated, productive and content workers need to have:

- **effective leadership** – leaders with vision who value the contributions made by individuals
- **effective line managers and team leaders** – who empower them rather than control them
- **trust and integrity** – an organisation that follows its words through with actions encourages a sense of trust and integrity
- **open communication** – the chance to voice their views, ideas, concerns and suggestions

An engaged workforce thrives when team leaders and managers delegate, listen, empower and motivate their team members according to their individual needs and career development goals.

Once employees are engaged, they will be more motivated because they care about their organisation and their role within it. They see their own success as intertwined with the team's and organisation's success, and they share a common sense of purpose.

Motivation techniques

There are numerous motivation techniques that can be adapted to the team leader's particular team, organisation and environment. As we saw at the beginning of this workbook, when we examined leadership styles, motivation techniques can be based on, for example:

Sharing vision and values – making team members aware of the goals and values of the team and the organisation.

Techniques could include: running workshops, team meetings and social gatherings; using inspirational quotes and images during presentations; involving team members in the defining and agreeing of objectives.

Valuing people – developing relationships where individuals are genuinely appreciated.

Techniques could include: tailoring feedback and task allocation to suit team members' needs where possible; using questionnaires and feedback sessions to build relationships and learn about individuals; team-building games and activities; offering rewards and incentives to help the team to stay focused, especially when they are tired or have been dealing with problems.

Section 1: Principles of team leading

Giving regular feedback – to praise and raise the self-esteem when there is success, and to catch problems early so that they can be solved.

Techniques could include: running regular review sessions at useful points before, during and after a project: giving feedback in the way that suits the person best; one-to-one appraisal meetings.



Stretching talent and ability – challenging more able team members to keep them engaged and feeling valued.

Techniques could include: allocating tasks that challenge individuals in ways that suit them best; encouraging and facilitating individuals who want to pursue career development goals; suggesting physical challenges so that people can experience success, such as fire-walking, outward-bound activities or charity fun runs.

Ongoing training – to support improvement and reassure team members that they are working well.

Techniques could include: coaching sessions and refresher training; supporting continuing professional development (CPD); mentoring and shadowing (working with more experienced colleagues); suggesting or facilitating training courses.

The effects on an organisation

If an organisation has good engagement with its employees, it is far more likely to do well. If it does not have good employee relations, the employer is likely to be faced with low morale, poor levels of motivation and major problems with staff recruitment, retention and absenteeism. This can have knock-on effects on customer service, sales, financial stability, future success, survival in the marketplace and so on.

Motivated staff want to take care of current activities and standards, and to make sure that the best possible products and services are being offered. They are also motivated to take care of future activities, so that they can benefit from the ongoing successes and strengths of their organisation.

To summarise, having motivated staff has several benefits for an organisation, for example:

- good productivity and business performance – from staff actively doing their best for the organisation
- excellent customer relations – with good levels of loyalty and retention

Section 1: Principles of team leading

- an increased ability to attract new customers – from having a good reputation for customer service
- a good reputation as an employer – able to recruit and retain good-quality staff
- financial stability – based on a good reputation and solid performance
- confidence to plan ahead – knowing that they are supported by an excellent, well-motivated workforce

Knowledge Activity 8: Think about what motivates you, especially in the workplace.



Describe things that demotivate you.

Name the main strategies that managers have used, or could use, to motivate you effectively.

How do you feel when you are given feedback?

Summary

In this section, we have looked at the principles of team leading. We have considered many topics, including:

- effective leadership characteristics, styles and benefits
- different types of teams
- team role theory
- managing conflict within a team
- setting targets and monitoring the flow of work
- organisational change
- motivating the team

Section 2: Understand business

Introduction

In this section, we will look briefly at many aspects of business. We will consider organisational structures, objectives and influences, the business environment, business and financial planning, business reporting and accountability.

Organisational structures

Please read the following as it will help you to answer question 21.

There are many different types of organisation – e.g. retail outlets, doctors' surgeries and charity shops. Some of these are large companies, others are owned and run by individuals. Some are public services, and others are charities that rely on volunteers and donations. These different types of organisation have different structures, belong to different sectors and follow different legal guidelines.

Different sectors

Products are things that are manufactured or produced – such as food, cars, magazines or furniture. A service is the action of helping or doing work for someone.

Organisations are either in the commercial sector, the public sector or the third sector, and they may provide either products or services, or a mixture of both.

The private sector

This is often called the commercial sector. It includes organisations in all industries, such as retail, hospitality, transport, finance, technology, manufacturing and leisure – e.g. shops, pubs, hotels, gyms, private bus companies, financial and legal services, factories and workshops. Some of these industries make products – e.g. furniture or food – and some of them offer services – e.g. fitness training or legal advice. Many businesses offer products and services – e.g. food cooked and served in cafes by staff.

The organisations can be small businesses with only one or two people, or large multinational companies that employ many thousands of people. Profit is important to the commercial sector as this provides the income for the business owners, so it is vital to attract new and old customers to generate the income needed.

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The focus of customer service is on sales and aftersales service, supporting the customer before, during and after the purchase. For example, a small pub owned by a family provides products and service, and they take care of their customers:

- **before** – choosing the drinks and menus that their usual and new customers want; advertising and marketing the meals and drinks on offer in a way that pleases new and old customers; being polite on the telephone when taking bookings
- **during** – taking care of customers' expectations by providing excellent food, drink and service; dealing with any problems or complaints politely and effectively; making the customers feel welcome
- **after** – asking for feedback from the customers to make sure that they were satisfied with everything; taking the customers' comments seriously; passing on the information to the managers to make changes if necessary; leaving them with the impression that they were valued customers and that they will be welcome in the future

The public sector

This sector includes organisations such as the NHS, police, fire service, HM Revenue and Customs, the armed forces, local councils, schools and colleges. They provide a variety of services to the public – e.g. healthcare, security services, education classes, rubbish collection. They often have to generate income and handle budgets, but they are not necessarily profit-making.

The focus of customer service is on the quality and level of the service that is provided. As they are funded by the public, they constantly review their customer service to make sure that it satisfies the needs of the public:

- **before** – by planning the levels of services that are needed – e.g. the number of hospital beds or police officers needed for the size of the town
- **during** – by providing the actual services – e.g. collecting recycling weekly, dealing with housing benefit claims, collecting taxes
- **after** – by reviewing the service provided and making changes as necessary

The voluntary sector

This sector includes voluntary and not-for-profit organisations and is sometimes called the third sector. Third sector voluntary organisations can be known as social enterprises – e.g. charities, community groups, housing associations, trusts or cooperatives. They can provide products or services, and they are often involved with selling products to raise money – e.g. selling items in a charity shop to raise funds, then providing counselling services.

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The focus of customer service can be split between raising funds – e.g. taking care of customers who buy from a charity shop – and providing services – e.g. supporting individuals and groups who need support or assistance.

An example would be a charity that runs hospices for the terminally ill. It will raise money through donations, selling donated and purchased items in its charity shops, fundraising activities and funds from the NHS and local councils. It will support people in need and provide a well-equipped building and offer healthcare, nursing and specialist support, counselling for the patients and families, bereavement counselling and support. It will work closely with the NHS, especially the GP surgeries, to coordinate care and support.

Knowledge Activity 9: Think of two organisations you know in each of the three sectors – commercial, public and third. Make a short list of their products and/or services. What is the main focus of their customer service?



Organisation's name	Products/services offered	Main focus of their customer service
Commercial organisations		
a)	a)	a)
b)	b)	b)
Public sector		
c)	c)	c)
d)	d)	d)
Third sector		
e)	e)	e)
f)	f)	f)



Business structures

Please read the following as it will help you to answer question 22.

Organisations can be classified in many ways, and their legal entity can be important when considering how they are run, and how they have to comply with different legislation. Legal entities can include, for example:

Sole trader

A business can be owned and run by a sole trader, sometimes referred to as a proprietor or freelancer. A sole trader has full responsibility for the business – e.g. income tax, national insurance contributions, VAT, payroll, welfare, health and safety.

Examples of sole traders could be: a florist who owns and runs a small flower shop that employs three part-time staff; a journalist who works for themselves and submits work on a freelance basis.

The person can work alone or can employ many people. The business owner takes all of the risk and receives all of the profits or suffers all of the losses. They are personally liable for any business debts and liabilities. In a small business, the sole trader is likely to make all of the important decisions, although they may employ managers to run elements of their business.

When businesses and their turnover grow, the owners often form a limited company or maybe a partnership.

Partnership

Partnerships are formed when two or more people join their business activities, assets and liabilities together.

They are jointly and severally liable for any debts and liabilities. This means that all of the partners are jointly responsible for any or all of the partnership's liabilities, even if one individual acts alone on behalf of the partnership. For example, if one partner takes out a car loan on behalf of the partnership for their own car, all partners are responsible for the debt. The same applies to tax liabilities and so on.

The organisation's structure will depend on the number of partners and the percentage of their share. For example, in a firm of solicitors with five partners, the two senior partners have 26% each, and the three junior partners each have 16%. They will usually receive their percentage share of annual profits (or losses) and have voting rights that match their share.

Some organisations are traditionally run as partnerships rather than limited companies – e.g. GP joint practices, solicitors or accountants. This can be a legal requirement because they are personally responsible for their business.

Section 2: Understand business

Partnerships can employ managers and employees, but the final responsibility rests with the partners who are legally responsible.

Limited partnership

The liability for debts that cannot be paid in a limited partnership is split among partners. Partners' responsibilities differ as 'general' partners can be personally liable for all the partnerships' debts, whereas 'limited' partners are only liable up to the amount they initially invest in the business. General partners are also responsible for managing the business.

Limited liability partnership

The partners in a limited liability partnership (LLP) are not personally liable for debts the business cannot pay, and their liability is limited to the amount of money they invest in the business. Partners' responsibilities and share of the profits are set out in an LLP agreement. 'Designated members' have extra responsibilities.

Private limited company

A limited company is a legal entity in its own right. The finances, assets, liabilities and debts of a company are separate to those of the people who own and run it.

Many small, medium and large businesses are run as limited companies. If they are 'private companies', it means that the shares in the company are not available for public purchase.

A limited company will have shareholders who own the shares – e.g. a husband and wife have one share each in their company; a family business has one hundred shares that are held by five different members. The shareholders can receive dividends per share if there are profits to be shared out.

A limited company will also have at least one director. Directors take responsibility for running the company and they have to satisfy legal requirements. They do not have to be shareholders, although many do own shares that they have purchased or been given as part of their remuneration package.

Salaries and benefits for directors and employees are paid via the Pay As You Earn (PAYE) tax system.

Most limited companies are 'limited by shares'. This means that the shareholders' responsibilities for the company's financial liabilities are limited to the value of the shares that they own but have not paid for. Company directors are not responsible for the debts of the business if things go wrong, so long as they have not broken the law.

A company can be 'limited by guarantee'. The directors or shareholders give financial backing to the organisations up to a specific amount, if things go wrong.

Public limited company (PLC)

When a company is large and well-established, it can be 'floated on the Stock Exchange' and its shares can be offered to the general public. There are very strict rules that need to be followed before a company can be floated and become a PLC.

The structure is similar to a limited company, in that there are directors who are responsible for running the company and shareholders who own it.

Public sector organisation

The focus is to provide a good quality and level of service and they are funded by the public.

Even though there are no company directors or shareholders, public sector organisations usually have a sophisticated structure, and they are answerable to the public – e.g. via a board of trustees, directly to a central government department, or to a commissioner who acts on behalf of the public.

Third (voluntary) sector organisation

This sector includes voluntary and not-for-profit organisations. They can be known as social enterprises and could be charities, community groups, trusts or cooperatives. They can provide products or services, and they are often involved with selling products to raise money – e.g. parents and others in the community raising money to fund a local youth band or orchestra.

The focus is usually on supporting individuals and groups.

Charities that are registered with the Charity Commission need to have an annual income of more than £5,000 (although smaller charities can apply for voluntary registration). The Commission has strict rules about registration, to make sure that people can feel confident about making donations to registered charities.

The organisational structure can be similar to the public sector. For example, a third sector organisation can be:

● **An unincorporated association**

This is an organisation set up through an agreement between a group of people who come together for a reason other than to make a profit – e.g. a voluntary group or a sports club. Individual members are personally responsible for any debts and contractual obligations.

Vision, mission, strategy and objectives

Please read the following as it will help you to answer question 23.

Organisations need to balance their operations to pursue their vision, mission, strategy and objectives.

Vision

The vision of the organisation will be the final goal or objective – e.g. to be the best and most successful college in the region within three years.

An organisation will often create a vision statement, which is usually expressed in a single sentence or a short paragraph. It is a useful tool to use when developing the organisation as it states the primary goals in a very simple, clear way. This is designed to inspire and give direction to the stakeholders.

A vision statement is focused on the future of the organisation.

Mission

Some organisations use mission statements as well. A mission statement is focused on the present activities, values and beliefs, and it conveys a sense of why the organisation exists – e.g. a college's mission is to provide quality education and training to inspire people to fulfil their potential.

Strategy

Having declared their vision or mission for the future, organisations develop strategies about how they plan to achieve the goals. Strategies are ideas and plans that focus on the unifying vision statement – e.g. how to develop the human and physical resources at a college to become the best and most successful in the region in three years' time.

Strategies also need to stay true to the mission – e.g. to make sure that future developments still ensure that all students get the opportunity to fulfil their potential.



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Objectives

The organisation's objectives are detailed goals that need to be achieved as part of the strategy. They focus on the vision for the future and the present – e.g. to recruit additional, high-quality staff; to improve IT systems; to upgrade sports facilities in the college; to review the courses on offer to make sure that they are relevant for students and employers; to continue to help all students achieve their potential.

The objectives also need to take the organisation's mission into account – e.g. to review their courses and facilities to make sure that all students get the opportunity to develop their skills and talents.

In summary, there is a relationship between an organisation's vision, mission, strategy and objectives:

- **the vision states the future goals** – what the organisation wants to achieve in the future
- **the mission is based on the present values and beliefs** – why the organisation exists
- **the strategy is the idea or plan about how to achieve the goals set out in the vision** – whilst not losing sight of the promises stated in the mission
- **the objectives are the detailed goals and targets within the strategy** – about how to achieve the primary goals set out in the vision whilst following the values expressed in the mission statement

Did you know?



The overall business population includes three main legal forms: 3.3 million sole proprietorships (62% of the total), 1.6 million companies (30%), and 436,000 ordinary partnerships (8%).

(Department of Business Innovation and Skills – December 2015)



Influences on organisational environment

Please read the following as it will help you to answer question 24.

Organisations can be influenced by factors that are within their control – internal influences – and factors that are outside their control – external influences. These factors have an impact on how the organisation operates and how it delivers its products and services. Organisations need to observe and measure the impact of relevant influences so that they can prepare for changes, and take action to put things right when necessary.

Internal influences

There are many internal factors that can influence how an organisation runs its operations. These are influences that are within the organisation's control. For example:

Policies and procedures

Organisations develop and follow their own policies and procedures. These will cover all aspects of the way that the organisation and its staff operate, for example:

- ethical policies – e.g. how to source goods and services
- complaints procedures – e.g. how to deal with customers when there are difficulties
- operational procedures – e.g. how to make a product, opening times or cleaning routines

If the policies and procedures are effective and up to date, they will support the workforce and enable them to deliver good-quality products and services. They will also make sure that the organisation can comply with relevant regulations and legislation.

If the policies and procedures are out of date, inappropriate or too difficult to apply, they can adversely affect the way the organisation operates and can lead to good staff leaving to work elsewhere. Failure to have and follow effective policies can lead to poor-quality products and services, complaints or even legal action.



POLICIES AND
PROCEDURES

Section 2: Understand business

Planning and strategy

Organisations often develop strategies and plans to make sure that they are sustainable – able to grow, meet challenges and changing expectations, and to keep ahead of competitors. Setting and pursuing organisational objectives keeps everyone focused on shared goals, for example:

- an advertising campaign to launch a new service
- a marketing campaign to attract new customers or service users
- developing relationships with suppliers with a view to increasing the size of the business
- plans to open new offices over the next few years



If an organisation has effective plans and strategies, it will be more likely to succeed and be competitive in the short and long term.

If plans and strategies are missing, inadequate or inappropriate, an organisation can suffer failure. It can get left behind if it does not make sure that its objectives are realistic and achievable.

Management and recruitment of staff

An organisation's ability to manage its staff well, and recruit the right people, is extremely important and it will have a major influence on how it operates. Good management skills are needed to ensure that there are enough well-trained, experienced and well-motivated staff members to deliver the products and services on offer – in the short and long term.

If an organisation is good at managing and recruiting good staff, it will be in a strong position and able to achieve its organisational objectives.

If it fails to recruit the right people and look after its staff, an organisation will be unable to deliver and maintain a high standard of products and services. After a while, its customers and service users will probably want to go elsewhere and the organisation will fail if it does not address any HR problems quickly.

Communication

An organisation needs to be good at communicating with all of its stakeholders (anyone connected with it) in order to operate smoothly and deliver excellent goods and services. It needs to have good channels of communication so that important information can be given and received, working relationships can be developed and confusion can be minimised. For example, an organisation might communicate using:

- regular updates in emails or newsletters for staff
- advertisements and marketing – to tell customers about new products and services
- websites, forums and reviews – to monitor and respond to feedback
- staff meetings and training sessions
- telephone call centres – e.g. helplines for customers or staff

If communication is of a poor standard, confusion and dissatisfaction can easily lead to problems for the organisation – e.g. a dissatisfied and under-motivated workforce; difficulties with suppliers; unhappy customers who do not feel valued.



Reputation, image and brand promise

An organisation has quite a lot of control over its image and reputation, although external influences may apply from time to time. It needs to do all that it can to gain and maintain a good image and reputation so that stakeholders feel confident about what to expect. It can do this by, for example:

- making sure that promises are kept
- consistently meeting and exceeding expectations
- using media and marketing to let people know about successes and developments
- keeping up with changes in trends, fashion and competitors' activities
- dealing with problems and complaints quickly and effectively

As we have seen before, a poor image and reputation can do a great deal of harm to an organisation, and it may not recover if it does not deal with issues promptly and comprehensively.

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External influences

An organisation can also be influenced by external forces – things that happen outside its control. There are many external factors that can have an impact, for example:

World prices of raw materials and labour

Organisations can be affected by changes in world prices, up and down. World prices can affect the cost of, for example:

- raw materials – e.g. oil, copper or wheat
- processed materials – e.g. components that are used in manufacturing
- labour – e.g. people who make clothes and shoes for export
- transport costs – e.g. for shipping in bulk by sea, or for delivery by container lorry or van

Changes in prices have a knock-on effect on production costs, which affect the final cost of the product or service.

For example, a drop in oil prices may be beneficial to consumers who want to fill up their cars with fuel, but companies and countries who depend on income from supplying oil can lose a considerable amount of their revenue.

Another example is the high price of copper, steel and other metals when large countries (such as China) go through a phase of major development and building. Those supplying the metal (including from scrap metal) receive better prices. However, manufacturing businesses that needed to obtain metals find supplies low and prices high, which affects their operations and profits.

Changes in technology

Most organisations are impacted by changes in technology. The changes can be relatively minor or involve a complete transformation of processes, policies and procedures.

Examples of how new technology has impacted organisations include, for instance:

- widespread Internet shopping replacing high-street shopping
- mobile telephones making staff easier to access
- barcodes simplifying functions such as stocktaking and sales analysis
- post offices closing as many of the functions they offered became computerised and available online
- widespread use of CCTV improving security and surveillance tasks

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- advances in surgery and medical procedures
- medical technology transforming the treatment of patients
- more efficient engines making travel cheaper, quieter and more environmentally-friendly

Competitors' activities

If competitors take action to develop and improve their products and services, this can have an impact on other organisations. They need to review their own products, services and procedures to see if they should, for example:

- develop their products and services in the same way – e.g. offering similar price cuts or levels of service
- offer something even better than their competitors – e.g. to be the only one to offer faster and more efficient computer systems
- consider adapting to appeal to a slightly different market – e.g. companies expanding to sell in different countries
- add value in a different way – e.g. offering excellent customer service and inspiring loyalty from customers and service users

Changing expectations

The Internet has increased access to information, making it much easier to research trends and opinions. There are forum and review websites for so many products and services, and customers' and service users' expectations continue to change. These changing expectations can impact an organisation quickly and dramatically, so it is important to respond to changes or risk losing out to competitors.

Bad service and poor-quality products are challenged more than ever, and customers expect higher quality and better value for money.

New legislation, regulations or standards

Changes in legislation, regulations, standards or government policy can influence organisations.

Sometimes the changes will be seen as a burden – e.g. changes in employment law that may affect the shift patterns, hours of working, or annual leave entitlement; health and safety regulations may be increased to deal with new technology and processes.

Sometimes the changes provide new opportunities – e.g. government grants being made available for home insulation for some people; changes in funding for adult education leading to more training courses.

Analysing the organisational environment

Please read the following as it will help you to answer question 25.

Organisations need to measure and analyse possible impacts on their operations and their ability to deliver excellent products, services and customer service. This helps them to review their performance and strategies in detail and consider a wide variety of internal and external influences.

There are two models that are frequently used to measure and analyse performance – SWOT analysis and PESTLE analysis.

SWOT analysis

An organisation can use a SWOT analysis when reviewing its business plans, analysing a situation and working out its plans and strategies for development. A SWOT analysis looks at:

- S Strengths** – what the organisation is good at – e.g. its best products and services; what is going well; features of its successful brands
- W Weaknesses** – areas that need to improve – e.g. obsolete products and services; poor staff recruitment and retention; high numbers of complaints; legal action taken by staff, customers, suppliers or others
- O Opportunities for improvement** – opportunities to maintain or improve performance – e.g. new markets to approach; new customers; new technology to improve production and communication; redesigning and relaunching products and services; new processes, policies and procedures
- T Threats to such progress** – things that may stop progress – e.g. problems with suppliers; competitors' activities; changes in legislation and regulations; insufficient time or money to develop and improve operations



Section 2: Understand business

When we analyse our own skills, we can do a SWOT analysis, and an organisation will have similar questions:

S	Strengths	What are my strengths? What am I good at already? What qualifications do I have? What have I achieved already? What do people praise? When do I get positive feedback?
W	Weaknesses	What areas of weakness do I have? What mistakes did I make, or nearly make? What are the gaps in my skills, knowledge, understanding and experience?
O	Opportunities for improvement	How can I improve? What training can I do to improve? What support do I need? Which work opportunities can I find that will help me to develop?
T	Threats to such progress	What might stop me? Finance? Time? Support from others? Lack of information? What can I do to minimise these potential problems?

A SWOT analysis is very flexible and simple to use – to focus on small, individual or personal projects, or on the important elements when reviewing any performance or organisational environment. It helps organisations to think clearly about where they are, where they need to be, how they need to get there, and which problems they need to consider that may prevent them from reaching their goals.

Knowledge Activity 11: Prepare a SWOT analysis about your own work performance as a team leader.



Strengths	Weaknesses	Opportunities for improvement	Threats to such progress

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PESTLE analysis

When evaluating and analysing the impact of external and internal factors, it can be useful to prepare a PESTLE analysis. This stands for:

- P Political** – e.g. planning regulations; waste management strategy, government schemes to assist people who want to buy their own home
- E Economic** – e.g. increased costs of materials, wages and other costs; fears about recession and unemployment generally make people spend less; confidence in growth and having more disposable income can increase spending levels
- S Social** – e.g. more people driving to work; effects of lifestyles on health and fitness; dealing with an ageing population and gearing up services and products to satisfy demand
- T Technological** – e.g. more Internet shopping than before; more services and forms done online; faster computers with more capacity to do more complex tasks
- L Legal** – e.g. to cover collection, use, storage and destruction of personal and confidential data; to protect customers, staff and others from harm from the incorrect storage and preparation of food; to ensure that consumers are treated fairly and that their rights are observed
- E Environmental** – e.g. affecting the disposal of items such as fridges and cars; recycling targets; regulations to reduce packaging

Collecting data in a logical fashion enables organisations to review the influences and make decisions about what they need to do to adapt to changes. Some aspects will be small and can be changed easily following consultation with the relevant decision-makers. Other aspects will be large-scale and out of the organisation's control, in which case managers will analyse and plan for possible knock-on effects of any changes.

If an organisation does not react to the external and internal influences on its operation, it may affect its ability to survive and thrive.



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Knowledge Activity 12: Do an informal PESTLE analysis of your favourite restaurant or fast-food outlet and make a few notes about the influences on the business:



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Change in a business environment

Please read the following as it will help you to answer question 26.

Organisations need to change for a wide variety of reasons. Some of them are **internal** reasons – things going on within the organisation that need to be addressed. Some of them are **external** reasons – things happening out in the rest of the world that influence the organisation and prompt a need for change.

Several things can prompt the need for organisational change, including:

- **changes in technology** – e.g. telecommunication companies adapting to new generation mobile phones, tablets and other new devices
- **competitors' activities** – e.g. airlines changing their routes, prices or level of service to be able to compete with each other successfully
- **changes in the marketplace** – e.g. customers moving away from the high street and making most of their purchases online or in out-of-town shopping centres
- **changing customer expectations** – e.g. hotel guests expecting a higher quality of accommodation at low cost
- **new legislation, regulations or standards** – e.g. consumer-related legislation that affects customers' rights; changes in employment and pension contribution rights

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- **environmental factors** – e.g. new waste management procedures to reduce landfill and contamination of the environment
- **financial issues** – e.g. rising costs making current processes unsustainable
- **political factors** – e.g. changes in government funding for apprenticeships
- **internal business factors** – e.g. following a change in senior managers and other decision-makers
- **external business factors** – e.g. fluctuations in currency exchange rates that affect holiday prices for customers

Organisations can go through change at any stage of their development, for example:

- **when they first start to expand** – e.g. leading to changes in staffing levels
- **when they need to restructure after being in operation for a while** – e.g. following changes in technology or competitors' activities
- **if they are taken over by another organisation** – e.g. leading to a merger of staff, resources, customers, working practices and so on
- **when they need to close** – e.g. after a major downturn that leads to redundancies or the actual winding up of a business

Organisations need to react to change in a positive way and without too much delay. This can help them to review their operation and deliver improved performance, increased efficiency, productivity and profitability. By embracing change and managing it in a positive way, organisations, teams and individuals can 'stay ahead of the game' and remain competitive and effective.

Change can be beneficial to business organisations in several ways. It can help them to, for example:

- **keep up with and outperform competitors** – e.g. by improving products, services and customer service
- **adapt to market changes and take advantage of new opportunities** – e.g. delivering new services that will appeal to current customers and attract new ones
- **comply with new regulations and legislation** – e.g. by reducing waste to comply with environmental rules
- **keep up with changes in technology** – e.g. by investing in updated computer systems that improve efficiency and effectiveness
- **keep up with changes in demand** – e.g. recruiting extra staff, reviewing production techniques or moving to larger premises

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- **improve procedures** – e.g. to perform operations more efficiently
- **save costs and increase profits** – e.g. from adopting new technology or working practices
- **develop their workforce's skills** – e.g. through training and new procedures
- **gain flexibility** – e.g. from training team members to perform new tasks so that they can be moved around and cover for each other

Health and safety responsibilities

Please read the following as it will help you to answer question 27.

We are going to examine employers' responsibilities for health and safety in the workplace. We cover health and safety in more detail in workbook two, so we are going to have a brief look now at the responsibilities that organisations have for their employees, customers and others who are connected with them.

Introduction to health and safety in the workplace

This wide-ranging subject covers many aspects of life at work – e.g. risks and hazards; accidents, illness and infection; lifting and handling; fire risks; using display screen equipment; using workplace equipment, materials and chemicals.

The subject of 'health and safety' is sometimes unpopular, but the main themes, laws and requirements are based on common sense and efforts to reduce accidents and injuries, especially at work. Many workdays are lost in the UK each year due to accidents and injuries that could be prevented. The most common causes are slips, trips and falls, often leading to the large number of sick days being taken for back problems.

In many workplaces, there are products, liquids and pieces of equipment that can cause injury, so employers and employees both have a big responsibility for the health and safety of everyone on the premises.

It is a legal requirement for health and safety (H&S) procedures to be in place in the workplace. Organisations have a responsibility for the welfare of their employees, customers and anyone else who comes to the workplace, and employees have a responsibility to follow the procedures.

The whole idea behind health and safety legislation and regulations is to reduce the risk of harm, and we can all do ordinary things to minimise the risks to others and ourselves.

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Health and safety legislation

There are many different laws and regulations that deal with health and safety. Each industry has legislation that affects some of its activities, and team leaders need to find out which rules and regulations apply to them and their organisation.

Several pieces of legislation apply to all organisations in all industries, for example:

- **Health and Safety at Work Act 1974** – the main UK health and safety legislation
- **Personal Protective Equipment at Work Regulations 1992** – e.g. to provide masks, gloves or safety shoes
- **Control of Substances Hazardous to Health (COSHH) Regulations 2002** – e.g. cleaning fluids or fuel
- **Health and Safety (Information for Employees) Regulations 1989** – e.g. to display information where people can see it
- **Manual Handling Operations Regulations 1992 (as amended)** – for lifting and moving items manually or using equipment
- **Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013 (as amended)** – e.g. an accident that causes serious injury or fatality
- **Environmental Protection Act 1990** – e.g. to control emissions from vehicles or factories
- **Waste Electrical and Electronic Equipment (WEEE) Regulations 2013 (as amended)** – e.g. when disposing of obsolete electrical items

Other regulations cover a wide variety of topics, such as first aid, fire safety, display screen equipment and smoke-free premises. In addition to these are the industry-specific regulations – e.g. for organisations involved with transport, aviation, food handling, agriculture or construction.

Did you know?

In 2014/15 in Great Britain, 1.2 million working people suffered from a work-related illness.

(Health and Safety Executive website – www.hse.gov.uk – a good site for up-to-date information)



Employers' responsibilities

Employers have a duty of care to their employees, customers and others, and details of responsibilities are covered in the second workbook. The main health and safety responsibilities for employers include:

- appointing competent people to monitor health and safety
- performing risk assessments to identify potential causes of harm
- taking action to reduce the risk of harm
- providing information for employees, customers and other visitors to the workplace
- training, supervising and monitoring employees to reduce the risk of harm
- providing appropriate personal protective equipment to employees free of charge
- maintaining equipment and machinery to a safe standard
- providing adequate ventilation, heating, lighting and suitable workstations
- reporting certain workplace injuries, diseases and dangerous events

Following health and safety procedures is extremely important to:

- minimise the risk of harm to staff, customers and others in the workplace
- comply with legislation and regulations and avoid legal action
- maintain good levels of productivity, sales, profitability and job security
- protect the organisation's good reputation as a safe employer

Did you know?

In Great Britain:

- 27.3 million working days were lost due to work-related illness and workplace injury (2014/15)
- £14.3 billion was the estimated cost of injuries and ill health from current working conditions (2013/14)

(Health and Safety Executive website – www.hse.gov.uk – a good site for statistics and news from the HSE)



Sustainable ways of working

Please read the following as it will help you to answer question 28.

Organisations need to have sustainable ways of working so that they can maximise their chances of long-term survival and success. The principles of sustainability can apply to all aspects of the business, especially:

- energy use
- purchasing
- recycling and waste management
- managing workloads
- recruiting and retaining staff



Energy use

There are many things that individuals, teams and organisations can do to use energy efficiently. They can review their policies and procedures to make sure that unnecessary waste is avoided, thereby saving physical resources and cost. Organisations can also use renewable sources of energy where possible – e.g. solar power or heat exchange units.

The following table shows some areas to consider and examples of how to save energy and resources.

Areas to consider	Examples of how to save energy and resources
Heating and cooling the premises, work or storage areas	<ul style="list-style-type: none"> ● use energy-efficient heating and cooling systems ● make sure that the buildings, fridges or ovens are well insulated ● turn heating or cooling off when not required ● set thermostats to the correct levels ● maintain equipment and machinery so that it operates at its optimum levels
Lighting	<ul style="list-style-type: none"> ● have the correct light fittings and bulbs for the task and work area ● use low-energy bulbs where possible ● turn off lights that are not needed ● have lights that only come on when triggered by a motion sensor – e.g. in cloakrooms or store cupboards

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Water use	<ul style="list-style-type: none">● review production processes that use water to make sure there is no waste● have taps that turn off after a few seconds● have toilet cisterns that use a lower volume of water to flush● capture and use rainwater – e.g. to water plants or for toilet flushing
Transport	<ul style="list-style-type: none">● have vehicles with energy-efficient engines● use hybrid vehicles● make sure that vehicles only do necessary mileage● maintain and service vehicles to keep at optimum performance levels● train drivers to use less fuel when driving● make sure that vehicles are fully and correctly loaded – e.g. do not send out half-empty delivery vans if possible
Use of equipment and machinery	<ul style="list-style-type: none">● make sure that the equipment is correct and necessary for the task and environment● follow the manufacturer's instructions for optimum performance● maintain and service equipment regularly● review technological advances, especially when replacing items

Purchasing

When purchasing supplies for the business, organisations can make sure that they maximise the sustainability of items, reduce energy waste and buy from suppliers that have sustainable working practices. For example, they can purchase materials and equipment that:

- **have a good energy efficiency rating** – e.g. grade A+++ or A for fridges or cooking equipment
- **come from ethical and environmentally-aware suppliers** – e.g. importers that treat their workforce well and pay them a living wage in the country of origin; companies that are part of the Fair Trade scheme; businesses that purchase their materials from ethical sources
- **are correct for the task or work area** – e.g. choosing heavy-duty, long-lasting vacuum cleaners for hotels that will last for many years
- **can be reused, recycled or reconditioned** – at the end of their useful working lives

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Recycling and waste management

Organisations can encourage their staff to work in sustainable ways, and aid sustainability of the environment, by taking simple steps, for example:

- **having clear recycling policies** – to engage everyone in the process and let them know the matter is taken seriously
- **separating waste** – e.g. paper, cardboard, plastics, glass and organic matter
- **having several separated waste collection points** – e.g. in each office, work area, staff canteen or on each floor of an office block
- **train staff and ask visitors to help** – e.g. use signs to explain the benefits and how to recycle certain items
- **limit printing** – e.g. make staff accountable for the number of copies that they make to avoid unnecessary printing, storage costs and waste

Some items can be reused or reconditioned when they come to the end of their useful working life. Organisations can find people who will make good use of items that are broken, obsolete or no longer needed operationally – e.g. old printers, computers and phones that can be stripped down and their components reused; furniture that can be donated to charity or sold.

There are strict regulations about the disposal of certain items, so it is important to see if these apply to the industry in general or to particular waste items – e.g. fridges, batteries or used cooking oil.

Managing workloads

As a team leader, it is also important to make sure that the working practices are sustainable. When allocating tasks, setting targets and monitoring progress, team leaders need to make sure that the workload is manageable and suitable for each team member.

It is expensive and disruptive if the workforce is unhappy or unhealthy. When rates of sickness and absenteeism become too high, team leaders and managers need to find out why their people are not able to sustain good-quality work on a long-term basis. When team members take a lot of time off:

- their colleagues suffer from having to cover for them
- shifts are disrupted when team members need to be moved around at the last minute to cover absences

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- the organisation might need to call in agency staff – which is expensive and a strain on the rest of the team when the temporary workers are not very productive
- resentment and conflict can build within the team if the reason for absence does not seem to be genuine

If the workload is too light, people get bored and dissatisfied after a while. If the workload is too heavy, they cannot sustain good levels of output and quality in the longer term. We can all 'go the extra mile' for some of the time – e.g. when rushing to finish work for a deadline – but it becomes unsustainable, exhausting and bad for physical and mental health if intense pressure goes on for too long.

Recruiting and retaining staff

An organisation's workforce is a very valuable resource. It takes a great deal of time and money to recruit and train the right people – e.g. advertising; HR department costs to process applications; management time to select and interview candidates; training costs; reduced productivity during probation periods.

It is important to work in sustainable ways to take care of the staff, encourage a high level of staff retention and have a sustainable workforce. This helps the organisation to offer consistently high-quality goods and services, and plan ahead with confidence.

Some turnover of staff is normal and positive, so that new energy and ideas come into the organisation on a regular basis. However, a high turnover of staff is unsettling and very damaging for all concerned. The workforce is more likely to be sustainable if the organisation can, for example:

- offer and encourage a culture of valuing and supporting people
- have a reputation for being a good and fair employer
- have policies about how staff can support and help each other
- engage the right people for the job
- offer excellent training
- offer interesting jobs and challenges
- offer competitive and sustainable salaries and other benefits
- offer plenty of scope for career development



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Knowledge Activity 13: Make a few notes about the things that are important to you when thinking about your long-term career plans.



What would make you want to stay with an employer?

What would make you want to leave quickly and move on?

Confidential information

Please read the following as it will help you to answer question 29.

Many pieces of information in the workplace are considered confidential, for example:

- customers' name, addresses, dates of birth and bank details
- contact details for staff
- wage records and tax information
- job application forms
- staff appraisal reports and notes
- notes about disciplinary action
- orders from customers
- details of supplies bought by the organisation
- DBS checks (Disclosure and Barring Service – previously CRB)
- medical details
- police and prison records



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- the organisation's accounts, profits and tax information
- plans for organisational change or product development

Letting information reach the wrong people can, for example:

- seriously affect an organisation's reputation for being trustworthy
- affect an individual whose private details have been made public
- allow competitors to gain an advantage from accessing 'leaked' plans
- lead to criminal activity

This is why strict legislation is applied – protect individuals' and organisations' confidential information.

Legislation to protect confidential information

There are several laws and regulations that protect confidential information, in particular:

Data Protection Act 1998

The main piece of legislation is the Data Protection Act 1998, sometimes called the DPA. The main principles of the DPA are that information must be:

- **used fairly and lawfully**
- **used for limited, specifically stated purposes only**
- **used in a way that is adequate, relevant and not excessive**
- **kept for no longer than is necessary**
- **kept safe and secure**
- **not transferred outside the European Union (EU) without adequate protection** – e.g. encryption
- **disposed of securely** – e.g. shredded
- **given extra safeguards for sensitive information** – e.g. ethnicity, political views, religion, health or criminal records

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Freedom of Information Act 2000

Another piece of legislation that can affect the management of confidential information is the Freedom of Information Act 2000. Anyone is allowed to request information that has been recorded by any public sector organisation, for example:

- government departments
- local councils
- schools, colleges and universities
- the police
- health trusts, hospitals and doctors' surgeries

The DPA will cover information we request about ourselves, and another piece of legislation, the Environmental Information Regulations, cover requests for information about the environment. The public sector can refuse the request if the information is sensitive or the costs are too high.

Intellectual property rights

To protect copyright and intellectual property, there are laws that protect businesses and individuals, particularly the Copyright, Designs and Patents Act 1998. Intellectual property can be bought, sold or licensed so that other parties can use it legally. Intellectual property can include, for example:

- brands
- inventions and designs
- text and music
- trademarks
- patents and copyright

How organisations comply with legislation

Organisations need to comply with legislation when managing confidential information. They can do this by, for example:

- **having policies and procedures for their staff to follow**
- **training staff on how to apply the regulations**
- **using data appropriately** – e.g. using customers' details for delivery only and not selling them on to direct marketing companies without permission

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- **controlling access to data** – e.g. with passwords and encryption
- **using, storing and disposing of information safely and securely**
- **having extra safeguards for sensitive information**
- **dealing with requests for information correctly** – e.g. only giving out personal details to an authorised person
- **monitoring how the regulations are applied to their operations**
- **keeping up to date with changes** – e.g. in regulations or technology

Knowledge Activity 14: Think of a time when you have been asked security questions (maybe when contacting a bank or doctor's surgery) and make a few notes about:



The nature of the information being protected

The security questions you were asked

How long the process took

The staff member's manner and tone of voice

How reassured you were about the security of your data



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Business planning

Please read the following as it will help you to answer questions 30, 31, 32, 33 and 34.

Organisations need to make and review plans from time to time. They prepare business plans, set budgets, assess business risks and take action to minimise the risks to the organisation and its stakeholders.

Purpose of business plans

Business plans are used for several purposes. It describes the business, covering objectives, strategies, sales, marketing and financial forecasts. They can be used to, for example:

- **clarify a business idea** – e.g. to build a second factory; to set up a new company or department
- **set goals and timescales** – e.g. targets, objectives and deadlines
- **identify potential problems** – e.g. delays, changes in technology or customers' expectations
- **support applications for funding** – e.g. to show the bank when asking for business loans
- **measure progress** – e.g. to compare the actual progress with targets set out in the plan
- **convince people to support the organisation** – e.g. customers, suppliers or potential employees

Content of business plans

Business plans need to show:

- the current position
- the intended future position
- how they intend to get there
- how they will measure their progress

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To do this, organisations need to give details in their business plans about, for example:

The current position:

- **the current products and services**
- **income** – e.g. previous and current sales records
- **physical resources** – e.g. previous and current costs
- **human resources** – e.g. current staffing levels; current levels of skills and experience
- **financial resources** – e.g. recent accounts and other financial reports

The intended future position:

- **the goal** – e.g. details about the proposed products, services or development plans
- **income** – e.g. sales forecasts; forecasts about the market and customers' expectations
- **physical resources** – forecasts of future costs and physical resources that will be needed, such as buildings, materials, equipment and machinery
- **human resources** – e.g. forecasts about the staff and skills that will be needed
- **financial resources** – e.g. the funding that will be required to finance the changes
- **evidence to support claims** – e.g. providing figures from previous successful projects or competitors' activities; market research figures to illustrate demand for products and services

How they intend to get there:

- **physical resources** – e.g. details of the supply chain, including suppliers, costs, reliability and sustainability
- **human resources needed** – e.g. how to improve the skills of the current workforce and recruit and train new staff
- **financial resources** – e.g. lenders who are willing to invest; plans to raise money from shareholders
- **time** – e.g. setting out different key stages and targets



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How they will measure progress and success:

- **timescales, deadlines and targets**
- **critical review points** – e.g. at the end of different stages to make sure that everything is on track
- **monitoring techniques** – e.g. against key performance indicators (KPIs), using Gantt charts
- **measuring increased income, sales or numbers of customers**
- **customer feedback, loyalty and retention**
- **public and media reactions**

Organisations need to plan their physical resources carefully to make sure that:

- the items and buildings are fit for purpose
- the resources they need are available
- the lead-time is acceptable – the time taken for reorders to arrive
- the supply chain is reliable – so that resources can be ordered with confidence
- they have contingency plans if there are supply problems

When planning human resources, organisations need to consider whether staff:

- are available, fully trained and ready to be fully operational with no further input
- need a small amount of training and support for them to be fully effective
- need complete training and guidance from the manager or others
- come from a reliable source – e.g. an agency that they use regularly that knows the operational requirements
- are versatile and flexible – e.g. able and willing to do a variety of different tasks

Timings need to be structured enough to enable accurate and realistic planning, and flexible enough to cope with problems and unforeseen circumstances.

These details need to appear in a detailed business plan so that stakeholders can see that everything has been considered carefully and that the plans looks sustainable and realistic.

Format of a business plan

There are many examples available of how to write a business plan as they are all unique. The format will depend on several factors, especially the purpose of the plan. A general format could include, for example:

- 1. Executive summary** – a summary of the whole business plan, its aims, background information, concise analysis and conclusions.
- 2. Company summary** – background information about the organisation or individual.
- 3. Products and services** – details about what is going to be made, sold or developed.
- 4. Market analysis** – details about typical customers and their needs and expectations; history of previous sales; market trends; market research; competitor analysis.
- 5. Strategy and implementation plan** – strategies for production, pricing, marketing, recruitment, supply chain management, transport and so on – including back-up plans.
- 6. Management summary** – details about how the business or project will be managed; details about the line management structure.
- 7. Financial plan** – forecasts of revenue, expenditure and profits; assumptions about trends and anticipated problems.
- 8. Appendix** – to contain any additional information that supports the plan, such as pictures, reports, graphs, charts or research data.

It is also important to develop a presentation to support the business plan. In most cases, someone will make a pitch to 'sell' the plan, maybe to bank managers, company directors, senior managers or shareholders, and they need to be prepared and well-rehearsed. A summary version of the business plan can be put onto a PowerPoint presentation, for example, ready to present when required.

This format can be simplified. For example, if a team leader is preparing a plan and presentation to give senior managers on the subject of how they are going to reorganise their team to cope with a new computerised system on a production line, they could prepare as follows:

- 1. Executive summary** – a summary of how the new computerised system will change production processes, background information about why the system was chosen, concise analysis and conclusions about its introduction.
- 2. Team summary** – background information about the team members and activities.

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- 3. Products and services** – details about how the new computerised system will work.
- 4. Market analysis** – details about their internal customers' needs and expectations; history of previous service and product delivery; current trends; competitor analysis.
- 5. Strategy and implementation plan** – strategies for the changeover period to install the new system; how production will be affected; training for team members; back-up plans.
- 6. Management summary** – details about how the changeover be managed by the team leader and line managers; monitoring techniques.
- 7. Financial plan** – forecasts of how the changes will impact the team's budget and productivity; assumptions about trends and anticipated problems that could affect revenue and expenditure.
- 8. Appendix** – containing reports from the computer system suppliers about timescales, training and operational instructions; research notes about how other organisations have dealt with installation of the same system.

The business planning cycle

The principles behind making a business plan are also part of a business planning cycle for an organisation to show:

- the current position
- the intended future position
- how they intend to get there
- how they will measure their progress

A cycle can be continuous or repeating and can be designed to be relevant to the particular organisation, situation, environment or industry. The process of preparing a business plan, maybe on a regular basis, is a key part of running a business successfully. The process is a disciplined and organised way of reviewing progress, setting objectives and supporting investment and budget plans.

Did you know?

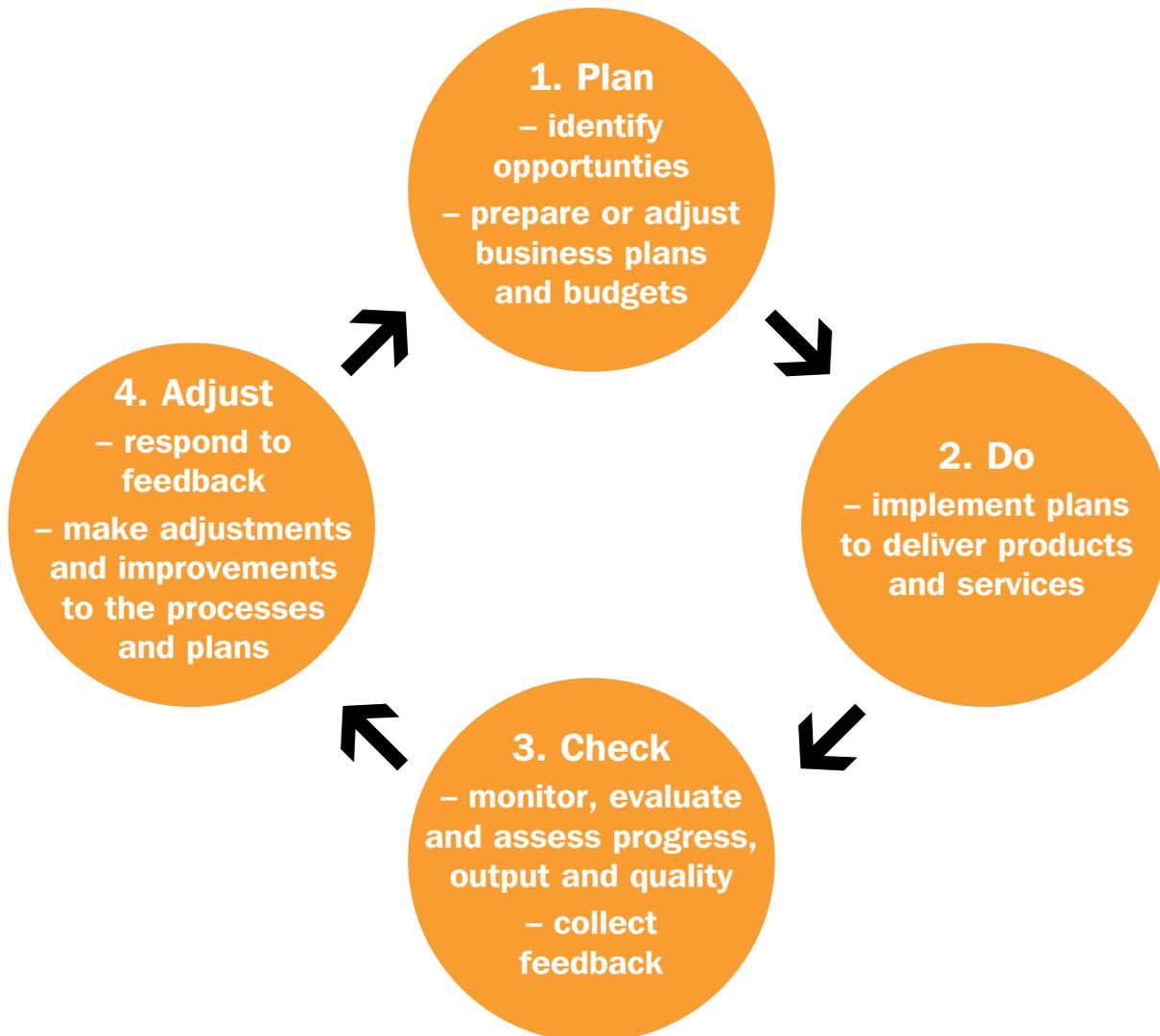


The combined annual turnover of small and medium-sized enterprises (SMEs) was £1.8 trillion, 47% of all private sector turnover in the UK.

(Department for Business Innovation and Skills – October 2015)

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A typical business planning cycle could be as follows:



The business cycle can be used to, for example:

- analyse an organisation's performance – e.g. for the year or for a particular product
- analyse team performance – e.g. when introducing new procedures or working practices
- set clear goals
- create strategies for improvement

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Purpose of a budget

Even on a personal level, we need to draft a budget so that we can see:

- **how much money we have** – e.g. in cash or in bank accounts and savings
- **how much money we expect to bring in** – e.g. wages
- **how much money we need to spend** – e.g. for accommodation, food, transport and leisure
- **how much we need to bring in or save to achieve our goals** – e.g. to buy a new car or go on holiday



The principle is similar in a business environment. Financial resources need to be managed so that a business can meet its objectives and requirements. Budgets show what money an organisation has, what it expects to bring in, how much it expects to spend, and what it needs to keep to one side to achieve its future goals.

There can be a main budget for the whole organisation, sometimes called the master budget, and there can be several budgets within that for different departments or activities. For example, these might all have their own budgets:

- sales and marketing department
- manufacturing and production department
- transport and packing department
- a project to update IT throughout the whole business

Each department or project can have a budget of what income it expects to bring in, and what expenses it expects to have – e.g. stationery, transport, materials, payroll, building costs, or one-off expenses for a specific project.

Budgets can be done for any period of time that the organisation needs for its operations – e.g. daily, weekly, monthly, quarterly, annually, or for the period covered by particular projects or activities.

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When managing financial resources, budgets have several purposes and can be used to help, for example:

Manage cash flow

Budgets are needed so that a business can estimate its income and expenditure in the days, months and years to come. This helps to make sure that there will be enough revenue to cover all expenditure and leave enough money to make a profit.

By monitoring input and output, a business can compare figures with the budgets and identify gaps where money is going out faster than it comes in. This enables them to close gaps. For example, if a business sees in its budget that customers are paying for goods long after the business has already paid for them, it can change its credit policy and make sure that customers pay sooner and on time.

Similarly, if a business has money on deposit or invested in assets, it needs to know the cash flow requirements that are coming up so that it can move funds or sell assets at the right time, if necessary.

Control resources

By making people accountable and responsible for a budget, a business can help to control its resources. Working to a budget helps staff to understand where the business is going and helps to motivate them to use resources efficiently and effectively.

Budgets can monitor actual income and expenses against projected figures to identify differences and reveal problems. This helps the organisation to take remedial action and control its resources.

Plan for the future

Budgets can also show how a business plans to allocate its resources for the future. If a business wants to expand or make investments, it needs to know what its income and expenses are likely to be before it commits to plans.

For example, if a business wants to invest in new technology and buy a new, expensive, sophisticated machine, it needs to prepare budgets to estimate:

- the capital cost of the new machine
- the running costs of the new machine
- the extra revenue that can be generated by using the new machine
- the potential savings in staff and maintenance costs from using a newer and more automated system

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- how long it will take for the new machine to pay for itself
- the tax implications on investing in and operating the new machine

Secure financing

Banks and other lenders will want to examine a business's budget before they agree to grant a loan or overdraft facility.

If a business applies for credit from its suppliers, it might be asked for a budget forecast so that they can negotiate discounts and payment terms based on the likely level of business.

Knowledge Activity 15: Think about your own personal finances – real or imagined. What is your monthly budget for the following?



Accommodation expenses

Food

Transport

Entertainment, leisure and going out

Business risk management

Part of the business planning process is to assess business risks – things that might be threats to profitability. Risks could include unplanned loss of, for example:

- **customers** – e.g. to a competitor or due to economic recession
- **good and safe working conditions** – e.g. due to loss of power, heating, water or natural disaster; following mechanical breakdown
- **physical resources** – e.g. raw materials in bad weather; fuel due to a strike; components due to a fire in a warehouse
- **staff and skills** – e.g. due to experienced staff suddenly leaving to work elsewhere

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- **data** – e.g. following a computer virus or malfunction
- **finance** – e.g. from investors suddenly deciding to pull out of a deal
- **premises or access to premises** – e.g. if the landlord sells up or goes bankrupt without notice; due to bad weather or other natural disasters
- **a good reputation** – e.g. following a series of problems or serious complaints being made public; following negative publicity about abuse or neglect
- **law and order** – e.g. following a street riot

Business risk management is concerned with:

- **identifying potential risks** – e.g. looking at data, research, news, police intelligence reports, insurance statistics or weather forecasts
- **evaluating the likelihood of something happening** – e.g. working out the percentage chance of a problem occurring
- **evaluating the impact of risks** – e.g. working out the possible consequences for each option
- **researching and selecting methods to reduce the likelihood or impact of the risks** – e.g. installing flood defences; employing extra security staff

Business risk management and risk assessment are important so that an organisation can, for example:

- **prioritise** – e.g. to target the risks that are most likely and will have the greatest impact
- **avoid unnecessary risks** – e.g. eliminate to reduce hazards
- **continue to operate and ensure job security** – e.g. by using its back-up plans to keep things going smoothly
- **reassure investors and other stakeholders** – e.g. about its disaster plans and sustainability
- **maintain or improve its reputation** – e.g. that it can withstand problems and is prepared for most incidents



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Constraints on a business plan

There is a great deal to take into account when doing business planning. We have seen how potential business risks need to be assessed and mitigated, but there are other things that can affect a business plan. These can be internal or external factors.

Internal factors

Internal factors that can constrain a business plan include, for example:

- **problems with physical resources** – e.g. shortages in raw materials; increased costs of materials, equipment or machinery; the premises being too small
- **problems with human resources** – e.g. a lack of skilled staff; excessive workloads
- **lack of time** – e.g. due to having to make sudden changes following other problems
- **lack of support from stakeholders** – e.g. senior managers, shareholders or investors

External factors

External factors can include, for example:

- **lack of customers** – e.g. having gone elsewhere
- **smaller spending budgets** – e.g. customers not being able to afford to buy
- **changes made by suppliers** – e.g. their products or delivery options
- **changes in world prices** – e.g. in oil, metal or minerals
- **competitors' activities** – e.g. introducing new technology, working practices, customer service or special offers
- **changes in legislation and regulations** – e.g. about waste management or landfill tax
- **natural occurrences** – e.g. floods or high winds that affect supplies and deliveries
- **economic, political or social problems** – e.g. social unrest, military action or a banking crisis

Any one of these internal or external factors could constrain a business plan, making it virtually impossible to keep plans on time and within budget. Backup plans can cover most things, but we all have to accept that, from time to time, events will be outside our control. We need to be ready for the worst, but plan and strive for the best.

Business finance

Please read the following as it will help you to answer questions 35 and 36.

We have come across several financial terms already, and it is important to recognise and understand terms that are used when dealing with business planning and finance. Here are some examples of financial terminology:

Accounts – accurate records of the business income, expenditure, assets and liabilities – e.g. annual accounts that are prepared for companies and other organisations to use when making tax returns or applying for funding.

Assets – items owned by the business – e.g. vehicles, plant and machinery, equipment and buildings.

Balance sheet – this shows what the organisation is worth at any given time, showing its assets and liabilities.

Budget – estimates and allocations of income and expenditure for a set period of time, used to measure and estimate financial aspects of all parts of a business.

Capital – money that is invested into a business – e.g. from owners, banks or shareholders.

Cash flow – the amount of money coming into and out of the business in a given period.

Credit – there can be several meanings in business – e.g. a bookkeeping entry of money received; a credit note to give the customer an amount to take off their next purchase; a credit agreement for when a customer can have the goods now and pay later.

Creditors – people or businesses that are owed money – e.g. HM Revenue and Customs or suppliers who are waiting for payment.

Debt – money that is owed to someone else – e.g. if a company has a bank loan, it has a debt with the bank.

Debtors – people or businesses that owe money to the organisation – e.g. customers who have not paid their bills yet.

Expenditure – money paid out for materials – e.g. rent, payroll, marketing or travel. Capital expenditure is money spent on long-term items such as cars, buildings and machinery with a long working life.

Income, turnover or revenue – money that comes in – e.g. from sales, planned sales, interest or investments.

Liabilities – the amount that a business owes to creditors – e.g. such as banks and suppliers.

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Profit – the amount left over that can either be distributed, held or reinvested in the business. Gross profit is the difference between the revenue minus the cost of making the product – before deducting overheads, payroll, taxation and interest payments. Net profit is the actual profit after all working expenses have been paid.

Shares – units of ownership of a company that can be offered for sale – companies usually pay dividends to their shareholders, based on the level of their profits.

Turnover – the amount of money taken by an organisation in a particular period – e.g. the annual turnover of a company.

Working capital – the amount of money left in a business once current assets and liabilities have been taken into account.

Financial reports

Organisations produce a range of financial reports, including:

- **Income statements** – to show income, expenses and profits over a period of time – enabling the organisation to see how well it is performing.
- **Balance sheets** – giving a ‘snapshot’ of the assets and liabilities at any given time, usually at the end of the financial year.
- **Cash flow statements** – to show what cash is available and moving through the organisation, so that managers can see what they can afford to do.
- **Annual accounts and statutory returns** – to show a true picture of the organisation’s income, expenditure, assets and liabilities at any given time, often after being audited by registered practitioners or chartered accountants.

Financial accounts are used by managers when preparing business plans and to monitor progress. Investors and shareholders use the information to make decisions about funding and investment choices. They are also used in the preparation of statutory returns and reports, including:

- corporation or income tax returns sent to HM Revenue and Customs
- VAT returns
- PAYE returns – e.g. to declare tax and national insurance for the workforce
- audited accounts – e.g. to be submitted to the Charities Commission, shareholders or lenders
- company returns to Companies House

Did you know?



At the beginning of 2015, there were 2.4 million businesses registered for VAT or PAYE, 44% of the total population. A further 3 million are not registered for either VAT or PAYE.

(Department for Business Innovation and Skills – October 2015)

Measuring business performance

Please read the following as it will help you to answer questions 37, 38, 39 and 40.

There are several ways of measuring business performance. Different methods can be used to measure many areas of business, for example:

- productivity – e.g. to measure the quality and quantity of output
- profit – e.g. net profit or gross profit for a department, project or whole financial year
- sales – e.g. previous, current and future orders
- the return on capital employed (ROCE)
- customer behaviour – e.g. buying patterns that show the frequency of purchases, repeat business and average spend
- customer satisfaction
- staff performance and career development

Methods of measuring performance

When measuring business performance, the data needs to be reliable and relevant to be of use. We need to consider what we want to know and what we want to measure to be able to identify what data we need and how we will collect it. Methods to measure business performance include, for example:

- SWOT analysis
- data analysis
- key performance indicators (KPIs)
- benchmarking



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SWOT analysis

When measuring personal, team or organisational performance, a SWOT analysis can be done:

S Strengths

W Weaknesses

O Opportunities for improvement

T Threats to such progress – things that may stop progress

S	Strengths	What are my strengths? What is the team good at? What activities does the organisation do well?
W	Weaknesses	What areas of weakness do I have? What mistakes did the team make, or nearly make? What are the gaps in the organisation's operations and resources?
O	Opportunities for improvement	How can I improve? What training courses are available to the team? What support can the organisation put in place?
T	Threats to such progress	What might stop me? Does the team have the budget? Can the activities be done in the time without affecting output? Lack of resources? What can the organisation do to minimise these potential problems?

Data analysis

We can analyse data collected in the workplace by, for example:

- **using the agreed SMART targets as performance indicators** – e.g. to measure actual results against the projected results
- **using Gantt charts or other graphs** – e.g. to see the volume of work on an hourly, daily or weekly basis for each team function
- **quality control checks, checklists and inspections** – e.g. to make sure that the agreed standards are being followed
- **analysing reports and data** – e.g. looking at work schedules or daily activity reports to check the figures and compare them from before and after changes, to measure the impact of decisions



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KPIs

When measuring progress against key performance indicators, organisations assess areas such as:

- **quality** – e.g. against set standards laid down in policies, procedures and training materials
- **quantity** – e.g. keeping a log of output, sales, commission or services provided over a long period of time, and analysing trends
- **timeliness** – e.g. checking to see how many services and products are delivered on time; checking for delays within the internal production processes; response times
- **cost-effectiveness** – e.g. looking at new and old systems and measuring actual cost differences; measuring actual costs against forecasts
- **absenteeism** – e.g. to find patterns of absenteeism, analyse the causes and look for solutions

Performance can be measured against objectives or reports, and need to take into account things that may affect performance – e.g. critical incidents, such as accidents, emergencies or bad weather; downtime, from broken machinery

Benchmarking

This is the practice of comparing one organisation's processes and performance against the best standards in the industry or best practices of other organisations. Benchmarks are usually used to measure quality, time and cost, and can be used as a one-off measurement or a continuous process.

There are four key steps:

- understand the existing business processes
- analyse the best business processes of others
- compare the two and find gaps
- implement steps to close the gaps

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Management information and reports

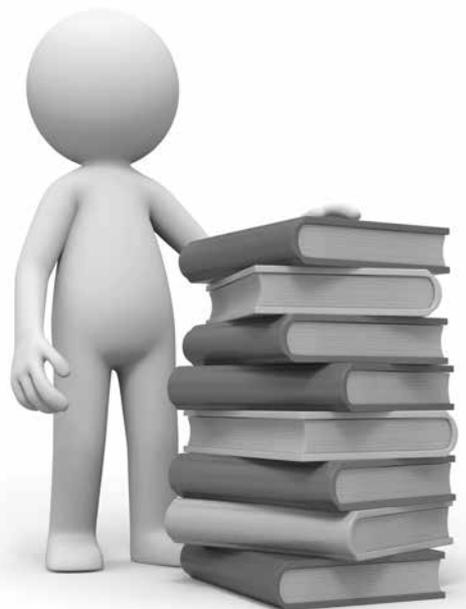
When we measure business performance, we evaluate it in different ways and prepare reports so that others can see the outcomes. We look at the aims and objectives, then see how the business measures up to expectations.

Management information and reports can be used to, for example:

- **compare the outcomes with the original objectives** – to see if the business has achieved its intended aims and the correct quality standards
- **understand how the business achieves its purpose, or why it fails**
- **identify how the business uses human resources** – e.g. to analyse the skills used and developed and to identify career development opportunities
- **identify how efficiently the business uses physical resources** – e.g. comparing budget forecasts with actual costs; reviewing the levels of waste
- **plan operations** – e.g. to schedule staffing levels and the supply of materials
- **prepare forecasts and monitor trends** – e.g. to anticipate future staffing levels and resources required
- **identify problems and potential improvements**
- **advise stakeholders and decision-makers** – e.g. about how to repeat, develop or improve actions and plans for future projects

Reports are used to make sure that:

- projects and objectives are planned appropriately
- people understand what is expected
- sufficient resources are put in place
- sufficient budgets are put in place
- stakeholders' expectations are met



How personal and team data is used

Performance data needs to be collected from everyone within an organisation to get a true and accurate picture. Each individual's performance affects their team. Each team's performance affects the organisation.

The personal and team data collected can be used for a variety of reasons, for example:

- to see if individual and team targets have been met
- to measure the planned outcomes against the actual results
- to calculate performance-related bonuses
- to measure quality and output against benchmarks and KPIs
- as a basis for staff appraisals
- to help select people for promotion
- as evidence of underperformance – e.g. to be used in staff appraisals or disciplinary action

The data informs management reports by providing information that is used, for example:

- **to identify areas that require action** – e.g. showing weak areas and failures; giving details of activities that need more resources or time
- **to produce health and safety risk assessments** – e.g. based on data collected about accidents at work; identifying hazards that need further attention
- **for business risk analysis** – e.g. from analysis about how the team and individuals have coped with unexpected changes
- **to show where resources need to be allocated** – e.g. from details of staffing levels needed for tasks; from details of the team's overall levels of skills and experience; from reports about physical resources needed for tasks
- **to show training needs and career development opportunities** – e.g. after identifying needs for extra skills; opportunities for staff who meet targets and work to an excellent standard
- **for business planning** – e.g. having identified needs for staff with particular skills; previous output showing what materials will be needed in the future; production reports that identify the need for new equipment, machinery and vehicles; reports of overcrowded work areas showing the need to upgrade or change premises

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Reporting to internal stakeholders

Team leaders and managers often have to make reports to internal stakeholders – other people who work for the organisation. These can be informal or formal and on a wide range of subjects, as shown in the examples in the following table:

Internal stakeholders	Examples of information to be reported
Owners or shareholders	<ul style="list-style-type: none">● profits, losses of the team, department or the whole organisation● forecasts – e.g. for sales or output● progress – e.g. for tasks or projects● problems – e.g. operational difficulties● opportunities – e.g. suggestions about how to improve or develop operational activities
Senior managers	<ul style="list-style-type: none">● progress they and their team have made with delegated tasks● problems they have encountered● opportunities for further development – e.g. new selling opportunities that have come to light● suggestions for improvements – e.g. how to improve production techniques● feedback about staff – e.g. how they have performed; individuals who are excellent and good candidates for career development
Other managers	<ul style="list-style-type: none">● plans to coordinate activities done by different teams – e.g. how to spread tasks between teams; how one team's efforts impact on another team's tasks; how they can help each other if things go wrong or get delayed● shared learning resources – e.g. working together to provide internal training courses● shared physical resources – e.g. shared quality control monitoring equipment● problems that have come to light, solutions that worked well and not so well
Team members	<ul style="list-style-type: none">● feedback from other stakeholders – e.g. about how the coordination of work between teams has worked● feedback about progress, strengths and weaknesses – e.g. individual formal and informal comments about performance● appraisal information – e.g. figures about output, working practices, accuracy, complaints or positive comments● career development opportunities – e.g. promotion within the organisation; suggested courses or ways to gain experience

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Any information that is shared with others must be within the guidelines on confidentiality. Team leaders and managers need to make sure that reports only contain information that the recipient is authorised to receive.

On rare occasions, it is necessary for team leaders and managers to pass on reports that can be seen as 'whistleblowing'. These are alerts to illegal or unauthorised activities – e.g. reporting individuals who frequently disregard health and safety procedures that could lead to the harm of employees, customers or others.

In line with employees' responsibilities for health and safety legislation and regulations, each person has a responsibility to follow policies and procedures and report any issues or problems that are outside their own limits of authority.

Managers are responsible for reporting to internal stakeholders, in line with the organisation's policies and procedures. Keeping stakeholders well informed helps to maintain trust in the organisation and its managers, and it keeps relationships positive. This reduces the chances of more serious problems, complaints and dissatisfaction.

If information is sensitive or confidential, it is best to communicate in ways that cannot be seen or read by the wrong people – e.g. in a private meeting; in a personally addressed, sealed letter or report; during a personal telephone call.

If information is general and applicable to many people, communication can be more open – e.g. an open meeting for managers; on a noticeboard at work; on the organisation's website; in a team progress meeting.

Accountability, authority and responsibility

Please read the following as it will help you to answer questions 41, 42 and 43.

We are going to look at the principles of management responsibilities and accountabilities within an organisation.

Accountability

A person who is accountable is answerable for the end result. They are completely responsible for what they do, and they must be able to give satisfactory reasons for their actions. They have ultimate responsibility for their actions and decisions, and accountability cannot be delegated. They need to disclose information and results in a transparent manner, and can be liable if there are errors or omissions.

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For example, in a retail store, each cashier is accountable to their team leader. This means that every cashier must:

- have the correct amount of cash in their till at the end of the shift – e.g. to match the records that show how much cash was taken during their shift on that till
- follow the correct procedures for handing over their till at the beginning or end of a shift – e.g. to make sure that no one else's mistakes become their responsibility
- be polite and friendly to each customer
- follow procedures and give good customer service at all times – e.g. when packing goods and giving out receipts
- take their break times as agreed with their team leader – e.g. to go and come back at the right time
- let their team leader know if they are sick and cannot come to work
- let their team leader if they have any problems that are outside their limits of authority – e.g. to give a refund

The cashiers are responsible for their tills, being on time and giving good service. As they are answerable, they may face disciplinary action if, for example, cash is missing or they fail to turn up for work and do not call to explain.

Each employee's role and responsibility should be set out clearly in the employment contract and job description, so that all parties are very clear about:

- who is accountable for what
- to whom each person is accountable
- the policies, procedures, expected standards and working practices
- what to do when something is outside the limits of authority
- the possible consequences of misconduct

Knowledge Activity 16: Make some notes about accountability in your organisation.



Who are you accountable to?

What are you accountable for?

Authority and responsibility

There are differences between authority and responsibility, but they are closely related and need to go hand in hand. Ideally, accountability, authority and responsibility should all be linked.

Authority is the legitimate power to:

- take action
- give orders
- make decisions
- delegate downwards
- allocate resources

Responsibility is the:

- obligation to perform and accomplish goals
- duty to follow orders and decisions
- ultimate obligation that cannot be delegated

Accountability is:

- accepting the consequences of decisions made
- being answerable for the end results – positive and negative

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The organisation needs to give its staff enough authority to be able to make decisions to achieve the tasks and objectives for which they are responsible and accountable.

Henri Fayol developed management theories about the functions and principles of management. One of Fayol's 14 Principles of Management deals with authority and responsibility. In this theory, he suggests that:

- authority and responsibility coexist
- if authority is given to a person, they need to be made responsible as well
- if someone is responsible for a job, they should also have the necessary authority to act and make related decisions
- there needs to be a balance between authority and responsibility
- authority without responsibility leads to irresponsible behaviour, whereas responsibility without authority makes a person ineffective

For example, the team leader in charge of the cashiers we mentioned before, might have:

- **Authority to:** check the cashiers' tills at any time; train and support cashiers in their customer service skills; give customers refunds up to an agreed limit; organised break times; give their team members verbal warnings for lateness or poor performance; give praise and allow staff to go home early if it is quiet; arrange for extra cashiers or overtime if it is busy; order or collect bags, tissue paper and other day-to-day physical resources needed by the team.
- **Responsibility for:** all of the tills being used during their shift; the conduct and appearance of their team members; ensuring that their team members have everything that they need for the shift; making sure that enough cashiers are on the tills; arranging cover if there is a shortfall; authorising and issuing refunds and credit notes; dealing with customer complaints.
- **To be accountable to their line manager:** for the smooth-running of their shift; to explain any problems, staff shortages or issues with physical resources; to explain the number and outcomes of customer complaints.

If the team leader does not have the authority to order and collect carrier bags, for example, they cannot be fully responsible for making sure that the cashiers have enough for the whole shift. As the team leader is accountable to their line manager for the smooth-running of the shift, they need to have the authority to take actions and make decisions to achieve this.

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If the chain of command is too long and complicated, efficiency is compromised. For example, if the team leader is not allowed to order and collect the carrier bags without getting agreement and signatures from line managers, there will be delays and frustration that could affect the delivery of excellent customer service when the team members run short.

Did you know?



You can find out more about Henri Fayol's theories on this website:
www.mindtools.com/pages/article/henri-fayol.htm

Delegated levels of authority and responsibility

Delegation occurs when authority is assigned to others for particular tasks, decisions and functions. Tasks or responsibilities are entrusted to other people, usually to less senior people, for them to act as the representative of the team leader, manager, team, department or organisation.

The purpose of delegation is to get the task done effectively and efficiently by someone else. It is a useful management strategy that has benefits for team members, team leaders, managers and the organisation.

A delegation of authority means that the decision-making process is passed from one person to another – e.g. the manager gives the team leader the authority to order all office supplies needed by the whole department, so long as they stay within the budget for the year.

A delegation of responsibility means that the responsibility for actions is passed from one person to another – e.g. the manager makes the team leader responsible for ordering all of the office supplies for the whole department. Even though they have delegated the responsibility for ordering, the manager is still accountable for the team leader's actions. There is a wider responsibility to monitor and make sure that the team leader does a good job of ordering, and this rests with the manager.

When delegating tasks effectively, team leaders and managers need to:

- identify the work that needs to be delegated
- identify the person's ability to take on the task
- identify any skills gaps before they delegate anything



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Knowledge Activity 17: Make some notes about when:



Authority and responsibility have been delegated to you

You have delegated to others

Summary

In this section we have looked at many elements of business. We have considered:

- the different sectors
- different business structures
- an organisation's vision, mission, strategy and objectives
- internal and external influences on a business
- SWOT and PESTLE analyses
- the benefits of change
- health and safety responsibilities
- sustainable ways of working
- data management and confidentiality
- business plans and the business cycle
- financial terminology and reports
- measuring and reporting performance
- accountability, authority and responsibility

Section 3: Understand how to communicate work-related information

Introduction

Communication skills are an important and essential part of working life. Clear and effective communication can help an organisation to achieve its objectives and avoid costly mistakes. People need to be able to send and receive messages, share information with each other, and to make sure that everyone understands what is expected.

In this section, we are going to look the principles and techniques of work-related communication, and how to prepare for meetings. We will look at verbal and written communication, the quality and confidentiality of the information that is shared, and the advantages and disadvantages of different methods. We will also look at the structure and purpose of meetings.

Communication techniques to gain and maintain interest

Please read the following as it will help you to answer question 44.

At work, we sometimes have to communicate with ‘an audience’, which is just a group of people who have come together to listen and watch. In a business environment, and audience might be:

- **internal** – e.g. team members, colleagues from other departments, managers or owners
- **external** – e.g. customers, people from other companies, suppliers or local residents

Presentations and group discussions can be given by one person or by a group of people, depending on the amount of information and the specialist knowledge needed. If the subject will take several hours to present, it can help everyone if there are several presenters – to keep the audience engaged and to give the presenters a break.



Section 3: Understand how to communicate work-related information

Organisations use presentations and group discussion for a range of reasons, including, for example:

- training purposes
- to give an update on progress and objectives
- to sell products and services
- to inform stakeholders about different aspects of the operation
- as part of an application for finance – e.g. showing banks the current performance and future plans and projections

To gain and maintain the audience's interest, there are several things to take into account, particularly the content and delivery methods and techniques.

Content

The content of a verbal or written presentation needs to be effective. It needs to have, for example:

- **an effective introduction** – to introduce the speakers and the topic
- **an outline of what will be covered** – and why it is important for the audience
- **structure** – e.g. introduction, main content in logical order, then a conclusion and summary
- **content and language to suit the audience** – e.g. technical language at a level that they can understand
- **visual aids** – e.g. pictures, graphs or maps to illustrate the points being made
- **examples and interesting, relevant stories**
- **an effective ending** – e.g. a summary that brings all of the subjects and reasons for the presentation together
- **supporting information** – e.g. handouts, reports or brochures for people to take away

When giving a verbal presentation, we need to cover 'housekeeping' topics first, especially if there are people who do not know the building – e.g. what to do if the fire alarm goes off, and the location of fire exits and toilets.

The visual aids and supporting information need to be relevant and brief. Simply having a printout of the PowerPoint presentation the audience has just seen is rarely useful.

Section 3: Understand how to communicate work-related information

Delivery of verbal presentations and discussions

It is important to maintain the audience's interest and attention throughout the session. Techniques we can use to help keep people engaged include, for example:

- **greeting and welcoming the audience**
- **being courteous and polite**
- **letting them know how long the presentation will last** – so that they can pace themselves
- **inviting them to save their questions until the end** – to save time and irritation from too many interruptions
- **making sure that the presentation is relevant to them**
- **following a structure** – e.g. telling them what we are going to talk about, going through the presentation, then summarising what we have just talked about
- **moving around, smiling, using good eye contact and open body language**
- **asking open questions** – to involve audience members at key points and at the end
- **speaking clearly and steadily** – we can all speed up if we are nervous, so it is important to speak calmly, clearly and slightly more slowly than normal, and to moderate strong regional accents
- **using the right level of language for the audience and subject** – e.g. not too technical for them to understand; not too simple so that they feeling insulted and bored
- **giving out supporting information at the right times** – e.g. quizzes or notes during or after the presentation

Delivery of written presentations and reports

Some of the techniques used for verbal communication also refer to written presentations and reports, for example:

- **following a structure** – e.g. an introduction, main contents and conclusion
- **using the right level of language for the audience and subject**
- **making sure that the presentation or report is relevant and to the point**
- **providing relevant and useful supporting information** – e.g. graphics, website addresses or recommendations for further reading



Section 3: Understand how to communicate work-related information

Effective business writing

Please read the following as it will help you to answer question 45.

Good written communication skills are essential to make sure that:

- errors and misunderstandings are kept to a minimum
- the right level of detail can be provided
- the organisation's positive and professional image is maintained
- the communication method follows good business practice and is in line with the organisation's policies and procedures
- confidentiality and security are protected, when appropriate – e.g. by marking the communication “Restricted” or “Private and confidential”; by selecting recipients carefully

Some workplace written communication requires a **formal** approach, usually when information is important, sensitive or confidential – e.g. financial reports about the organisation or its customers; legal letters; formal letters to customers or colleagues; evidence to support a complaint or investigation.

Some workplace communication requires an **informal** approach, usually when information is not confidential and when it can be shared with people that we know – e.g. a quick question for a colleague or regular customer; sharing information and instructions; during a handover between shifts; announcements that can be made openly; reminders for colleagues or customers.

When choosing the right communication method, we need to consider:

- the type of information being sent
- the people who are going to read or hear it
- the security and confidentiality of the information
- how it will be circulated and shared

Methods of written communication in the workplace include, for example:

Emails

Emails can be formal or informal and are often used in the workplace to, for example:

- send information to one person – e.g. to answer a colleague's question
- send information to many thousands of people – e.g. to let all customers on the database know about a new product



Section 3: Understand how to communicate work-related information

- deal with customers' queries, complaints and comments
- arrange a meeting and report the outcomes
- send informal or formal reports to colleagues
- make or confirm purchases and orders

When used informally, emails are rather like postcards, memos or short notes. When used formally, emails need to be similar to formal letters. Organisations usually have their own styles, policies and procedures about how to write emails for different situations.

When we want to send a copy of the email to someone else, we put their email address in the 'CC' box – carbon copy. If we want to send a copy without the main recipient knowing, we can put the second email address in the 'BCC' box – blind carbon copy.

Texts and instant messaging

These are very common for sending brief information to people – e.g. telling customers that the delivery driver is on their way; to remind colleagues about a meeting; to send safety or weather alerts.

Notes and memos

Notes and memos in the workplace can be very quick and useful. They are generally informal and can be used to, for example:

- leave notes in the work diary for the next shift – e.g. to report problems or make requests for them to finish a task
- share information with colleagues and other stakeholders – e.g. to ask a colleague a question
- pass on a telephone message – e.g. to give a supplier's name, phone number and message to a colleague who was away from their desk
- remind people about something – e.g. the date, time and location of a meeting or training course

Notes can be addressed personally or left for everyone to see, depending on who needs to see the contents.



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Formal letters

These will be on headed notepaper and will be used in formal situations, especially if a permanent record is needed. They are particularly useful when information is confidential and sensitive and needs to be kept private, for example:

- during disciplinary procedures
- when making a job offer
- when writing to customers, staff or other stakeholders about serious, confidential or sensitive matters



Formal letters reflect the organisation at its most professional and serious, so good grammar, vocabulary and presentation are essential.

Reports

Reports can be formal or informal. An informal report can be, for instance, a completed paper or electronic form that is used for:

- giving daily figures for sales or production
- reporting costs and other measurable statistics
- handover notes

Formal reports can be printed or sent electronically and will cover subjects such as, for example:

- annual accounts and accountants' reports
- research and development – e.g. test results for new equipment; detailed comparison between two production methods
- feedback and analysis prepared after an event or project – e.g. to show achievements, problems and opportunities for improvement
- staff appraisals

Spreadsheets and databases

Spreadsheets are used to bring numerical data together – e.g. to analyse expense claims for all employees under different headings, such as travel, subsistence, mileage and hotels.

Section 3: Understand how to communicate work-related information

Drawings, graphs and designs

Drawings and designs are used when information needs to be presented in a visual format – e.g. an architect's drawings; a graphic designer's brochure design; a fashion designer's sketches.

Graphs are used when presenting data in a visual and mathematical format – e.g. pie charts to show details of a company's expenditure.

Forms

Most organisations design and use their own forms. The idea is to simplify the process of sharing information so that the person completing the form can do so as easily as possible.

Forms can be used for many functions, including, for example:

- timesheets, mileage and expenses claims from staff
- requests – e.g. budgets, maintenance work, for leave and other time off, or new resources
- surveys and feedback comments from customers
- job applications
- ideas and suggestions from staff
- orders and sales
- finance applications – e.g. when asking for a loan or mortgage

Information signs, pictures, symbols and notices

Information signs need to be clear and very easy to understand. The language used needs to be straightforward and clearly written to maximise the chances of the message being understood, for example:

- directions to different departments
- instructions about how to operate machinery – e.g. how to use the photocopier
- instructions about what to wear or how to behave – e.g. 'Please be quiet, exam in progress'
- information for visitors – e.g. expected waiting times for their appointments
- car park signs
- prices and special offers in retail outlets

Section 3: Understand how to communicate work-related information

Pictures and symbols can be really useful when the information is important, especially if language is an issue. We see them used on information signs all around us at work and in public places, for example:

- health and safety information in green to imply safety – e.g. emergency exit signs and first-aid signs
- warning signs in yellow to show danger – e.g. yellow trip hazard signs
- fire information in red – e.g. about fire extinguishers and fire alarms
- mandatory (compulsory) information on blue signs – e.g. about hand-washing or instructions to wear personal protective equipment

Chemicals will also have symbols on the packaging to back up the information about the product.

Websites

Most organisations have their own websites, and they are a useful way of communicating with an infinite number of people. They use language, pictures, symbols, graphs and other visual elements.



Websites can carry a vast amount of information, including, for example:

- detailed information about products and services
- background information about the organisation and its structure
- policies and procedures
- photographs and other graphics to give visual examples of the organisation's products and services
- legal information
- testimonials and other feedback from customers and others
- links to related pages, websites or other information connected with the organisation
- availability and booking systems
- payment systems
- specifications and instruction manuals – e.g. for staff or customers to use

Websites need to be well-presented and kept up to date. They can reach a wide number of people so they need to give a good, professional impression of the organisation and its workforce.

Section 3: Understand how to communicate work-related information

Social media

A great deal of sales and marketing material is shared using social media. Many organisations now have a team of people whose job is to monitor and manage social media communications, so that an instant response can be given if necessary.

Social media can be used to, for example:

- monitor and react to complaints – e.g. by train companies if their customers are complaining about a problem
- let followers and customers know the latest news – e.g. announcing a new participant at an air show or music festival
- offer promotions and special offers
- encourage followers and customers to engage with the organisation – e.g. to send their views to a live TV or radio programme, which shows advertisers the level of interest from different people in the audience

Leaflets, newsletters and brochures

Leaflets, newsletters and brochures are generally quite formal and need to be factually correct. They can be illustrated and include graphs and technical information and have many uses – e.g. to give instructions and extra information about products and services; promote the organisation's image using glossy pictures, background information, logos and news; keep employees up to date.

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Effective verbal business communication

Please read the following as it will help you to answer question 46.

We need a variety of techniques to use when communicating verbally in a business environment. We may need to inform, guide, advise, instruct, welcome, persuade or warn others, and we need to consider many things when deciding on the best communication techniques and methods.

When planning verbal communication, we need to take into account, for example:

- **the audience** – e.g. knowledgeable colleagues who understand the format; new customers or trainees who do not know what to expect
- **the needs of others** – e.g. possible hearing impairment; language difficulties; their level of understanding of the subject
- **what needs to be said, heard and understood** – e.g. complicated information about a new product or service; a simple report about recent activities; confidential information and evidence for a disciplinary hearing
- **the time and the place** – e.g. a public reception area where everyone can overhear; a private office with the door closed; a stage in a large conference hall; a boardroom that seats 20 people

Verbal communication

Verbal communication methods include:

- speech
- full conversations
- making noises

When using verbal communication at work, messages need to be:

- as short as possible, without being rude
- to the point and accurate – e.g. giving the correct facts about the subject or instructions
- in simple, clear English – avoiding slang, swearing and jargon
- delivered in a way that is appropriate for the situation and the other person – e.g. using clear and slow speech, especially for people with language or hearing problems



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Good speaking skills are important in face-to-face communication. They are even more important when speaking on the telephone, as there are no visual clues to help if people have problems with understanding the messages

There are several things to bear in mind when using verbal communication:

Vocabulary

The choice of words that we use is very important. We need to use simple, straightforward words if possible. People may not understand us, and they may be too shy to ask for an explanation. This can happen, for example: if we use long, complicated and specialist words; if we use local sayings and slang, especially with a strong accent; if English is not their first language; if they have hearing problems and cannot follow us.

Tone of voice

The tone of voice is an important part of verbal communication as it shows the emotion behind the words. If we use a harsh or sharp tone of voice, it shows that we are annoyed, angry or stressed. If our tone of voice is soft and gentle, we show sensitivity and understanding. If we use a confident and energetic tone of voice, we show authority and enthusiasm.

Pitch of voice

Using a high or low voice also gives extra information to the listener. Some people cannot hear high-pitched sounds, but some will respond better to a high voice.

Volume

People are sensitive to volume. Some need a high volume, and some find noise painful and irritating. The volume needs to be adapted according to the individual's needs and wishes, and to the situation and location.



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The main thing is to be clear. We need to speak clearly and not too quickly, and we need to use simple words. If someone cannot hear and understand us and needs us to repeat information, we need to face them, speak slowly and clearly, and use straightforward language. If they still do not understand and need us to repeat, we need to try different words rather than shouting the original words.

Good speaking skills

Good speaking skills are essential. When speaking to people, it is important to get the message across in the clearest and most polite way.

Some helpful hints include:

- **Always be polite and calm** – even if the person is a little aggressive and upset, which can happen if they are nervous about speaking.
- **If possible, plan what is going to be said** – and make a few notes to help.
- **Use a clear, strong voice** – there may be background noise or some people may have hearing difficulties.
- **Speak slowly** – most people speed up when speaking to a group due to nerves, so speech needs to be slower than normal.
- **Use simple language** – good English is not difficult English. Speakers need to use simple words whenever possible, and avoid slang and local sayings. Many people have English as their second language, so simple language is very important for effective communication.
- **Face people and let them read the face and lips** – this helps everyone, especially those with hearing problems and language issues.
- **Find a different way of saying something if someone asks for a repeat** – just saying the same thing repeatedly does not usually help, and the communication and confidence will fail – use a different phrase, speak even more slowly and clearly, draw a quick picture or point to something.
- **Always check for understanding** – ask open questions to make sure that the messages have been received.
- **Be aware of the tone of the voice** – a sharp tone will indicate anger, whereas a gentle tone will indicate sensitivity and understanding.
- **Summarise what has been said and agreed** – to reinforce the content of the communication.
- **Agree the next steps** – to make sure that all parties agree about what should happen next.

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Listening skills

It is important to listen to the customer, and understand what they are saying. By using 'active listening skills', we can show that the customer's issues are understood and being taken seriously.



Active listening skills include:

- using eye contact
- nodding the head in agreement
- actively focusing on what is being said
- using open body language to show that we are receptive to what is being said
- taking notes if the matter is complicated
- repeating back key information in a summary of what has been said

Good listening skills enhance the verbal communication and help us to make sure that we have understood the customers' comments and requests. It also helps to reinforce the message that the customer and their views are valued.

Knowledge Activity 18: Imagine that you are talking to a customer face-to-face about the features and benefits of a product. They cannot understand everything you are saying and it turns out that they have a hearing impairment and need to be able to read your lips when you speak.



How would you handle the situation?

What could you do about your body language to help?

How would you adapt the way that you speak?

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Body language

Verbal communication is often supported by body language – especially when the audience can see the speaker. A huge number of messages are sent non-verbally and these can be transmitted through, for example:

- posture and body language
- gestures and touching
- fidgeting
- physical appearance

How people stand, how close they are ‘in someone’s space’, eye contact, fidgeting and hand movements all add to the oral messages.

A person who frowns, looks at the floor and sits with their arms folded gives out very negative messages. A person who sits or stands upright, and who smiles and uses good eye contact, is far more approachable and less threatening.

Examples of good and useful body language include:

- having an open and relaxed posture
- facing the person but not standing too close – about an arm’s length away is comfortable for most people
- smiling when appropriate – although it is important to be friendly, we need to show that comments are taken seriously
- using facial expressions to show sympathy or reassurance
- using eye contact – although we need to be aware that some people (and cultures) find too much eye contact inappropriate and threatening
- being sensitive to the other person’s own body language
- being flexible about our own body language and gestures – so that we do not appear threatening or unapproachable

All gestures and body language support what we are saying and how we are listening. If we say positive things but use negative body language, people will not believe or trust us. They will think that the good things we are saying are untrue.

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Knowledge Activity 19: Imagine you are a customer in a small shop, waiting to be served. The two staff at the counter are talking to each other, chewing gum and ignoring you. One of them turns towards you eventually. They do not look at you, they slouch and look completely uncaring and disinterested. They start to scan your items without even saying hello or acknowledging you.

How does this make you feel?

How do you feel about the customer service in the shop?

If you have a query, how do you think these staff members will handle your request for information?

How do you feel about returning there in the future?

Did you know?



Words (the literal meaning) account for 7% of the overall message.

Tone of voice accounts for 38% of the overall message.

Body Language accounts for 55% of the overall message.

(Albert Mehrabian – 1971)



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Accuracy and currency of information

Please read the following as it will help you to answer questions 47 and 48.

Anything that is produced and sent out by the organisation says a great deal about it. Letters, emails, reports, presentations and so on can all be kept as permanent records, so it is vital to take care when producing them. Verbal communications can also be contractual – e.g. promising certain actions or discounts to a customer; verbally agreeing deadlines with suppliers.

All information released on behalf of the organisation needs to:

- **be accurate and factually correct** – e.g. using figures that balance and add up correctly
- **be current** – e.g. as up to date as possible
- **be legible** – e.g. using a large enough font; using suitable colours that everyone can see
- **have a good standard of English** – e.g. with correct grammar and spelling
- **use language that is appropriate for the intended audience** – e.g. avoiding jargon that is difficult to understand
- **be balanced and well-presented** – e.g. letters and reports with headings and indents in the right places; presentations that are engaging and informative

Producing information that is consistently accurate and current helps to:

- **avoid operating errors** – e.g. as a result of poor communication
- **save time** – e.g. from having to redo work and send it out again
- **avoid complaints and legal action** – e.g. from misrepresentation or ignoring customers' rights
- **maintain a professional and positive image of the individual, team and organisation**

To achieve this, information needs to be checked thoroughly. There are several ways of doing this, including, for example:

To check the accuracy and currency of contents:

- checking facts and figures – e.g. against operations manuals and data
- asking colleagues and subject specialists for up-to-date information
- checking the Internet for changes – e.g. in legislation or competitors' products and services

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- information at work needs to be accurate and current because anything
- checking manufacturers' instructions and updates – e.g. looking at their websites for changes and updated information

To check accuracy of typing, spelling and grammar:

- using the spellcheck facility – e.g. set to show UK English for 'colour' rather than US English which would show 'color'
- asking a colleague to check – e.g. to pick up errors missed by spellcheck such as: to/too/two; there/their/they're; own/won; an/and; practice/practise
- proofreading work after a break – e.g. looking at our own work again with a 'fresh eye' to spot errors



Level of confidence about information

When communicating to others, it is important to explain the level of confidence that can be placed on the information. People need to know how reliable the information is, so that they can make their own judgements about how much they can trust it.

If someone is buying a second-hand car, they need to work out how much they can trust the information about it, based on, for example:

- **the accuracy and currency of the information** – e.g. how accurate the description is and how old the photograph is
- **the reliability of the source** – e.g. whether the car is being sold by an unknown private seller or a well-known dealer with a good reputation
- **whether important facts or extra information are missing** – e.g. the full service history of the car, or details of previous owners
- **the viewpoint or the bias of the information** – e.g. the lack of impartiality of the seller who wants to get rid of the car quickly
- **the clarity and relevance of the information** – e.g. how easy it is to follow the information, and how relevant it is to the purchase decision
- **risk factors** – e.g. the age and mileage of the vehicle
- **the level of detail provided** – e.g. the details that have been included or left out on purpose

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These points to check also apply to business information when checking the level of confidence that can be placed on it.

It is important to understand the level of confidence so that people can, for example:

- **identify the risks associated with the information** – e.g. the high risks of buying an old car from a stranger who has provided little information; the low risks of buying a well-maintained car from a reputable dealer who supplies a free warranty for a year
- **identify the consequences of acting on the information provided** – e.g. losing money; having no legal rights to return the vehicle; causing an accident that could cause injury or fatality; spending more money to have the peace of mind from buying from a dealer, and having a more reliable car

In the workplace, people who might receive information and be affected by it might include, for example:

- **team members** – e.g. who need accurate and current information about how to operate new equipment and machinery
- **other team leaders and colleagues** – e.g. who need clear and relevant information about problems and solutions to operating problems
- **managers, senior managers and directors** – e.g. who want to know the risk factors so that they can develop plans and strategies
- **internal and external customers** – e.g. who want a high level of detail about products and services before they make their decisions to order and buy
- **external stakeholders** – e.g. bankers who take into account the organisation's viewpoint and bias in its reports when making decisions about funding

By receiving accurate, current and transparent information, stakeholders can increase their level of confidence in the information, and make informed decisions about the risks and consequences involved. This builds trust in the organisation and enhances its reputation for being reliable, open and honest.

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Knowledge Activity 20: Think of a time when you have made a decision and found that the information you were given was false or misleading – e.g. when buying a car, or ordering gadgets or products over the Internet.



How did you feel about being misled?

What were the consequences?

What did you do to rectify the situation?

What information would you ask for or find out for yourself next time?



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Advantages and disadvantages of different methods

Please read the following as it will help you to answer question 49.

We need to use different methods of communication for different purposes at work. Factors we need to consider when making our choices include, for example:

- **the purpose of the communication** – e.g. to make plans, sell products or train staff
- **the audience or intended recipients** – e.g. new external customers, colleagues or the general public
- **whether we need to build and develop relationships** – e.g. with customers or team members
- **the time and place** – e.g. the suitability of the location for a quiet one-to-one meeting or a presentation to hundreds of people
- **the level of confidentiality required** – e.g. the personal or sensitive nature of the information to be discussed

Advantages and disadvantages of written communication

This table has some notes about some of the advantages and disadvantages of written methods of communication.

Method	Advantages	Disadvantages
Emails	Quick and simple Can be formal or informal Easy to keep a copy and track the messages coming in and going out Provides a clear record of what has been discussed	Cannot always get instant feedback or an answer from the other person – some people do not deal with emails every day, need to check this if the matter is urgent People often get too many emails, so hard to make important ones stand out
Texts and instant messaging	Can be sent to one or many Simple format Instant but can be left for someone to read when they are ready – e.g. after a meeting or shift Inexpensive or free to use	Can be impersonal Can fail to go through Might not be seen for a while – especially if the person is driving or has too many to check

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<p>Notes in the team diary</p>	<p>Useful central place for handover notes for the next shift Can leave notes for many to see – e.g. managers, team leaders or team members Good way to flag up important dates, times and deadlines Good way to leave reminders – for self or others</p>	<p>Quite public Not suitable for confidential or awkward subjects and details</p>
<p>Drawings, graphs and designs</p>	<p>Strong visual impact Can explain plans, results, achievements very quickly when data presented correctly Help people to imagine a three-dimensional plan or design</p>	<p>Often time-consuming to prepare Data and parameters can be hard to understand if people are not familiar with the format</p>
<p>Forms</p>	<p>Easy to complete Logical Designed for a specific purpose</p>	<p>Cannot always have room for additional information Questions and boxes might not be entirely suited to the nature of the answers needed</p>
<p>Personal notes</p>	<p>Can give specific information or requests Person has a written record</p>	<p>Might be missed if left in wrong place Need to be aware of possible literacy or language issues</p>
<p>Formal letters</p>	<p>Suitable where very personal approach needed – e.g. with a job application Formal permanent record</p>	<p>Usually take longer to prepare, check and send</p>
<p>Information signs and notices</p>	<p>Can pass information to wide range of people – e.g. in the staffroom, customer waiting area, entrance to the building Symbols and colour-coding make them easy to understand Good for general information or announcements</p>	<p>Not suitable for personal or confidential information Some symbols can be harder to understand if they are unfamiliar</p>

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Websites	<p>Can be tailor-made for the organisation or department</p> <p>Relatively cheap and easy to use to reach a very wide audience</p> <p>Can hold a vast amount of data, pictures and information</p> <p>Can link to other pages, information and websites</p>	<p>The internal search engine within the website can be inadequate and make it hard to navigate</p> <p>Information can be irrelevant if not kept up to date</p> <p>Website can be hard to find on search engines – e.g. Google</p>
Social media	<p>Quick, easy and inexpensive to operate</p> <p>Can reach extremely large numbers of followers instantly</p> <p>Good for short messages</p>	<p>Needs to be monitored and updated all of the time – especially for customer comments that might need a response</p> <p>Bad news can travel fast – e.g. negative customer feedback or complaints</p>
Leaflets, newsletters and brochures	<p>Can be formal or informal</p> <p>Good for sending information in a permanent form to a large number of people</p> <p>Can be left for people to help themselves – e.g. in a doctor's surgery waiting area</p>	<p>Can go out of date quite quickly</p> <p>Often discarded unread, or hardly read, which is a waste of resources</p> <p>Expensive to produce and store</p>



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Advantages and disadvantages of verbal communication

This table has some notes about some of the advantages and disadvantages of verbal methods of communication.

Method	Advantages	Disadvantages
Face-to-face conversations with colleagues, customers, public	<ul style="list-style-type: none"> Instant response Formal or informal Can be confidential if in private Can give a good impression of self and organisation Focus on the information tends to be good People feel valued and respected when their views are taken seriously 	<ul style="list-style-type: none"> Not always possible to be in private Timing can be tricky to arrange for formal meetings Can be time-consuming Limit to the number of people who can join in
Telephone conversations	<ul style="list-style-type: none"> Can discuss, make decisions and arrangements in 'real time' People can be accessible – especially using mobiles 	<ul style="list-style-type: none"> Not always possible to get through to speak to the person needed Leaving messages is not always effective
Structured formal meetings	<ul style="list-style-type: none"> Predictable structure with agenda and minutes Formal records are kept and circulated Useful for legal and compliance reasons 	<ul style="list-style-type: none"> Format can seem quite laboured and 'stuffy', using complicated language and procedures People will not always understand what is happening if the language and format are too difficult
Training sessions and lectures	<ul style="list-style-type: none"> Sessions can be lively and engaging for learners and tutors Instant response to queries and feedback Can be adapted to any subject, any learner and any situation Demonstrations help people to learn physical skills Mentoring and shadowing are personal and show current skills 	<ul style="list-style-type: none"> Some people will not understand if the language or delivery are not clear and easy to follow People learn at different paces – some will find sessions too quick, others too slow Limits to the numbers that can be trained in each session Training DVDs and videos can leave learners uninterested and unable to engage

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Using the Internet	Relatively inexpensive to run once set up Can have international access Instant, real-time communication Staff can have their own mobile devices – e.g. phones or tablets	Staff can feel as though they are never off duty Some areas around the country do not have good mobile coverage Signals can be disrupted or disconnected at times
Presentations	Can be lively and engaging Formal or informal Can use pictures and other graphics to deliver messages Can be adapted to any topic, audience or situation Can be delivered with or without electronic support	Can be time-consuming to prepare, deliver and attend Not always relevant to people invited to attend Pace and level of information can be hard to judge – flexible approach needed

Knowledge Activity 21: Make a few notes about which type of communication you would use to:



Tell a visitor how to find the office they need to go to for a meeting

Give directions to a customer who does not speak English very well and who seems to be confused and anxious

Tell colleagues about a big party for the whole workforce

Book annual leave

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Meetings

Please read the following as it will help you to answer questions 50, 51, 52 and 53.

Meetings are an important part of business life. They provide important opportunities to share information, build relationships, discuss problems, make decisions and gain commitment to objectives.

Structure and purpose of different meetings

Many different types of meetings take place in a business environment. They can be formal or informal, regular or ad hoc, and they take place between many different people – e.g. colleagues, managers, customers, suppliers, shareholders, directors, government representatives, sales representatives, volunteers or members of the general public.

Some typical meetings include:

Team meetings – where team members, team leaders and managers get together to discuss how things are going for the team

Team meetings can be held regularly or be arranged only when they are needed. Many topics can be covered – e.g. progress with tasks; targets for the future; operational problems and solutions; training and information for new equipment and procedures; general queries and observations that affect the team.

Management meetings – where team leaders and managers discuss plans, problems and progress

Management meetings are often held regularly – e.g. daily, weekly or monthly. The team leaders and managers can discuss the progress of their staff, problems and solutions, plans and objectives.

Training meetings – sessions that are devoted to training

Training meetings enable several people to cover topics together in a meeting room or training room, rather than ‘on-the-job’ in the work area. Courses can be:

- regular meetings – e.g. weekly training sessions or day release
- intensive, formal courses – e.g. a week of training sessions to achieve a formal qualification

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- one-off sessions – e.g. when a new service or product is introduced
- ‘toolbox’ sessions – e.g. refresher training on one or two aspects of the job

Appraisal meetings – usually one-to-one in private

These are meetings between the employee and their manager to discuss job performance and plans. They can be regular meetings, maybe on an annual basis, or when requested by the employee or manager. Topics may include:

- a review of progress since the last appraisal
- current skills, experience and knowledge
- setting and agreeing objectives, targets and goals
- problems and solutions
- personal issues
- career development and potential for promotion

Videoconferences – between people who are not usually in the same building

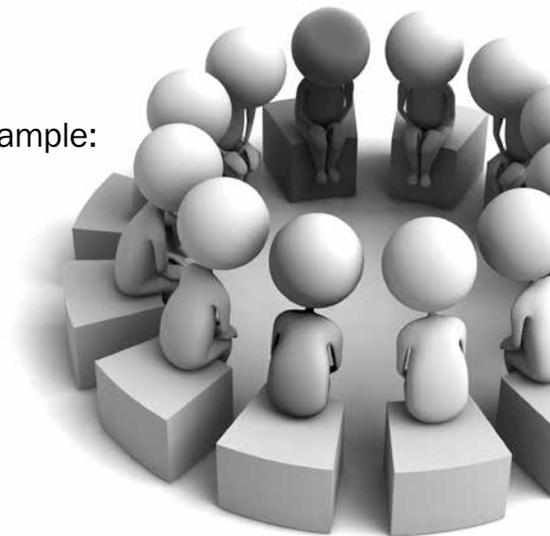
Videoconferences, or web meetings, are very useful when people are based in different parts of the country or the world. Cameras and microphones send images and sound via computers, and all delegates can share documents, graphics, pictures and so on.

They can be beneficial as they minimise the need for travel – saving time, money and vehicle and aircraft emissions. On the downside, people do miss out on the personal contact and body language, and delegates can be in different time zones, making them inconvenient.

Sales meetings – where sales staff get together

Sales staff get together regularly to review objectives, for example:

- confirmed sales
- orders that are ‘in the pipeline’
- progress against set targets
- new targets
- the level of repeat business
- referrals from customers



They swap ideas and hints about how to generate new business, and they motivate each other to maintain energy and enthusiasm for their tasks.

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Meetings with customers – with current and potential customers

Many organisations will hold meetings and presentations to showcase their services and products to current and potential customers. These can be held, for example:

- on the organisation's own premises
- on the customer's premises
- at a hotel or conference centre

Colleagues who deal with the sales of services and products often present 'pitches' to current and potential customers to let them know what is on offer, and to encourage sales. There may be several meetings that follow, when everyone discusses the details and progress.

Meetings with suppliers and other stakeholders

Organisations will have meetings with current suppliers from time to time to discuss how things are going and to make future orders. They will also meet new and potential suppliers to see if their products and services will be of use – e.g. new phone system suppliers or Internet providers.

There can also be meetings with other people who are connected with the business – e.g. HM Revenue and Customs; bank managers; inspections by representatives from governing bodies.

Meetings of directors, trustees or shareholders

The board of directors will meet from time to time to discuss the business in detail – e.g. to talk about progress, strategies and objectives.

If the organisation is a charity, there can also be a board of trustees made up of people who are independent from the directors. They will meet from time to time to discuss the business and the charity – e.g. levels of income; the work of the charity; how to allocate funds for charitable projects.

Shareholders are people who have bought a share of the organisation, usually of a company. There can be one or two for a small company, or there can be many thousands for a large company. They are invited to the Annual General Meeting (AGM) and there may be other meetings when required. They need to discuss and sometimes vote on aspects of the business – e.g. to accept the financial accounts; to select and appoint people to act on their behalf.

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A meeting agenda

Meetings are used to share information, often in a formal session. They can be between two people, or attended by hundreds or thousands of people.

When organising a meeting, the person leading it will often generate and circulate an agenda in advance. This is a list of points that they are expecting to cover, in order, within the time allocated to the meeting.

The agenda is based on the organisational objectives that the people attending need to discuss, for example:

- data to measure and evaluate progress so far in achieving objectives
- issues and problems
- possible solutions
- forecasts, plans and targets about how to achieve the next set of objectives

For example, a quarterly meeting between department managers and team leaders to review activities could result in these items being on the agenda:

1. Welcome and introduction – from the senior manager holding the meeting
2. Minutes from the last meeting – to be agreed and signed off as being accurate
3. Apologies – from people who cannot attend the meeting
4. Production output for the last two quarters – to compare and analyse
5. Problems arising – e.g. delays, staffing issues or problems with suppliers
6. Forecasts and targets for the next quarter
7. Anticipated resources needed and potential problems
8. Review draft targets for the following year
9. Recruitment plans for the following year
10. Training courses planned for the following year
11. Any other business (AOB) – for people to add things that need to be discussed

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It is important to have a meeting agenda that addresses the objectives of the organisation so that, for example:

- **the meeting is focused, structured and has direction** – to keep things moving as people can see how much business needs to be covered, and in what order; to avoid people spending valuable time talking about issues that are nothing to do with the objectives; to keep the meeting on time
- **people can see what needs to be prepared before the meeting** – e.g. reports and figures that are going to be discussed
- **participants can anticipate questions they may want to ask** – e.g. by having advance warning that they will discuss specific problems with other managers

Having an agenda shows that the meeting is serious and will be run well. Everyone's time is precious and it is important to use the time wisely and efficiently, making the most of the opportunity to share information, review objectives and agree the ways forward.

During formal meetings, someone will usually **take the minutes**. These are detailed notes that are written up after the meeting as a true representation of what was discussed and agreed. They are often sent out soon after the meeting, so that everyone can see the points that have been agreed. The minutes are checked and agreed at the next meeting to make sure that they are accurate. They can also be used when writing the agenda for the next meeting, to check that actions have been completed, and to show which subjects and objectives need to be reviewed again.

Confirming objectives

By sending out the agenda in advance, people have the chance to raise issues and request changes to the agenda before the meeting – e.g. to include extra topics that they believe are important and ready for the group to discuss. This helps to confirm the objectives to be achieved during the meeting as everyone can see what is going to be covered.

Having an agenda also helps the relevant people to see that they need to be prepared if the meeting is going to achieve its objectives. If their department, team or tasks are under review, they need to have reports and data ready for analysis and discussion.

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For example, if one of the objectives of a meeting between the directors and senior managers is to evaluate the performance of the sales team members, the sales manager needs to have details ready, such as:

- reports of sales made by every individual
- reports to summarise the performance of the team as a whole
- reasons for delays, problems or performance issues
- projections for future sales performance
- plans and strategies to develop performance and face new challenges

Each organisation will have its own way of confirming the objectives with the relevant people before the meeting. In this example, the managing director who writes the agenda might telephone or email the sales manager to give clear instructions about the meeting objectives, and what information they want to see. By confirming the objectives they want to achieve during the meeting, the managing director makes sure that:

- everyone knows what they need to do and can be prepared
- when they check the agenda, people can ask for extra topics to be discussed or prepare questions
- people have the information and documents they need in time
- the best use is made of the time available for the meeting
- decisions can be made during the meeting based on the reports and data (and not delayed due to lack of information)

Another example could be a training meeting between a team leader and a team member. The team leader needs to tell the team member the objectives for the meeting so that they can, for example:

- prepare themselves for the training topic that will be covered
- make sure that they have the correct materials and equipment – e.g. a sample of their work so far
- bring their training notes on the subject – e.g. to revise what they have learned before and to see notes about questions they need to ask the team leader
- bring their personal development plan – e.g. to be reviewed and signed once training is completed successfully

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Documents required for meetings

Different types of documents are needed for different types of meetings that could be, for example:

- **team meetings**
- **training meetings**
- **appraisals**
- **videoconferences**
- **with customers**
- **with suppliers or other stakeholders**
- **between directors, trustees or shareholders**



The following table shows examples of documents and the types of meeting where they might be used.

Documents	Examples of their purpose	Type of meeting where they might be useful
Agenda	To list the points to be covered during the meeting	Any meeting, especially formal meetings or if several people are expected to attend
Minutes	Detailed notes that need to be agreed at formal meetings	Meetings between directors, trustees or shareholders, or when there is a statutory or regulatory requirement to log and approve the minutes
Briefing notes or handouts	Detailed information that people need to read before or after the meeting – e.g. about new products and services	Any meeting, especially management, sales or training meetings
Reports – including graphics, pictures, graphs and tables	Formal or informal reports about any business function – e.g. sales figures; production data sheets; organisational operations; market research analysis; feedback questionnaires and data	Any meeting, especially management, videoconferences, sales, team and directors' meetings

Section 3: Understand how to communicate work-related information

Workbooks	Training materials – e.g. to give to learners to use during training meetings; as samples to discuss when planning and organising training with other team leaders or managers	Team, training and management meetings
Forms	To collect information in a structured manner – e.g. order forms or application forms	Meetings with customer or suppliers; team meetings for HR or training purposes
Contracts or agreements	Legally-binding documents between parties	Meetings with customers, suppliers or members of staff
Instructions	To include within operational procedures and training manuals	Team or training meetings
Brochures and other marketing materials	To provide detailed information about the organisation's products and services	Meetings with customers or suppliers

Summary

In this section, we have looked at communicating work-related information, in particular:

- techniques to gain and maintain the interest and attention of an audience
- effective written communication
- effective verbal communication
- accuracy, currency and reliability of information
- advantages and disadvantages of different communication methods
- different types of meetings
- addressing objectives
- the agenda and other documents

Section 4: Extension activities

Further your knowledge and understanding of the topics in this workbook by completing the following extension activities.

Understand principles of team leading

Extension Activity 1: We have briefly covered two theories about leadership styles, Kurt Lewin and Tannenbaum and Schmidt. Find some more leadership theories online by entering 'leadership theories' in a search engine.



Make some notes about their main points.

Which theory appeals to you most, and why?

Extension Activity 2: Look on the Acas website – www.acas.org.uk – and research their guidance on conflict management. Make some notes about:



Negotiation skills

Mediation

Bullying and harassment

EFFECTIVE COMMUNICATION

Disclaimer

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