

BACKGROUND TO EMPLOYMENT RELATIONS



Multiple choice

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|------|-------|-------|-------|
| 1. C | 6. C | 11. B | 16. B |
| 2. A | 7. B | 12. A | 17. C |
| 3. C | 8. A | 13. B | 18. A |
| 4. A | 9. C | 14. D | 19. D |
| 5. D | 10. C | 15. A | 20. C |

1. C The basic employment relationship occurs between employers and employees. Other participants in the employment relations process merely represent these two groups or seek to mediate between them.
2. A Employees will generally seek to achieve high wages. However, many employees also desire job security so they can be sure of their future income levels.
3. C Employers will generally seek to maximise their profits. In order to do so it is often necessary to employ as few employees as possible to get the job done and have those workers as productive as possible to maximise output and thus profit.
4. A A trade union is an organisation consisting predominantly of employees that seeks to improve the rates of pay and working conditions of those employees.
5. D The Australian Council of Trade Unions is the peak union body in Australia. It operates on behalf of employees in many sectors of the Australian economy.
6. C It is the role of trade unions to seek maximum benefits and safety for their workers. In the past trade unions have successfully negotiated with employers to link productivity increases with improved job security for employees.
7. B Over the last decade an increasing number of Australians have become employed in part time work or in service industries. Both of these types of employment traditionally have had a low level of trade union influence.
8. A The Australian Federal government does not have the authority to set prices and wages in the Australian economy.
9. C Both Federal and State governments have employment relations laws that cover different groups of employees. In recent years several state governments have indicated a desire to create a more uniform set of employment legislation in Australia.
10. C Victoria has abolished its state industrial relations commission. This means that all of its employees are covered by Federal Employment Relations Legislation. In contrast, the NSW Industrial Relations Commission still plays a substantial role in the New South Wales employment relations system.
11. B The Office of the Employment Advocate was established in 1996 with the specific role of overseeing Australian Workplace Agreements.
12. A Human Resource Management seeks to establish harmonious employment relations and reduce workplace by treating employees as assets rather than costs, and realising the successful and content employees are crucial to business success – not just an input to be exploited.
13. B Many companies are outsourcing their employment relations services to companies that specialise in human resource management. Outsourcing has been a growing trend over the last decade as businesses increasingly seek to concentrate on their core purpose.

14. D In recent years there has been a decline in the number of employees working standard hours per week. An increasing number of employees are working in casual, part time and temporary jobs. Three out of every four jobs created in Australia during the 1990s was casual or part-time.
15. A Businesses that provide free childcare facilities make it easier for their employers to juggle home and family commitments.
16. B Although individual agreements account for only a small percentage of registered employment contracts, unregistered individual agreements are the most widely used type of employment contract in Australia.
17. Addendum C should read "Simplifies the award wage process".
Answer is C – The Workplace Relations Act 1996 reduced the role of award wages in employment relations.
18. A Flat management structures increase the level of contact between top level management and individual employees. This can help to increase communication between management and employees and reduces workplace tension.
19. D A downturn in economic activity will lower the demand for labour as businesses cut costs and many others close down. This will reduce the bargaining power of employees in wage determination as competition for jobs increases. This will also lead to conflict in the workplace as many workers or their colleagues lose their jobs.
20. C Globalisation has the potential to change the Australian workplace environment. Australian businesses are increasingly relocating production offshore and technological developments associated with globalisation will increasingly lead to situations of workers being replaced with technological developments. This will lead to increased conflict in the workplace.

Short answer questions

Question 1

- (a) **Employment relations is the process by which employers and employees behave and interact in the workplace.**
- (b) **i) Employers will seek to minimise wage level to maximise profit. However, this often involves maintaining wages at a lower level than employees would desire leading to conflict.**
ii) Lack of family friendly work provisions. Many employees with families will find it difficult to work for employers that do not assist by the provision of family benefits such as extended maternity leave or child-care in the workplace. Employers' desire to maximise profits may prevent them from providing these benefits which could lead to conflict.
- (c) **The government can influence employment relations in a number of ways. Firstly, the government is responsible for legislation that lays out minimum employment conditions and dispute resolutions processes, governing many of the structures around which employment relations revolves. Secondly, the government's economic policies have a substantial influence on overall business environment. This will impact on a business's ability and willingness to meet the wage demands of its employees. Finally, the government is a significant employer in the Australian economy and the employment conditions and wage levels in government employment set the benchmark conditions for many industries.**
- (d) **Although their role has decreased in recent years, industrial tribunals still have a significant influence on employment relations in Australia. The primary role of industrial tribunals in Australia is to facilitate agreements between employers and employees or their representatives on issues of wages or working conditions. Where possible,**

industrial tribunals will encourage employers and employees to reach agreement through conciliation, that is, through mutual agreement. However, in situations where such agreement is not possible, industrial tribunals have the power to make a final, legally binding decision on a particular dispute. Industrial tribunals also have a responsibility to monitor the actions of employee and employer representative and can support or oppose the creation or amalgamation of trade unions.

Question 2

- (a) **A trade union is an organisation made up primarily of employees that seeks to improve the wages or working conditions of those employees. In contrast, employer associations seek to defend the interests of employers in negotiating with trade unions or making submissions and recommendations to governments.**
- (b) **Trades union membership has trended steadily downwards in recent years. In 1992, close to 40% of Australian workers belonged to a union. That has declined steadily over the last decade to under 25% in 2001.**
- (c) **A number of factors have contributed to the decline in trade union membership in recent years:**
- **The structure of the Australian economy has shifted away from the traditional manufacturing and mining sectors that have high levels of union membership towards the services sector in which traditionally have low levels of union membership.**
 - **The increasing role of part time and casual work in the Australian labour market has also contributed to this decline as these workers are less likely than full time workers to be trade union members.**
 - **The introduction of the Workplace Relations Act 1996 reduced the role of unions in the wage negotiation process, allowing workers to choose whether or not to be represented by a trade union in employment negotiations.**
- (d) **The legal environment has altered markedly for trade unions in recent years. Since the introduction of the Workplace Relations Act 1996 an increasing number of Australian employees have opted for individual employment contracts and are no longer represented by trade unions. The Act also reduced the ability of trade unions to engage in industrial action such as strikes. For example, strikes can now only be held during designated negotiation times. However, illegal strikes in recent years have still occurred and unions have largely ignored legal orders to return to work in many such instances. In addition, the Act has reduced the role of industrial tribunals in the dispute resolution process, which has also reduced the role of trade unions.**

However, certain legal decisions relating to equal employment opportunity and occupational health and safety have benefited trade unions, who are keen supporters of both of these projects.

Question 3

- (a) **A flat management structure is one that aims to minimise the hierarchical division of labour and reduces middle management to create constant communication between top levels of management and employees.**
- (a) **i) Flat management structures increase the level of communication between top managers and ordinary employees. This can reduce workplace tension.**
- ii) Flat management structures can result in efficiency gains for business by reducing the chain of command and allowing top management to implement their plans directly without having to work through several levels of lower management.**
- (c) **i) Awards are centrally determined employment contracts specifying minimum wage levels and conditions of employment.**
- ii) Certified agreements are employment contracts negotiated collectively at a workplace level between employers and employees or their representatives.**
- iii) Australian Workplace Agreements are employment contracts negotiated individually between employers and particular employees.**
- (d) **In recent years there has been a declining number of employees working standard hours per week. Many employees are now engaged in part-time, casual or temporary employment often during irregular hours such as evenings, Sundays and public holidays. In fact, around three out of every four jobs created during the 1990s was casual or part-time. Because casual and temporary employees are less likely to be trade union members, these changes have contributed to a significant fall in the proportion of the Australian workforce represented by trade unions. This trend, should it continue, has the potential to realign significantly the balance of power between employees and employers in the employment relations system.**

At the same time, the number of Australians working long hours (50 hours or more per week) has been steadily increasing as shown in the graph. This trend has put significant pressures on the relationship between work and family commitments for many employees. In July 2002, the Australian Industrial Relations Commission ruled that employees should have the right to refuse overtime, citing a need for greater balance between work and family commitments. The increasing shift to overtime has possible wide reaching implications impacting on workers quality of life and their families.