Learning Objectives

Upon completion of this unit, students should be able to:

1. Discuss the benefits of productivity and its impact on organizational success.
2. Explain directional statements.
3. Identify the primary business functions and their purpose in an organization.
4. Explain the purpose of various departments within an organization.
5. Distinguish the difference between a product, a good, and a service.
6. Explain the importance of customers and customer service.
7. Determine the purpose of an employee handbook.
8. Discuss the primary types and appropriate use of employee benefits.
9. Explain the benefits of an open-door policy.
10. Explain the importance of an organizational union.

Written Lecture

The purpose of any business is to provide a service/product and make a profit. When an organization is productive, functions are performed regularly that add value to the company. A company’s directional statements include its mission, vision, and values statements. Once a company has identified exactly why it exists, it must then identify where it wants to be in the future. This is referred to as the company’s vision statement. In addition, the organization’s values govern what is important for that particular business.

The organizational structure of a company refers to the way it is organized. The organizational chart lists employees’ names and identifies key functions they perform. Typically, supervisors work on operational issues. The finance and accounting department is responsible for the distribution and security of the organization’s financial assets. This department is also known for securing a company budget, which is utilized for the sake of allocating money.

Strategic plans are also utilized to identify how a company will secure and monitor its resources. Company resources generally include financial aspects, employees, and capital. Different departments within a company are focused on providing quality customer services and products. One major division is the human resources (HR) department. Employees who work in HR are responsible for hiring, firing, training, compensation, benefits, performance evaluations, complaints, and promotions. All employees are directed to the company handbook when hired. This document outlines an employee’s agreement with his or her employer regarding work conditions, policies, and benefits. All employees should become aware of the benefits that are available to them. They should also pay close attention to paydays, paid holidays, and sick leave policies. In addition, most companies offer a union that is designed to protect the rights of employees.

Human resources management is basically the management of any organization’s employees with a focus on using soft management skills to
produce the necessary performances that will result in the attainment of pre-established organizational goals. It is fundamentally based on the assumption that individuals come to work with various strengths, skills, and needs. Human resources management is also associated with workers being provided with the resources they need to effectively complete work-related tasks.

The marketing department is responsible for creating, pricing, selling, distributing, and promoting the business’s products. Goods and services comprise a company’s product. Goods are tangible and services are not. It is obvious in any line of business that customers are valuable to a company. Customers typically consist of those individuals or businesses that buy products from another business. Consequently, most businesses spend quality time searching for creative ways to make their products appear more unique. Quality customer service ensures that the customer is treated with respect and given special attention. All supervisors realize and respect the fact that competent, dependable, and responsive employees are talented at giving customers valuable, personal attention. Importantly, having the right attitude and language is crucial when dealing with customers.

Employees may work as part-time, full-time, or temporary workers. They are periodically evaluated on their performances in regards to daily productivity, efficiency, and behavior. Performance evaluation is important in the respect that it should always clearly identify how particular work performances will be measured. Within an evaluation, various criteria are used to serve as a guide for employee expectations and are typically stated within the job description. Most employees seek jobs that offer benefits in the form of medical, dental, and vision. Some companies even guarantee a retirement plan for their workers. Employees like to work for companies that offer quality incentives. Some benefits can even include paid vacations.

**Supplemental Reading**

Articles listed can be located in the CSU Online Library:

