

# Business

## Unit 4 – Human Resources

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Contents Page

Page 1 – Front Cover  
Page 2 – Contents Page 1  
Page 3 – Introduction Title  
Page 4- Introduction  
Page 5- Company Overview Title  
Page 6- My Company  
Page 7- My Company  
- Awards  
Page 8 – Awards  
Page 9- Awards  
Page 10 – Human Resources Planning Title  
Page 11 - Human Resources Planning  
- Forecasting  
Page 12 - Human Resources Planning  
Page 13 - Human Resources Planning  
Page 14- Human Resources Planning  
- External Labour Market Influences  
Page 15- Education And Training  
- Government Policies And Legislation  
Page 16- Government Policies And Legislation  
Page 17- Recruitment And Selection Title  
Page 18 – Recruitment And Selection  
Page 19- Recruitment And Selection  
Page 20- Recruitment And Selection  
Page 21- Advert 1 And 2 Examples  
Page 22- Recruitment And Selection  
Page 23 – Recruitment And Selection  
Page 24- Recruitment And Selection  
Page 25- Recruitment And Selection  
Page 26 - Recruitment And Selection  
Page 27- Training And Development Title  
Page 28 – Training And Development  
Page 29- Training And Development  
Page 30- Training And Development  
Page 31- Training And Development  
- Induction  
Page 32 – Types Of Training  
Page 33- Types Of Training  
Page 34- Performance Management Title  
Page 35 - Performance Management  
Page 36- Performance Management  
Page 37 – Performance Management  
Page 38 - Performance Management  
Page 39- Possible Problems (Possible Areas Of Conflict Between Human Resource Functions) Title  
Page 40 – Possible Problems  
Page 41- Conclusion And Bibliography Title  
Page 42- Conclusion And Bibliography



# Introduction

Welcome to my business coursework for Unit 4 – Human Resources, for this unit I have to focus on one large company, and describe how they manage each section, the four sections of Human Resources Are:

- ❖ Human Resources Planning
- ❖ Recruitment And Selection
- ❖ Training And Development
- ❖ Performance Management

I will also use some comparisons with other companies that I have studied, however these will not be in such great detail.

Human resources, like any other is an essential part of any business, without it the business would crumble. It ensures that the right staff are initially employed, checking there qualifications, abilities, confidence in the job etc.

After the staff are employed, Human Resources helps keep them happy, by providing incentives to work harder, training programs to develop the staff further, etc. By doing the above the staff turnover will be lowered, and in the long run save a company a lot of money, which they may have had to spend on recruiting, advertising posts etc.

The area of Human Resources, that I have chosen to concentrate on is Recruitment and Selection.



# Company Overview

### My Company



The company I am focusing on is called Lindum Group, it is a large constructions company based in the East Midlands, it is comprised of many divisions, the main ones are:

- ❖ Lindum Construction
- ❖ Lindum Building and Maintenance Services (Incorporating Lindum Decorating), Lincoln and Grimsby
- ❖ Lindum Plant
- ❖ LG Joinery
- ❖ Lindum Homes
- ❖ Lindum Holdings (Incorporating Lindum Training Services)
- ❖ Lindum Security
- ❖ KGM Roofing, Spalding
- ❖ Lindum Sturgeon, Peterborough
- ❖ L5 Design
- ❖ JV Properties

(List Taken From Lindum Overview Information Brochure)

Lindum has an average turnover of £70 Million. Over all of the above divisions Lindum employs a total of 496 People the company was started in 1956.

Of the near 500 employees:

- ❖ 250 Work On Site
- ❖ 250 Work In The Office
- ❖ 88% Are Male
- ❖ 12% Are Female

Lindum's Motto Is “The Difference Is Our People”

Lindum feels that it is successful thanks to the focus it puts on clients, it gives them a friendly service, and although it may not be as cheap as some companies, it is always the best of quality, meaning that the client gets what they pay for, having this sort of attitude makes around 70% of clients return for more business!

Lindum encourages its employees to better themselves, it offers them training programs etc, it also encourages them to try new things, if they want to start there own

company Lindum will support rather than hinder this process, and because of this it has several past employees subcontracted out to do other jobs, such as KGM roofing.

Lindum feels that one of the reasons it works so well is its people, it claims that they are happy and enjoy their work, they give incentives to encourage harder work, and treat them as a family, rather than a link in a chain to get a job done.

It has many clients, including but not limited to:

- ❖ Siemens
- ❖ George Fischer
- ❖ Longhurst Housing
- ❖ WM Morrisons
- ❖ ASDA
- ❖ Lidl


Having such big names using the company, can only help it gain further clients.

### Awards

Lindum has recently been voted as the 6<sup>th</sup> Best company to work for, below is a copy of the article published by The Times Newspaper Taken From:

<http://business.timesonline.co.uk/article/0,,20133-2054200,00.html>

“The Sunday Times      March 05, 2006

<b>6</b>	<b>Lindum Group</b>
	Construction and housing
	
<b>Annual sales</b>	Not disclosed
<b>Staff numbers</b>	496
<b>Male:female ratio</b>	81:19
<b>Under-35s/over-55s</b>	34%/24%
<b>Staff turnover</b>	8%
<b>Earning £35,000+</b>	5%
<b>Typical job</b>	Project manager/site specialist



6: Lindum Group  
Construction of a sense of family  
6lindumgroup  
6lindumgroup

Building a future for its employees is crucial at Lindum Group — a company that provides construction, land and housing services for its clients. Most staff own shares in the firm and everyone gets an equal portion of the 10% profit-share scheme, even the cleaners, pro rata, for their 16 hours per week.

Chairman David Chambers has a free-thinking attitude and sees the way forward in a far less aggressive manner than his construction industry peers.

\*

“It’s not about money really. No, really. You have an overall duty to your workforce. Enjoying your work is the goal. Companies die because they get greedy,” he says.

Chambers’s father established the company in 1956 and named it Lindum after the Roman name for Lincoln, the city where it is still based. The group now comprises 13 divisions ranging from joinery to decorating, roofing to security. There is also a sector that provides venture capital to start-up firms.

Chambers has declined a number of takeover bids from larger firms, instead preferring to focus on maintaining and developing Lindum as a family company. “It’s a Lindum family now,” he says.

“If I wasn’t here, it would still run very efficiently with the same morals. If all my family died my shares would be given equally to all the staff here.”

The firm has grown from 125 staff in 1988 to an almost 500-strong team. Staff do not tend to leave; the tenure bracket with by far the largest numbers is five to 10 years’ service and 41 employees have been with the organisation for more than 15 years.

Lindum relies heavily on repeat business, and this is only possible thanks to a workforce that is committed. But people are not overstretched; the 87% positive score for staff saying they are not under too much pressure to concentrate is the best result in our survey and just one company has lower stress levels (an 88% positive score).

With a 79% score for work/life balance and for work not interfering with responsibilities at home, Lindum is again bettered by just one company.

Plant manager Tom Robertson first worked for Lindum in 1986. He left to set up his own company but rejoined a number of years later. He is not alone in moving “off tools” and into management.

“I was on sites so I can respect what people do and I think they respect me. I think that’s why the company promotes from within,” he says.

Training is provided at all levels getting an 82% positive score for being helpful. A good range of benefits augments salaries; as well as profit-related pay and the share options scheme, performance-related bonuses are also possible. About half the staff qualify for free private healthcare.”

Lindum Has an Investor In People Award.



**INVESTORS IN PEOPLE**

This shows that the company has a very high quality of service, it meets the needs of its employees, and of its customers.

Now that I have given a brief overview of Lindum, I will go on to talk about the different sections of Human Resources, and how they deal with each section.

# Human Resources Planning



Human resources is a very important part of any business, including Lindum, it is essential that the right staff are employed, and that they are kept happy etc.

Therefore Lindum must create a firm Human Resources plan, of which they must follow, doing this will make recruiting, training etc an easier task as they will have outlined ways in which to tackle each section of Human Resources.

Lindum recognise that their staff are not just parts of a machine, they are as important as the customers and every other person, therefore it is necessary for Lindum to keep their staff happy, this will reduce costs of employing new staff and lower staff turnover.

Therefore planning involved choosing the right people for the right job, deciding how to best develop them, and in the long run how to best meet the aims of the company, the plan must also evaluate any possible problems which may occur over time and show ways in which they could be dealt with.

Lindum is a growing company, each year it employs more people, as it has more work. Every company must have a Strategic Plan for the future, analysing what they will need, and what the market will have to offer them at the time.

Lindum aims to remain one of the United Kingdoms best construction companies, but it can not do this if it does not expand, knowing this Lindum employ new staff each year, and are constantly training old staff to remain competitive, they also offer apprenticeships to school leavers, and university leavers, and if they feel it necessary they will offer them further opportunities such as paying for them to get a degree in construction etc.

### **Forecasting:**

Although Lindum employ new staff each year, they may need to employ more one year, and less the next. To work this out they need evaluate previous years, for example if they employed 10 people in 2000, 20 people in 2001, then they may forecast that they need to employ 30 people in 2002 etc. By doing this they will employ a sufficient amount of people to maintain their workforce, and competitive edge.

They can also forecast the number of staff that will be required by studying jobs and setting goals, for example if it takes 10 workers 3 months to build a block of flats, and they want to build 100 flats within 6 months, they will know they need at least 50 staff members.

Lindum have to analyse the market, they need to know if there will be enough people to employ, what level of education they have etc, in order to devise a “concrete” plan for the future.



Before Lindum begin to hire staff, they must evaluate there current work force, they need to know:

- ❖ How Many Staff Are Employed
- ❖ The Level Of Training Each Staff Member Has
- ❖ How Many Staff Are Able To Do Each Job, E.G. How Many People Can Lay Roofs, How Many Can Do Woodwork Etc.

Once they know this then can determine which areas need improvement, they may need to employ more people to perform a specific job, however they may have staff available, that simply need training. If this is the case it may well work out cheaper to train up a staff member, than to recruit a new one to do a job, having said that it is likely that the promotion being offered to the person will leave a roll available, which may or may not need filling by a new employee.

Lindum's staff are motivated, and happy, many of them say that they enjoy working for Lindum, and that they feel the workforce is like a big family, they don't just work together they socialise together etc. Because of this the turnover of staff is very low, however Lindum still needs to regularly analyse this, if they know there turn over is low, they can carry on employing staff at the rate they currently do. However if turnover became to high, they will need to rethink there strategies, improving staff satisfaction, and there recruitment procedures. Currently Lindum only has a staff turnover of 8% this is very low, which shows they have a good Human Resources Plan.

They have more younger staff than older staff, however they employ a large amount of over 55's, as well as under 35's. There are also a lot more males than there are females working at Lindum, with 81 males to 19 Females.

34% of Lindum's employees are under 35, however 24% is over 55, this shows that although there is more younger people, and thus a good influx of skilled workers, that people remain working for Lindum for a relatively long time, with 20 or more years of employment being quite possible.

This in comparison with other construction companies shows that Lindum has a much better staff retention for example, Bramall Construction. Although they have double the staff at 1171, they also have a much higher turnover of 17%, and they have a lot less over 55's employed than Lindum showing that they do not retain staff for such long periods.

As well as analysing how many people they think they will need to employ, they also need to analyse how much demand there will be for their products over the next year, if they do not look at every possible aspect of forecasting then they will either end up employing to many, or to few employees and each will cost the company time and money.

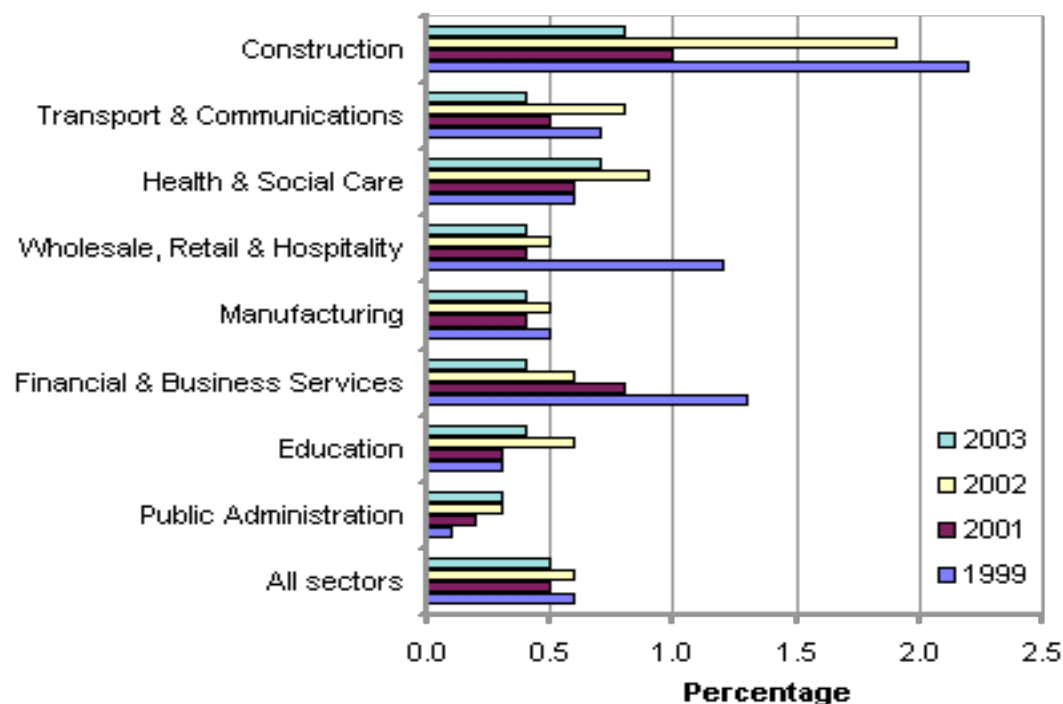
As well as analysing information that is internal to the company. Lindum needs to look at other figures, they can then see how they are doing in comparison to the local market, plan any changes etc.

They will need to look at:

- ❖ Projections Of Employment, and Unemployment Levels For The Next Financial Year.
- ❖ Demand For Jobs In The Construction Industry
- ❖ Data Showing Skills Shortages
- ❖ Costs Of Wage Increases
- ❖ Competition In Construction Market For Employees

By looking at these they will be able to form a better picture of the current state of the labour market, which will help them form a better plan for long term expansion of Lindum. They will be able to see if there is going to be a shortage of builders for example, and employ additional builders before the shortage occurs, or before competition for skilled workers is too high. They can also judge how many people they can afford to employ, by studying trends in wage increases, if wages increase too much each year, then the level of staff they employ is likely to decrease.

Much of this information is easily obtainable, via local government research programs, census materials, education authorities and even online.



(Image Taken From: <http://www.dfes.gov.uk/trends/upload/chart/ACF7803.gif> )



The above chart shows the number of jobs unfilled due to skill shortages in the UK, although this is not a current, or predicted graph it is a good example of information that can be obtained.

From this graph we can see that although there are still a number of places unfilled due to lack of skilled workers, over the course of 4 years the number of unfilled places has gone down by almost 1 third, showing that there are more trained workers in 2003, than there were in 1999. From that information Lindum could surmise that the number of skilled workers is set to improve over the next few years, so in that respect they should be relatively trouble free.

Another note to mention is that out of every 5 institutions, only 3 provide training for their employees, meaning that Lindum already has a edge in appeal to new workers, as they can offer development that some companies could not.

### **External Labour Market Influences**

#### **Age**

Currently in the United Kingdom, and many other parts of the world we are suffering a problem of ageism, this means that people are living till a much greater age, with it being more common now to see 100 than ever before. We also have a reduce birth rate, meaning that our population is leaning more to the older market now. This means that there are less younger workers, skilled and unskilled school leavers etc, which will eventually cause problems, and force Lindum to look elsewhere, be it to the older market, or to over-seas.

#### **Competition**

Lindum is a very friendly company, they like to offer their staff as much as possible, this includes regular training, to push them as far as their potential allows. This gives them a good edge over competitors, for example a company may offer better rates of pay than Lindum, or ask the employee to work less hours each week, but people tend to favour happy working environments, and opportunities to better themselves over a few extra pounds in there pocket. Meaning that if it comes to the choice between two companies it is likely that most people would choose Lindum, as they offer plenty of future opportunities.

#### **State Of The Economy**

Currently the United Kingdoms economy is in a slight slump, meaning belts are a little tighter and consumer spending is less, this may mean that supermarkets chose to expand less, or that football clubs cant afford to build new stadiums, which will have a knock on effect on the construction industry, that having been said thanks to London winning the 2012 Olympics, there will surely be a boom in the construction industry, even if Lindum does not win a contract to build for the Olympics, it may well get contracts it would not have seen before, due to other companies being to busy to meet their needs.



### **Education, and Training**

As I have mentioned several times before Lindum offer great training opportunities for their staff to better themselves, as a result retention of staff is higher, and costs are less.

### **Government Policies and Legislation**

The government is constantly introducing new laws, that companies must follow, be it raising the minimum wage by 25pence an hour, or altering the quality of materials that must be used by a company.

Lindum must constantly be aware that the market, and its rules are evolving, and budget well for this, if it were to employ more staff than it could afford, and have to lay people off, then other staff would become concerned about their job security, and Lindum may well lose staff in the long run.

By offering such good training programs to its staff, Lindum is however already ahead in the education section of business, allowing constant improvement opportunities, not on offer by many other companies.

The more education opportunities Lindum offers, the more likely it is to gain subsidies etc from the government, which will help it fund its training ventures.

Lindum also needs to know about local employment situations, it may wish to employ people in London, but find that there are not enough skilled workers available at that location, but if they have done the correct research they may find that there are to many skilled workers in Lincoln, which gives them the opportunity to employ people at a different site, or offer incentives to move to another location. It may also help them identify the best location to expand into, and the best markets to target for work.

It is also important for them to monitor other companies, for example in the town in which I live Louth, we have a company called DSSmith, this is a packaging firm, that supply's McDonalds etc, if this were to close down, then the majority of Louth's workers would be unemployed, however Lindum in Lincoln could see this as an opportunity to Target Louth for new employees. If this were the case they could offer incentives such as free transportation to living, help with relocation costs and so on., making the prospect a much more interesting one.

### **Effectiveness Of Human Resources**

Lindum has a very happy work force, people want to go to work each day, they have friends, and family working with them. They know that they will be given many opportunities to better themselves, and that their suggestions and ideas will be given consideration by management.

Because of the high staff morale, Lindum has a very low staff turnover, and very few people take sick time off work, unless they absolutely have to. This shows that



Lindum has a very good Human Resources department, that they plan well for the future, and that they know how to manage a successful business.

However should a particular worker keep taking time off, on specific days, or during specific tasks etc, then Lindum will identify the problem, and try to resolve it with the employee.

Because Lindum trains its staff to such a high standard, it is very rare that accidents happen, this reduces costs to the company, and loss of the workforce, however if accidents did start to occur Lindum would research a training program that would educate its employees in how to avoid them.

It can compare its accident figures with national ones, to see if they are higher or lower, and if they are higher find out why, and resolve the issues.

Lindum has a good mix of younger and older employees, and as it hires new people every year, including students on apprenticeships, it covers itself so that it has staff replacing any staff that may leave. Also because of its high quality of training programs, staff are all more than qualified to perform their tasks, so even if the most skilled worker leaves, someone is prepared to step into their place.

# Recruitment And Selection



I have chosen the Recruitment and Selection, section of Human Resources to concentrate on, I have done this because I have the most resources available for this topic, with a variety of information from Lindum as well as on the internet available for me to access.

The recruitment and selection process, is a very costly and time consuming process, therefore it is essential that it is done correctly first time, the correct staff must be employed, otherwise staff turnover will increase and so will costs to the company, for employing, and training.

There are many legislations which effect this process, such as minimum wages, contracts and so on.

Over the course of time Lindum has to employ new members of staff, for many different reasons:

As Lindum expands, they may gain new properties, or attempt to locate themselves in new markets, they will receive more business and so forth. As this happens they will have to increase their workforce to compensate for the expansion. Their current workforce will only stretch so far.

Also as new technologies become available, they will need to employ people to use them, it may work out more beneficial to Lindum to employ an already trained person, than to train their own staff members to use it.

There is quite a large number of over 55's working at Lindum's, and eventually they will have to retire, when this happens Lindum will need more staff, now they do have the Apprenticeships, hiring five people a year, however if a large percent of the over 55's were to retire at the same time, then Lindum would be force to recruit new members of staff.

They also have old staff wishing to return for example one member of staff was the Human Resources manager, he worked there for several years and then branched off to start his own company, but due to the costs and stress involved with this venture he decided to return to Lindum, and is now working his way back up the company to try and once again become a manager.

Because Lindum has such a great training and development program set out for their staff, their will be several opportunities for promotion, with people working their way up to be managers etc. However promotion leaves gaps in employment, if for example a carpenter was to become a line manager, then Lindum would need to hire a new Carpenter.

With it being so important to get this process right the first time, it is essential for all aspects of recruitment and selection to be done well. When eliminating for example applicants, if you were to eliminate all applications with a typo on, then you could be removing the best people for the job.



Lindum is such a successful company because it has a happy and well balanced work force, this combined with the latest innovations in the construction world enabled Lindum to give flawless service both in the quality of service, and work provided.

This means that they will want all their employees to be of a similar standard, they do not want one new employee upsetting the balance of their company, and causing problems.

They can advertise any jobs internally as well as externally, if they advertise internally, then they will be employing people that already work for them, and in this case they already know how good or bad the worker is, and how they would be suited for the role.

It will motivate all staff to work harder, as they will see potential promotions, and employment opportunities as incentives, and it will reduce the costs of recruitment and selection for Lindum.

However as with all things there are some drawbacks with internal promotion, for a start the original job the person did will have to be filled, and for a second people may become jealous or upset that they did not get the job and someone else did, however in Lindum this is very unlikely.

When creating a job advertisement, Lindum need to do research into what the job actually entails, they need to come up with a name, description etc for it. As an example, see Advert 1: Overleaf

Here you can clearly see the Job title is: Car and Light Commercial Vehicle Technician, this instantly gives you the knowledge of what you will be doing in the job.

It is very important to get the job title right, so that the potential employee knows exactly what he or she will be expected to do, if the title is confusing then this could cause problems.

It also says: The successful applicant will join an established team in a modern workshop, already we get the image that this person would be one of many in a group working together to get jobs done, therefore we can identify that good team work skills would be needed.

It is also important to make the position easy to see, in this case it is a group position in others it may be manager, or line manager etc.

On advert 1 the duties and responsibilities are not listed, however in Advert 2, there is a very good description of what will be required of the potential employee, it is very important to include such a description, otherwise applicants may be applying for a job they do not actually want, or are not actually qualified for.

It is not only important for the correct qualifications to be held by a potential employee, but they must also have the correct attributes for the job, it would be no

good for example a timid person applying for a job where they have to represent the entire company to large audiences.

Therefore it is important that as well as outlining what the job entails, the person needed should also be outlined. For example “Confident, Friendly Individual”

It is also a good idea to mention the qualifications required, for example in Advert 1 they need a “Fully Qualified” technician, and in Advert 2, they advise ICT skills as an advantage, this will help reduce the applications, of non skilled workers however Lindum are willing to give even unqualified people a chance to build skills with them.





It can sometimes be good for Lindum to employ workers with previous experience especially if no one in the business currently has the required skills, they will not only be able to do their job well, but there is the possibility that they could train others to do the same tasks, and thus save money in the long run.

Information that should be included in a job advertisement:

- ❖ Lindum's Name and Location
- ❖ The Job Title And Description
- ❖ Qualifications, Experience, Type Of Person Etc Required
- ❖ Salary If Relevant
- ❖ How To Apply

If the advert is done correctly it will give all the relevant information, and be attractive to potential employees, however it will discourage applications from unskilled and unqualified workers, making the selection process an easier one over all with less applications to go through.

There are several ways to advertise a job:

- ❖ A Job Centre
- ❖ Local Newspaper
- ❖ National Newspaper
- ❖ Recruitment Agency

Lindum advertise their jobs via a Recruitment Agency and in National Newspapers.

All applications will have to include Covering Letters and C.V's, the letters must include information such as:

- ❖ Why you want the job
- ❖ What you think you can add to the company
- ❖ What education you have
- ❖ Any experience you may have that you feel would help you in this role.

The letter is what sells a person to a company, therefore it should not just be a list of facts about someone but something that can be enjoyable to read. That lets the company get a feel for who this person actually is.

The C.V (Curriculum Vitae) shows the company what you have done so far, work experience, part time or full time jobs, qualifications earned from school, college and university and so on, it is the professional paper in which you show the company what you have obtained during your life so far.



The next process Lindum has to take, after it has placed its advertisements, and received applications is to start short listing, this is the process of eliminating applicants, for example if they get 200 people apply for the job they can not possibly interview them all instead they will interview maybe 10 of them.

To shortlist they will look at several things when reading the application:

- ❖ Spelling/Grammar
- ❖ Presentation
- ❖ Professionally
- ❖ Qualifications
- ❖ Experience
- ❖ Type of person reflected by covering letter

They will then identify the people that meet the jobs needs, and that seem to have the same ethos as the company, and then send out letters informing them of an interview, including the date, time, location etc.

During the interview process Lindum will have a tick sheet at hand, that will include things like, Dress, Confidence, Product Knowledge etc, and will give an overall rating of the person being interviewed. As well as helping Lindum make the decision on who they wish to employ.

Interviews at small locations, or for part time jobs will usually have one, maybe two interviewers, however at larger organisations like Lindum three, six or maybe more interviews may be on a panel judging the applicant.

Interviews are nerve racking experiences for even the most confident of people, as there are never any guarantees with them, however Lindum tries to make its applicants feel comfortable and relaxed during the process, and this is easy thanks to their friendly culture.

There will be a list of questions that are ready prepared for the interview, and the applicant, for example if an applicant has ICT skills the interviewer may ask

“What ICT skills do you have? And how do you feel they can benefit our company?”

Common questions in interviews are:

“Why do you want this job?”

”What do you feel you can offer our company?”

etc, although on the spot questions will be asked that lead on from certain answers to form an overall better view of the applicant.



E.G:

Applicant: “I have had experience in setting up my local school network for computers”

Interviewer: “Ok, and how do you feel this would help Lindum in the construction industry?”

It is important for the applicants to seem as confident as they can, giving off the right signals, seeming trust worthy, reliable and friendly etc. Lindum will be looking at things like, did they know before they entered the room? How good was eye contact? Did they wait to be asked to take a seat? And so on.

After the applicant wanted is chosen, all unsuccessful applicants will be contacted and may be given feedback on what was good and bad about the interview to help them in the future.

Some companies provide tests for the applicants to fill out, that will reveal what type of person they are, it will give the company a good idea how friendly, confident, social etc a person is, and weather they would best meet the job criteria and the company culture or not.

I have taken part in two role-plays at college, one in which I was interviewer, and the other an interviewee.

I found it quite difficult when giving an interview to roll out follow up questions, however because there was three of us it made life a lot simpler allowing us to bounce feedback, and questions off each other. I can see that a lot of confidence and skill is needed to give interviews, and would suggest to any company that having at least two people give the interview is a good idea especially when making the decision of who to employ.

After the interview all of the scoring feedback etc is discussed and a decision is made on who to employ.

There are many laws and legislations for Lindum and all other companies to abide by. These give employees equal chances etc. Lindum however goes above and beyond these laws proving much more for their staff, because of this they are seen as good potential employers by people searching for jobs. Their staff are happy and motivated again, and the government will see them as a good company.



The four main acts are:

- ❖ The Race Relations Act 1976  
This act prevent unfair treatment of different races, it states that no one should be chosen because of their race, for example a black person should not be chosen over a white person purely because of his or her race. This ensures that no matter what quality a person has, they will be chose because of them and not their race. It also prevents discrimination in the work place.
- ❖ The Sex Discrimination Act 1975  
As above, this ensures that weather you are male or female, you will be treated equally, and chosen for a job based on your qualifications not your gender. E.G a male may be chosen to be a nurse (A typically female orientated job) if he so wishes etc.
- ❖ The Disability Discrimination Act 1995  
This protects disabled people, it will make sure that employees look at the qualities of a person not there ability to walk, or use all of their limbs etc. It will also ensure that should something happen to make an employee disabled that they will not lose their job unfairly.
- ❖ The Equal Pay Act 1970  
This act ensures that every receives the same pay, that a man does not get paid more than a woman for doing the same job etc..

Lindum aims to treat all people equally, they will not discriminate someone because they are married, or have children, because they are male, or female, black or white. They make sure that everyone is given the same opportunities, for training, promotion, and employment.

They will punish employees found to be discriminating, as they refuse to accept it.

They maker sure that their equal opportunities policy is constantly enforced, and that staff are able to easily read it if they so wish.

This creates a much fairer working environment for its employees, and gives everybody the chance to work for them. Creating again a happier workforce, a friendlier culture and a better quality company.

Some companies allow flexible working, this can be that an employee is contracted to work 5 hours a day, and must be in work from 10 till 1, however can choose if they work from 8 till 1 or 10 till 3 etc.

This is mostly used because of contracting out, however Lindum does not do this to often, only contacting out people who it has had working for it before.

Lindum employ mostly full time workers, however they do also have part time workers. Most companies have a trial period, where a contract will be signed for a set amount of time to see how the worker fits in, for example I have a part time job at



Wyvale Garden Centre, and have been contracted on a trial period of 3 months, at the end of which I will be given a review, and it will be decided if I get a full time contract, or another trial contract etc. Part time workers are cheaper to employ than full time ones.

Part time workers have the same rights as full time workers, they get holiday leave, and sick pay, they get minimum wages etc thanks to legislations, however they will work much less than a full time worker, so be entitled to less benefits, for example 4 days leave instead of 2 weeks.

It may be a flexible contract that allows people to work on one job for a set time, then move around in the organisation to try something else. People are also now working away from Lindum, they may perform work over a computer at home, or go to other companies trying to sell Lindum etc.

It may sometimes be necessary to get in temporary workers, these will be hired to complete a specific project, and then be terminated when it is over. They receive good pay and some benefits, however not as good as full and part time workers.

The average working time in the UK is 35 Hours a week, Monday to Friday, 9 To 5.

However many people choose to do overtime, meaning that they work much more than 35 hours, they do this because of loyalty to there job and to earn extra money or time off work.

Any contracts signed by the employer and employee, will have to include all relevant information such as:

- ❖ Duration of contract
- ❖ Working hours
- ❖ Rate of pay/Wage
- ❖ What is expected in this role
- ❖ Description of Job
- ❖ Notice required to leave job

Etc. Lindum have different contracts dependant on different things, if they have trained someone up they will set a minimum time they expect the person to work for them etc.

Contracts cover both Lindum and its Employee's, if they were to be dismissed unfairly they would have a right to take action against Lindum, equally Lindum has a leg to stand on if such action should be taken unfairly.



# Training And Development



As I have mentioned several times before, the training and development of staff is a crucial element to any successful company, and Lindum realises this, it offers its staff many opportunities to further themselves be it in work, or personal aspects.

Because of this Lindum has a good competitive edge in the market, their staff are of a much higher quality, as is there business, and because of this there staff are happy, and work harder, and are much less tempted to leave.

Although it may cost a lot of money to train staff initially, by improving there education, and retaining them longer, they do not have to fork out for recruitment costs as regularly, they will also have a better chance of recruiting well trained staff, if they know what the company will offer them compared to others.

Only three out of every five companies actually pay to train their workforce, they see it as easier and/or cheaper to employ already skilled workers, however Lindum know that by training their staff themselves, although it has a cost, they will see rewards as it helps generate staff loyalty to the company, and thus lower the amount of people who choose to leave.

Training is when an individual or group learns new skills etc that will make a positive contribution to a company, it consists of:

- ❖ “Traditional Training” This is training offered by a company to improve the skills, knowledge, etc of employees, Lindum offers many such training activities to its staff, to give them the opportunity to better themselves, and to improve the company.
- ❖ “Education” This is education that takes place within schools, colleges and universities, if Lindum identifies someone with the potential, they are willing to put them through a degree at University, as long as they know they will have a loyal employee afterwards.
- ❖ “Vocational Education” This is things such as apprenticeships, Lindum offers these to school and university leavers both skilled and unskilled.
- ❖ “Management Training” At Lindum training is constant and on the Job, as an example of this, the Employee may be asked to go into a meeting with a client and come out with a certain set of results, hard to obtain giving them on the spot training (this would be called On-The-Job Training).
- ❖ “Organisational Development” This includes this such as teamwork skills etc.

(Above Titles In Quotations Taken From Heinemann AVCE Advanced Business)

Lindum recognise however that it is not just important to improve the quality of their staff, to better the company. They treat their staff members as important people, if someone wishes to develop themselves further, they simply need to ask, there views and ideas will be listened to and considered by Lindum. It is not only professional development of the staff, but personal for example someone at Lindum wished to learn to scuba dive, so Lindum placed them on a two week excursion to learn how to



do this, they feel that by offering such things they will make staff happier and keep them longer.

Because Lindum feel it is so important to fully develop the potential of their employees, whether it be the manager, a construction worker or even a cleaner. They hold a “Personal Development Review” annually with that staff member’s line manager.

But there are also several other opportunities to review training, such as meetings, and it is possible to arrange a review for the staff member at any time.

Lindum's staff will be listened to, if they have a valid idea that could contribute to the training of Lindum’s staff then it will be given careful consideration.

Lindum use all the information they acquire in meetings, reviews and so on and then comprise a training plan for each department, so that the needs of each individual can be met, while satisfying the companies requirements at the same time.

When creating a training program Lindum:

- ❖ Identify what training is needed, and what resources will be needed to carry it out, they may need to get specific materials in, or even teachers from specific locations.
- ❖ They make sure that all training is done at the correct place, if they need to provide transport, and time off work for it to be completed then they will
- ❖ Work out correct budgets, so that all training can be met and financial supported.

They are more than willing to cover any costs the employee may incur, be it the cost of the course, travelling costs etc, they will also allow leave time for exams etc.

However to cover themselves Lindum makes the employee sign a contract, that will state an amount of time they must work for Lindum after specific training is given. After all they don’t want to pay for someone’s degree to have them go and work for someone else after a month!

Lindum offers its employees great opportunities to develop themselves, because of this the quality of staff, and work is high, making the quality of the company better as a whole. Staff are much more motivated knowing that they are getting something out of their job, and although they may not be on the highest wage, or the lowest hours they enjoy their job knowing what is on offer, and putting more into their work. It also creates good staff loyalty, they won’t easily leave for a better paid job as they know not all companies offer such good development plans, therefore the cost of recruitment for Lindum is at a minimum, with workers staying many years, and giving the company their all.



In Lindum the Divisional Directed has responsibility for staff training, with the Training Manager being responsible for the implementation and administration of the plan.

The Line Manager Must:

- ❖ Give Annual Reviews To Its Staff, Determining Required Training Etc
- ❖ Creating A Training Plan For Its Department, That Effectively Uses The Training Budget
- ❖ Identifying And Supplying An Appropriate Environment For Training To Take Place

The Training Manager, must identify how best to develop each employee, and making sure that the training given is effective, and well used within Lindum. They must also help the Line Managers in creating good training plans.

Lindum will expect all of its trained staff to use their new skills in the most beneficial way possible, to ensure that they get them and the company get the best out of their new skills.

The Following Is Lindum's "Group Training Policy" It is Taken Directly From Lindum and Is Not My Own Work:

"We recognise that the standard and quality of our services depends upon the capabilities and motivation of our employees and that this will be significantly influenced by the provision of relevant training and development opportunities within the organisation.

We are therefore committed to:-

- ❖ Providing employee training and development opportunities to meet organisational needs.
- ❖ Aiming for the highest/best value standards in making any training provision.
- ❖ Progressively expanding the scope of the training provision to enable the full potential of employees to be developed.
- ❖ Investing in training that is relevant and appropriate to both individuals and their teams for their future roles.
- ❖ Allocating a budget for training needs."

Here endeth the group training policy.



Here is an overview of the benefits Lindum sees from training its staff:

- ❖ It gains a competitive edge, staff are happier, and thus work harder, and this improves the quality of service provided, it also makes new staff more attract to Lindum.
- ❖ With Employees being happier, they are willing to work harder, and thus improve themselves and Lindum.
- ❖ Although it is costly to train staff, Lindum sees saving in the long run, because staff loyalty is improved, and retention of staff is better, Lindum saves a large amount not having to recruit new, or already trained people.
- ❖ If employees are well trained, they will be more efficient workers, getting jobs done faster, and to a higher level of quality, they will also be well educated in safety and accidents will be much less likely to occur
- ❖ Because of staff happiness and loyalty is it very unlikely that staff working for Lindum will take sick days unless essential.

There are many different methods of training, including:

### **Induction:**

Induction is the process of introducing a new employee to their new place of work, it will help them to fit into the new environment:

- ❖ Meeting the people they are going to be working with
- ❖ Getting to know the layout of the organisation
- ❖ Learning how the organisation operates
- ❖ Learning about the culture of the organisation, in this case Lindum having a very friendly culture

As well as helping them get going in their new placement they will also learn:

- ❖ Key Skills needed to perform their function in the organisation
- ❖ Health and Safety training

As well as this they will be given a pack, that contains all the information they need to know about the company, such as who is who, what to be done if a problem occurs etc.

I have recently looked at another company, this company is called Applebys, it is a coach tour, and travel agent company that operates in Lincolnshire

Applebys also has a very low staff turnover, part of the reason for this is the training programs that Applebys offers its staff, from the very moment they get the job they begin training, and are continually trained over there time with the company.

This makes the person see opportunities to better themselves, and improve there career aspects, therefore creates staff loyalty, it is an incentive to keep working for the company for a long time



No matter what the role in the company, training is constantly given, to Travel Agent staff, booking staff and even Coach Drivers, meaning that all the staff are equally as good, representing Applebys well, and gaining repeat business as well as new interests thanks to word of mouth advertisements.

Skills such as how to give a telephone booking, how to deal with customers, health and safety, etc are trained in induction procedures.

So not only does good induction and training benefit Applebys because of the low staff turn over it benefits staff because it betters them for the future, but it also better represents the company by the service offered.

The same can be said for Lindum, the better training they give, the better they become and the sooner they start the training the more loyal the employee will be!

### **Mentoring:**

This is when a trainee is placed to work with a more experienced member of staff, doing their own thing but having the other member as support when needed. In Lindum this may occur when a trainee manager is attempting to gain rank within the company. They may be placed with a head of department etc gaining experience off them, and becoming ready to fill their roll should the opportunity arise.

### **Coaching:**

This is when someone coaches an employee on how to do their job, however they need significant training before they can actually do this, as far as I know Lindum do not provide this service.

### **Apprenticeships:**

Apprenticeships use to be extremely popular in the United Kingdom, it is how plumbers, electricians and a whole range of other professions learnt their ways.

Sadly over time this method of training had died out, however Lindum still offer it!

Each year Lindum take on five new apprentices, in a variety of jobs they have available, these are offered to school and university leavers, both skilled and unskilled.

They develop the apprentice over several years, teaching them all the skills of the trade, they will teach them everything they need to know to perform the job like a professional, and when the Apprenticeship is over Lindum employs the Apprentice as a full time and skilled worker.

This gives Lindum the opportunity to get young workers, and train them to be as good as older ones, meaning that as people leave they can easily be replaced with skilled workers and costs fro Lindum are reduced.



On-The-Job Training, takes place while at work, it may be fitting a new roof, or going into a meeting to obtain specific results.

Whereas Off-The-Job Training, means that the employee will have training that takes place while they are not working, which will mean Lindum is short of labourers while training is taking place.

As I have mentioned before, Lindum is an Investor In People, to meet this criteria they have been assessed by an outside person, and approved. This shows that the quality of training, and human resources provided to their employees is of a very high standard, and reflects them well in the eyes of people, companies, and customers.

Lindum gives its employees a wide ranged of skills, however makes sure that they will get significant work out of them to make back the capital invested in them. Many of the skills given are transferable.

If a worker is trained in how to lay tiles, then try to transfer their skills to a food factory for example, they will be unsuccessful, therefore some skills are useless in other organisations however, Lindum give training for a wide range of things, for example use of ICT, and as there is a shortage of skilled ICT workers in the UK at the moment this could give them the opportunity to transfer their skills in the future should the need arise. This makes Lindum look good in the eyes of the government as they are currently encouraging the training of transferable skills.

As some of Lindum's workers are taken directly from schools, they may have no qualifications, and with its being encouraged by the government that they have at least basic skills in English and Maths, Lindum can offer its employees programs that allow them to gain these qualifications, either GCSE, or Adult Key Skills, this improves the quality of their workers, gives them transferable skills, and will make them a more attractive employee in the future.

There are several levels of key skills, 1, 2 and 3, with 2 being the standard equivalent to a C grade GCSE, there are also several other subjects, as well as Maths, and English, ICT, Team Work, Problem Solving (Communication) etc.



# Performance Management



It is important also for Lindum to monitor the performance of its company and employees, seeing what motivates them and what does not, therefore performance management helps the company stay competitive.

It is important for all employees to perform as well as they can, being able to make their own decisions and get on with work without being told it needs doing.

To effectively manage performance Lindum has to set objectives and it does. It sets objectives the business as whole for example, to build 10 Flats in a year, but also sets more personal objectives for its employees, such as them agreeing to meet certain deadlines, going on certain training programs etc.

After a set period of time has passed, when the objectives should have been met, it is time for Lindum to review them, they hold monthly meetings, however only have Annual Appraisals of individuals. They will need to work out what has been achieved and what should have been achieved, and if there results are negative, Lindum has to consider what has caused this problem and work out a way to rectify it.

Previous performance should also be compared with current, this way a drop in performance can be rectified and an increase rewarded. It is possible to establish which incentives are working and which are not. This helps Lindum improve their company and make their workforce happier.

It is a good idea for employee's to evaluate themselves, to do this they need to set themselves goals and aim to reach them, if they do that is good, and if they do not they will want to know why they did not manage it. This system encourages workers to work harder, because they have set the goals they want to meet them. They also need less regulation from the employer, so become more independent on the job.

Although I could not see evidence that Lindum uses it, peer evaluation is also used in some companies, and could be used in Lindum's Apprenticeships this would allow the progress of a new employee to be monitored and improved over time.

By evaluating its employees, it can identify any problems, and thus rectify them, as an example if an employee, or group of employees lack the skills to use a certain piece of equipment, and this is hindering their performance, then Lindum will arrange a training program to teach them how to, and then review the performance again at a later date.

Many companies give rewards to its staff for good work, and Lindum is no different, however it offers rewards to all of its staff if they earn it, individuals may get special training such as Scuba diving, and the entire workforce gets a financial reward at the end of each year.



By monitoring performance of employees, it makes it easier to develop a training and development plan for the future, as it will be known which areas need to be improved on and which do not etc.

As with all things in business many legislations effect performance, and these cannot be altered to suit a company, workers are not suppose to work more than 48 hours a week, even if a few extra hours would mean getting the job done.

Lindum however knows this and allows its workers ample rest time, so that they are ready for work and do not feel over pressured etc.

Lindum must also abide by the minimum wage, this is the rate of pay per hour:

- ❖ 16-17 £3.00
- ❖ 18-21 £4.25
- ❖ Over 22 £5.05

If Lindum did not meet the minimum wage then the Inland Revenue would step in, and Lindum would be liable for fines and prosecution.

It is important to keep the workforce motivated, and Lindum realise this, they offer many incentives:

The training and development offered by Lindum, not only improved and develops its staff, but gives them a drive to work, they know that by working harder they will gain more development and thus employability in the future, therefore thanks to Lindum's great training and development sector employees are motivated, and willing to give their job their all.

Lindum's employees also enjoy working for Lindum's because of the company culture, the environment is happy and friendly, people socially with who they work with. Not only do they have friends, but family at Lindum. The group works together well, relationships are built upon, this is an incentive to work harder for the company that provides you with a job.

Of the 500 or so staff members, over 400 own shares in Lindum, when this scheme was first introduced back in 1997 the shares were worth £7, however now in 2006 the shares are worth £45, this is a great incentive to new employees as they gain shares in the company, and if they want the value of them to continue increasing they will work harder to make that dream a reality.

Also at the end of each year a significant amount of Lindum's profit is divided between the employees, meaning that everybody gets the same bonus, weather they are the boss, or the cleaner. This is a great incentive to work harder, as you know you will be rewarded as well as anyone else.

Each room also has fresh fruit available to the employees, now this may not seem like much, but a colourful bowl of fruit brightens up the room, and helps motivate the staff.



Lindum are also willing to invest in other companies, for example if one of their employees wants to branch off on their own, and the company would benefit Lindum, then they will help finance the venture, and they do so for little or no profit to themselves, but with the hope of a continues relationship with that person.

The employees feel so satisfied in their jobs, they are only a few in a union, this shows that they feel safe, and do not think Lindum will do anything bad to them.

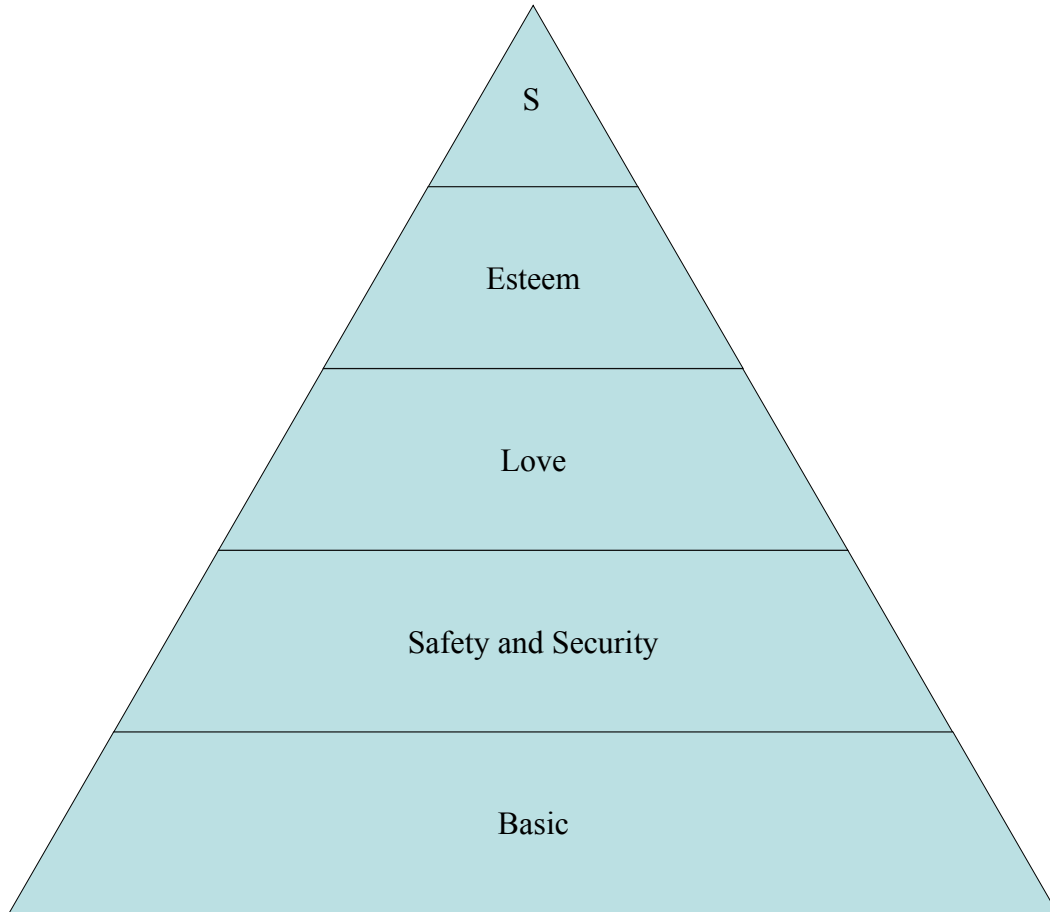
After an employee has been working for Lindum for 3 or more months, Lindum will start to contribute towards their pension fund, the Employee must put in 5% of their income, and Lindum will top it up with a generous 3% extra. This is an incentive that creates staff loyalty, and helps keep staff for many many years.

All of these incentives help make Lindum the company it is today, a successful construction company, with a friendly heart. People are happy to work for them and even look forwards to going into their job, if Lindum continues this way then their future looks set to be a good one.

There are different theories on motivation, for example some people believe that people are only motivated by money, the more they get the harder they will work, where as others believe that a happy working environment (Such as Lindum's) is needed to motivate staff.

I believe that the motivational theory that Lindum is closes it is Abraham Maslow's Hierarchy of Needs. This is based on meeting peoples needs, making them feel happy and secure, giving a good friendly team working environment, building up their confidence, and helping them realise their full potential.

Below is a Triangle Diagram showing this Hierarchy, it is taken from Heinemann AVCE Advanced Business:



I also believe that Lindum has elements of the Adams Equity Theory, this theory states that individuals want to be treated the same as others in their group, they want the same incentives, rewards etc. Lindum does this by offering training to everyone, cash amounts at the end of each year to every etc. Employees being treated as equals is a motivating factor, and helps Lindum have such a good workforce.

# **Possible Problems**

**(Possible Areas Of Conflict Between The  
Human Resource Functions)**



Problems can always occur in a business. However Lindum runs a very good business, with happy customers, and satisfied workers. That being said there is still potential for problems to occur.

Recruitment and Selection, could clash with the culture of the company, as Lindum expands they will need to employ more people and over time their style of management will have to change to encompass a growing workforce. As this happens it is likely that the personal approach that is now available will slowly dissolve, it will not be possible to give rewards to every single individual, or at least not as easy. If this happens then staff will become less happy, and the quality of Lindum could decline.

As new staff are employed, they find that they have already been well trained, and know what they are doing, so some group training could be inappropriate for these staff members, and could cause some job frustration, however with Lindum's current system this is highly unlikely.

Lindum tries to treat all its staff equally, offering similar incentives, however if they chose to reward some people for their work, others may become jealousy, disloyal to the company etc. Again however I do not feel this will happen anytime soon as Lindum try to reward all their staff the same.

All in all Lindum is a very good company, and do not foresee many problems occurring in its near future.

# Conclusion And Bibliography



## Conclusion

Lindum is a very good company, it has a great business culture and good ethics. Its staff enjoy working for it, because of the environment, people and incentives given to them.

Lindum develop and train their staff very well, and offer many more opportunities than other companies.

It recognises that its Human Resource department has a very important role in the business, and without it, it would not have such happy staff, or quality.

It is thanks to this that the company is as successful as it is, due to the motivational drive of the employees, the business continues to move forwards, gaining more business, and expanding. While it is a worry that expanding to far will cause a less personal business touch to emerge, I believe that Lindum is more than capable of maintaining its way of life, and being competitive at the same time.

I have tried to include as much detail as I could in this pieces of work, I have taken information from several sources, and tried to give several examples and comparisons with Lindum to work off.

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Heinemann AVCE Advanced Business Book  
A Brief Overview Of Lindum Group Limited

Contact – I have had contact with Lindum, and received a talk on their company and Human Resources department, I have used this information within my work.