

- an ageing population can lead to reduced labour mobility, lower labour productivity levels and changing consumption patterns
- in many countries, there has been an increased number of women in the workforce. More females are choosing to have children at a later stage in their lives, opting instead to participate in the workforce and pursue their professional aspirations.

Example of demographic change	Opportunities	Constraints
Natural population growth (or decline) – birth rate exceeds death rate (or vice versa)	<ul style="list-style-type: none"> • May be easier to recruit effective employees as the working population increases 	<ul style="list-style-type: none"> • Increased birth rates may take years before they impact on the <i>working</i> population
Net migration (immigration compared with emigration)	<ul style="list-style-type: none"> • May be easier to recruit effective employees from other countries at lower rates of pay • Highly qualified employees might be recruited from other countries 	<ul style="list-style-type: none"> • 'Brain drain' of qualified and experienced staff to other countries will reduce competitiveness • Immigrants may need more training, e.g. in language and cultural issues
Ageing population (the average age of the population increases as a result of rising life expectancy)	<ul style="list-style-type: none"> • It is often claimed that older employees are more loyal and reliable than younger workers • Older employees may have experience and 'people' skills that younger employees may have not yet developed 	<ul style="list-style-type: none"> • Older employees may be less flexible and adaptable, e.g. to the introduction of new workplace technologies

Change in labour mobility

- **Occupational mobility** refers to the ease and flexibility of workers in moving from one job to another due to their ability and willingness to switch.
- By contrast **occupational immobility** is the inability of workers to move from one job to another, due to a lack of skills, expertise or qualifications.
- **Geographical mobility** refers to the extent to which workers are able and willing to relocate to another area for employment purposes.
- **Geographical immobility** is the reluctance of workers to move to another location. (can be due to personal reasons or financial factors)
- International labour mobility is even more difficult to achieve. Expatriate workers are often highly remunerated as an incentive for them to relocate overseas.
- Labour mobility can be improved by the business offering training and development programmes to its employees.

New communications technologies

- New communications technologies make it easier for larger businesses to recruit globally through their websites and video-conferencing facilities, resulting in reduced costs of online advertising, recruitment and interviews.
- Improved computer and mobile technologies also mean that flexitime, homeworking and teleworking become more attractive and accessible to workers.
- The technologies make it possible to train and develop employees in a more efficient manner (e.g. online training courses or webinars where a large number of employees can be trained very quickly at the same time)

-
- inversely proportional to the number of hierarchical layers in an organization
 - a wide span means a manager is responsible for many subordinates while a narrow span indicates fewer workers who directly report to the line manager
 - narrow span can improve communication and control of the team
 - the wider the span, the greater the need for strong leadership and clear lines of communication (requires fewer managers, therefore lowers their costs)

Levels of hierarchy: the management structure of an organisation based on the number of layers of authority/responsibility

Chain of command: the formal line of authority through which orders and decisions are passed down from senior management at the top to operational workers at the bottom of the hierarchy (usually shown as a vertical line and flows downward)

- a clear and established chain of command improves the efficiency of communications and decision-making in a workplace
- businesses with fewer levels of hierarchy have a shorter chain of command

Bureaucracy: the administrative systems of a business such as the set of rules and procedures and formal hierarchical structures in an organisation

- in bureaucratic organisations, authority and decision making are generally centralized and can therefore be made faster as fewer people are involved
- it encourages a culture focused on rules and standards, where daily operations are rigidly controlled with supervision and accountability
- rigidity means that bureaucratic organisations are often slow to react to changes in the external environment and can also discourage creativity and innovation
- this can discourage progress and reduce flexibility leading to inefficiencies and slower decision making

Centralization: organisational structures where the majority of decision making is in the hands of a very small number of people at the top of the hierarchical structure

Ethical Leadership: leading by knowing and doing what is 'right'

- Ethical considerations can influence both leadership and management styles-> leaders focus on "doing the right thing" which respect to their people, whereas managers tend to "do things right" for their organisation
- Leaders are focused on people, building relationships and inspiring employees

Ethical leadership has two components. First, ethical leaders must act and make decisions ethically. Secondly, ethical leaders must also lead ethically – in the ways they treat people in everyday interaction, in their attitudes to people and situations, in the ways they motivate, and in the directions in which they lead their organisation.

Ethical leadership has both tangible and intangible qualities. The tangible part is in the way the leader works with and deals with customers, suppliers and employees, in his or her statements and actions. The intangible aspects of ethical leadership lie in the leader's character, in the decision-making process, in the set of values and principles that underpin the leader's decisions and in their courage to make ethical decisions in challenging situations.

Indicators of ethical leadership:

- The ability to ignore personal interests for the sake of the organisation, the needs of the employees and the greater good of the community
- A willingness to encourage and consider seriously feedback, opinions different from the manager's own, and challenges to the manager's ideas and proposed decisions
- The encouragement of leadership in others
- Making the consideration and discussion of ethics and ethical questions and issues part of the culture of the organisation
- Understanding the importance of leadership and sharing it as much as possible and exercising it carefully to the benefit of employees, the business and society.

Cultural Differences can also influence leadership and management

Empowerment

- involves giving employees more responsibility and autonomy in their job
- allows workers to make independent decisions without having to consult their line managers

Advantages	Disadvantages
<ul style="list-style-type: none">- allows employers to develop a sense of ownership in their job roles and to take responsibility for the outcome of their work- shows that managers respect and trust their employees, thereby improving their level of motivation and job satisfaction	<ul style="list-style-type: none">- businesses run some risk that the empowered employees will not be able to manage the responsibility they have been given- employees may make decisions that are not fully productive and may cost the business unnecessarily

Purpose/the opportunity to make a difference

- refers to meaningful work, working for a good cause can be motivating (e.g. health care workers, teachers)
- purpose reminds employees about why they are doing such a particular job (e.g. to look after others in society, to protect people's physical and emotional well-being, to educate the next generation), they are intrinsically motivated by the social good that comes about from their efforts
- **disadvantage:** if for-profit organisations overemphasize social or environmental aims, employees may lose focus on the profit-making objectives

Teamwork

- production is organised so that groups of workers undertake complete units of work

Advantages	Disadvantages
<ul style="list-style-type: none">- productivity should increase	<ul style="list-style-type: none">- can still create non-productive

-
- employers can benefit from recognizing employee representatives due to the inclusive style of management, which may improve the commitment and performance of the employees.

Employer representatives are the individuals or organizations that represent the senior management team in the collective bargaining process. They negotiate on behalf of the employers in the process.

- in some situations, the employer is legally obliged to consult or inform employees about developments in the business (ex. relocation decisions, redundancies or the threat of a hostile takeover from a rival firm)
- employers may typically use members of their senior management team in the process, although some may choose to use specialist management consultancy firms to represent their interests.

*The outcome of the negotiation and collective bargaining process depends on the methods used and the relative bargaining strengths of the employee and employer representatives. **Industrial action** refers to the methods taken by employees to achieve their objectives, it is often associated with conflict between the interests of the employer and employees.

- The following industrial/employee relations methods used by: **employees:** collective bargaining, slowdowns/goslows, work-to-rule, overtime bans and strike action and **employers:** collective bargaining, threats of redundancies, changes of contract, closure and lock-out (AO3)

Industrial Action Methods used by employees

Collective bargaining: the process by which employers' and employees' representatives negotiate on the terms and conditions of employment

- negotiations usually involve discussions regarding pay, hours of work, and working conditions

happen to one's job or the future of the business leads to increased anxiety.
(Management and employees may disagree on the purpose and benefits of change, having different interpretations)

- **Lack of job skills:** employees may not have the skills necessary to perform in the changed work environment
- **Poor communication:** employees do not know why the business needs to change
- **Discomfort:** employees are often happy with the current situation and want to maintain the status quo
- Human resource strategies for reducing the impact of change and resistance to change (such as getting agreement/ownership, planning and timing the change and communicating the change) (A03)

Getting agreement/ownership: allowing workers to be involved in the decision-making process and giving them ownership of their work can help to prevent misunderstandings and misinterpretations of the purpose of change.

Planning and timing the change: rapid change is often poorly communicated and executed. Effective change management needs careful planning, including considerations regarding the timing of change. Training needs should be considered to facilitate the impact of change in the organization.

Communicating the change: effective communication of the purpose and rationale of change is vital to get support from staff. This helps to educate employees about the need for and benefits of change.

Steps management should take to reduce the impact of change

1. Develop a vision for the change process and the desired outcomes. (the business may have to realign its largest aims and vision)
2. Forecast and allocate the necessary resources to implement the change
3. Involve employees in the change process from the outset so that employees are not surprised and so that they don't feel powerless