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#### Chapter24

# **Departmental functions**

#### **Overviews**

- 1. The human resources function workforce planning, recruitment, and selection etc.
- 2. The finance function wage/salaries, cash flow forecasting, budgets and accounting.
- 3. The marketing function market research, product planing, pricing, sales promotion
- 4. The production function manufacturing the product, design new products, stock control

### 1. Human resource department

Human resource department: is responsible for the welfare of employees.

#### The role of human resource department:

- Workforce planning: to have enough staff to produce the products to meet customers' order.
- 2. **Recruitment and selection**: involves attracting and selecting the best candidates for position
- 3. Wage and salaries: retain and motivate employees
- 4. **Industrial relation**: it must be effective in communication between representatives of trade unions.
- 5. **Training Programme**: provides training programme linked with future plan of the business.
- **6. Health and Safety**: Businesses have to comply with health and safety legislation.
- 7. Staff welfare: e.g. waking facilities, drinking water
- **8. Employment issues :** HR draw up contracts of employment for employees about pay, place of work.
- 9. Disciplinary and grievance procedures: Workers may have to be discliplined owing to poor conduct.
- **10. Redundancy:** is when an employee is no longer needed and so lose their job. It is not due to any aspect of their work being unsatisfactory.
- **11. Dismissal:** HR is responsible to give formal warnings to workers and dealing with any legal requirements when laying off staff. (**Unfair dismissal:** When worker is dismissed illegally by business.)

#### 2. Financial department

The financial department is responsible for administering and monitoring all financial transactions carried out by the business.

# The role of financial department:

- 1. **Recording transactions:** record and produce financial statements
- 2. **Wages and salaries**: process payment on time and make payment to tax authorities.
- 3. **Credit control**: monitoring the amount of money owed by customers.
- 4. **Cash flow forecasting and budgets**: controlling firms' money, producing budgets and cash flow forecast.
- 5. **Accounts**: producing business's accounts.

# 3. Marketing department

# The role of marketing department:

- 1. Market research: to discover customers' needs, markets and competitors
- 2. **Product planning : deciding which product should be marketed.**
- 3. **Pricing:** deciding what prices should be charged for the range of products sold by business.
- 4. Sales promotion: e.g. free gifts, coupon, discount
- 5. **Advertising :** to create innovative and effective adverts to create wants and increase sale revenue.
- 6. **Customer service :** providing good quality customer service.
- 7. **Public relations:** communication between the company and the general public including shareholders and investors.
- 8. **Packaging**: designing packaging
- Distribution: making sure that products are available in the right place at the right time.

### 4. Production department

#### The role of production department:

1. Design new products to meet changing customer needs.

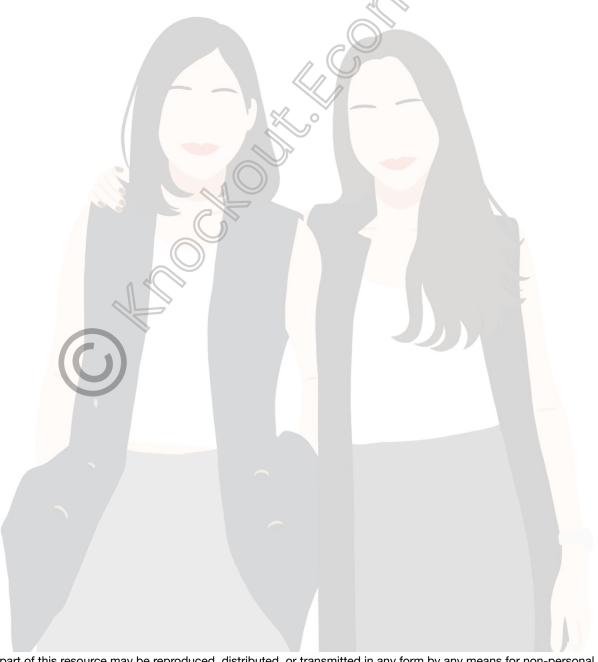
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- 2. Purchasing
- 3. Stock control
- 4. Research and development

# 5. Relationships and interdependence between departments

- The production department may be have to meet with the marketing department to discuss about customers' order.
- The HR department meet the sales director to discuss customer complaints about one of the sales people.
- The HR department communicate with financial department about wage and salaries



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