

## 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 :

1. **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
9. **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.

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

#### **5. Relationships and interdependence between departments**

- The production department may 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

