



# Answer to practice question 1 on page 9:

Step 1

The question only asks for the percentage % change between Year 1 and Year 3 so there is no need to calculate Year 2.

* Year 1 the productivity is 3000 ÷ 400 = 8 ( rounded up to whole units)
* Year 3 the productivity is 3040 ÷ 480 = 7 ( rounded up to whole units)

Step 2

Now calculate percentage change between year 1 and year 3

* (7 - 8) ÷ 8 x 100
* -12.50%

The percentage change between years 1 and 3 is -12.50%

# Answer to practice question 2 on page 10:

Use the absenteeism formula

* Number of days lost = 14 (given in the question)
* Number of possible days worked = 28 (given in the question)
* 14 ÷ 28 x 100 = 50%

The absenteeism rate for S&J Ltd for December last year was 50%

# Answer to practice question 3 on page 11:

Labour turnover is number staff leaving in a year. Labour turnover can be compared with rival small gym companies.

If the turnover is less than the industry average this suggests that a smaller proportion of staff are leaving his business.

This may indicate that Gurpal is managing his businesses effectively and efficiently. This may also indicate that that he has his training and recruitment programs right and is ahead of the field by keeping his key staff rather than losing them to rival gyms.

To make more conclusions would need to see more data. One year of data does not give a comparison to draw significant conclusions from.

## Answer to practice question 4 on page 12:

FlavourFresh supermarkets have ambitious growth plans which will signal opportunities for staff working there. Employees may feel more valued due to the possible opportunities in the new stores. Link this to esteem needs (Maslow).

The social events (belonging needs / Maslow) and social club may mean that the employees feel part of a team which. When low paid work is very mundane and boring, the business may be successful in keeping the staff with strategies as simple as running a social club or events.

In an economic downturn it may not be an option for staff to change jobs, they would be more motivated to keep the job that they have. So this could be an external factor that has nothing to do with how the supermarket runs its HRM.

The labour turnover rates may have improved by 8% over the last two years due to a combination of factors. In a competitive market for staff a supermarket may need to pay competitive wage rates and offer profit shares as financial methods to motivate and retain staff.

# Answer to practice question 5 on page 13:

|  |  |  |  |
| --- | --- | --- | --- |
| Name of company | Total Output | Number of workers | Labour productivity |
| A | 1,500 | 275 | 6 |
| B | 4,921 | 320 | 16 |
| C | 13,961 | 125 | 112 |
| D | 103,945 | 621 | 168 |
| E | 99,701 | 665 | 150 |



Recommend that Leo should consider investing in Company E as it has the highest labour productivity.

Labour productivity questions require you to round up to whole units.



# Answer to practice question 6 on page 14:

|  |  |  |  |
| --- | --- | --- | --- |
| Location of store | Number of workers leaving | Average number of workers | Labour turnover % |
| North East | 1 | 9 | 11.11% |
| Wales | 2 | 6 | 33.33% |
| Scotland | 4 | 8 | 50% |
| South East | 3 | 11 | 27.27% |
| Midlands | 1 | 8 | 12.50% |

Recommend that Daisy and Lily should shut their Scotland store.

# Answer to practice question 7 on page 15:

|  |  |  |  |
| --- | --- | --- | --- |
| Name of Regional Manager | Number of days lost through absence | Total possible days worked | Absenteeism % |
| Declan | 14 | 232 | 6.03% |
| Oscar | 3 | 232 | 1.29% |
| Nadia | 17 | 232 | 7.33% |
| Robert | 25 | 232 | 10.78% |
| Mo | 6 | 232 | 2.59% |

Recommend that Robert might benefit from some additional support to improve his rate of absence at work.