

## Unit 3 - Effective People Management

Key term	Definition
Bonus	Extra pay given on top of the basic wage or salary
Centralisation	When decisions are made at the centre of an organisation (head office)
Chain of command	The number of levels below someone in an organisation. It is the channel through which orders are passed
Commission	A payment system usually for sales staff where pay is determined by how much they sell
Decentralisation	When decision making is pushed away from the centre of the organisation (head office) to branch managers/departments
Delayering	Removing layers of management in an organisation
Delegation	Passing the decision making power to another worker further down the hierarchy
External Communication	Communication between a business and those outside
Formal Channels	Channels of communication that are recognised and approved by the business
Freelance worker	Workers who are self employed and do particular pieces of work for a business as a supplier
Fringe Benefit	Extras provided on top of wage or salary eg company car
Full time worker	Employees who work the whole of the working week
Hierarchy of Needs	Placing needs in order of importance, starting with basic needs

Informal channels	Communication through channels not formally recognised eg gossip
Internal communication	Communication that occurs within the business
Manual/Blue collar workers	Workers who do mainly physical work
Motivation	In work the desire to complete a task to the best of ability
Non manual/White collar workers	Workers who do not do physical work
Organisation chart	A diagram which shows the internal structure of a business. How it is organised
Part time worker	Employees who work only a fraction of the working week
Salary	Pay, usually of non manual workers, which is expressed as a yearly figure but is paid monthly
Span of control	The number of workers who report directly to another worker.
Subordinate	Workers who work under the control of a more senior manager
Wage	When workers are paid for working a fixed number of hours per week. It is the amount they are paid per hour