

Effective Employment Relations

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1. Good communication systems are the key to effective employment relations. Discuss the importance of the following communications systems:

a) Grievance procedures

Grievance procedures provide employees with a clear channel of dispute resolution that not only allows industrial conflict to be quickly resolved, but provides employees with the knowledge that they can raise a problem and have it dealt with. It ensures consistency and predictability within the workplace.

b) Employee participation

Employee participation motivates employees as they play a greater role in shaping the direction of the business. Employees take ownership of the outcomes, and have more incentives to perform at their full potential and feel included and respected. Employee participation also makes work more meaningful as they have a greater understanding of their importance to the organisation.

c) Team briefings

Team briefings allow subordinates to understand what is going on within a business. By disseminating information to subordinates, a manager is allowing his or her employees to be more aware of any problems or challenges that may arise. It also allows employees to feel more involved, and increases job contextualisation which makes work more meaningful.

2. Outline the benefits to a business of using non-financial rather than financial rewards to motivate employees.

Financial rewards are often the most desired rewards from the perspective of the employee, however this does not necessarily mean that they are the most suitable for a business. Financial rewards tend to be extremely expensive to a business; moreover, employees may not be adequately motivated by the financial rewards alone. It is often easy to manipulate financial rewards such that the reward is given, without the target behaviour being realised. Non-financial rewards are typically low cost, and are often better motivators than financial rewards. Giving employees increased responsibility, or the chance of promotion is often a better way of motivating an employee than spending large amounts of money on expensive commission schemes.

3. Explain the benefits to a business that might arise from adopting 'family-friendly' policies such as job-sharing and paid maternity leave.

Family-friendly programs have become increasingly important as female participation within the workforce has increased. Employees must find new ways to balance their home and work lives, and often seek to find positions which allow them to balance their obligations. Family-friendly programs, such as job sharing and paid maternity leave, give employers an edge when seeking the most talented and qualified staff. They also play an important role in maintaining existing staff in an environment where it is hard and expensive to replace employees. While such policies can be expensive to a business, they have become the new standard and it is often the case that employees expect such flexibility.

4. 'The most important resource a business has is its human resources.' In the light of this statement, discuss the importance of training and development for a business.

Training and development is a valuable tool to a business, as it involves improving the competencies of an employee. While tools such as rewards aim to improve the motivation of employees, this motivation alone is not adequate in achieving an employee's full potential. Employees must have the appropriate skills such that they can apply themselves to the task at hand. Training and development allows a business's existing human resource pool to become more valuable, and also benefits the employees as their own skill sets are widened. Training and development is also an important activity for businesses to remain relevant given the ever changing economic and business environment.

5. High levels of staff turnover are an indicator of poor employment relations. Some staff turnover, however, is healthy for a business. Describe why this might be the case.

While high levels of turnover often present significant costs to a business, zero turnover is an equally undesirable outcome. Many workplaces experiencing zero turnover can become stale and narrow in focus. Staff turnover ensures that new employees enter the business, and with them come new ideas that can rejuvenate a business. Dominant business cultures can stifle innovation, so a useful tool that can be used to overcome this is to ensure that enough fresh thinking individuals flow into the organisation each year.

6. Explain how the process of benchmarking can be used to measure the effectiveness of employment relations.

Benchmarking involves the practice of measuring actual performance against a desired standard. Benchmarking allows the effectiveness of employment relations to be measured including variables such as staff turnover, disputation, staff productivity, or other targets set by a manager. These will vary according to the effectiveness of employment relations. For example, a manager would be able to test the effectiveness of a commission system by checking to see whether there has been an increase in sales based on the previous year's performance. The relative performance of the current year based on the previous year would allow a manager to address whether or not the commission has provided an increase in sales that covers the financial cost of the reward. The highest form of benchmarking occurs when comparing the business's results with the best in the whole industry.

7. The Occupational Health and Safety Act 2000 requires employers to consult with employees about OH&S matters. Why might it be important for employees to be involved in the development of the OH&S policy of a business?

Occupational Health and Safety (OH&S) policy is extremely important for the safety and wellbeing of employees within an organisation. It ensures that employees have a safe working environment, and reduces the risk of workplace injury or even death. While management can make obvious and basic OH&S rules aimed at improving safety, it is often the front line employees who have the greatest understanding of potential dangers. For this reason, employees should always play an active role in determining the OH&S policy of a business; in fact this is a requirement under the law.

8. How can businesses avoid discrimination in the workplace? What are the benefits that might flow from a more diverse workplace?

Businesses are legally required to ensure that characteristics such as gender, age or race are not used as discriminating factors when hiring new employees. Many businesses no longer ask candidates to provide details regarding such characteristics (in order to avoid the potential for discrimination). Although employers cannot overtly discriminate in this way, many employers are concerned that less obvious forms of discrimination may occur. Businesses with such concerns may opt for positive discrimination policies which favour candidates from specific backgrounds. For example, a business choosing between a male and a female candidate of equal qualifications and experience may select the female candidate. Businesses benefit from a diverse workforce, as research has shown that diverse cultures tend to operate more effectively. Innovation, new ways of thinking, and complementary personality traits are all benefits of a diverse workforce.

9. Feejai Friends is a not-for-profit organisation that provides free educational resources for disadvantaged children. Kwan, the organiser, is having difficulty with the employment relations function of the organisation, which is experiencing high levels of staff turnover and absenteeism. He cannot offer higher wages to employees as the organisation relies on donations and minimal government funding. Outline what strategies Kwan could use to improve employment relations and deliver the following outcomes:

- Lower staff turnover
- Lower levels of absenteeism
- Higher employee motivation
- Improved teamwork between employees

Kwan can implement a range of strategies that improve the effectiveness of employment relations. Though some may be expensive (such as financial rewards), Kwan has a range of strategies that can be implemented at a low cost). Kwan could do any of the following:

Implement a communication system such as a team briefing that would allow employees to gain a better understanding of what is happening in the business, and motivate employees due to increased job contextualisation.

Implement a grievance procedure system so that employees who have a problem can have it quickly resolved without having to leave the organisation due to an unresolved problem.

Increase worker participation within the business. This would allow employees to gain a greater ownership over the work they are doing. Employee motivation would increase as they take a greater responsibility in the success of the organisation.

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Implement a range of non-financial rewards that improve employee performance. Rewards such as recognition and chance of promotion are extremely useful in increasing employee motivation.

Increase employee development through increased training, in order to give employees a direction and career path. This would encourage employees to continually develop within the organisation, and would reduce turnover.

Introduce flexible working conditions that allow existing staff to have a range of benefits that encourage them to stay with the organisation. These may include family-friendly programs such as job sharing.

10. Con's Car Repairs is a small business employing eight people that repairs damaged cars, motorbikes and trucks. All employees, except for the receptionist, are males aged between 35 and 50. How might Con go about diversifying the business's workplace? What benefits might flow from such changes?

Con could raise the level of female employees by applying a positive discrimination hiring process. This would involve actively seeking to hire female mechanics. Con could also increase the intake of younger mechanics by providing a number of apprenticeship positions. This increase in diversity would allow for a more balanced workplace, and might reduce the influence of a single gender on the business culture. A younger workforce would also facilitate the future human resource needs of the organisation, as older workers retire or leave the business. There would also be cost benefits from employing a younger labour force as the wage rates would be lower.