

# Effective Employment Relations

# 12

## Matching

Definitions	Terms
A system used in workplaces to attempt to resolve disputes between people	Grievance procedures
Rewards received by employees which do not involve actual monetary benefits	Non-financial rewards
Training which is given to new employees when they begin work in a business	Induction
The term given to the number of people who leave an organisation as a ratio of the average number of employees	Turnover
An industry standard or average which is used as a criterion for achievement	Benchmark
An agreement which is made as a result of enterprise bargaining with unions	Certified agreement
An agreement which is made as a result of bargaining between the employer and employee without union involvement	Australian workplace agreements
A safety net agreement for workers who cannot negotiate an enterprise agreement with employers	Industrial award
A worker who is not employed on a permanent basis	Casual worker
A worker, not employed on a full-time basis who has access to non-salary benefits such as long service leave and at least seven days' notice before termination	Part time worker

## True or False

- |          |          |          |
|----------|----------|----------|
| 1. True  | 5. True  | 9. False |
| 2. True  | 6. True  | 10. True |
| 3. False | 7. False |          |
| 4. False | 8. True  |          |

## Multiple Choice

- 1 D Communications systems
- 2 A Communications systems
- 3 B Rewards – non-financial
- 4 B Training and development
- 5 D Rewards – financial
- 6 C Role of employment relations
- 7 D Flexible working conditions
- 8 B Communications systems
- 9 D The employment contract
- 10 B The employment contract
- 11 D The employment contract
- 12 B The employment contract
- 13 A The employment contract
- 14 B The employment contract
- 15 D Types of employment contract

## Short Answer Questions

### Question 1

- (a) A benchmark is a standard or what is called “best practice” and whatever the measure that is set as a benchmark, it will be regarded as a standard for all businesses in the industry to achieve. Benchmarks are regarded as industry averages.
- (b) After new machinery has been introduced, absenteeism (covert industrial action) has risen from 2% per week to 24% per week. This high and increased rate of absenteeism indicates growing dissatisfaction of the employees with their work. Because the increase is so great in percentage terms it is unlikely that the rise is due to genuine illness.

The number of workplace disputes per year has nearly trebled since the introduction of new machines. Again this statistic indicates the growing employee dissatisfaction.

- (c) Union representatives could participate in negotiation with management. The figures indicate that problems have arisen with the introduction of the new machines. The unions could negotiate a trade-off which could result in a reduction in the adverse measures of effectiveness in return for the management addressing some of the concerns of the union members.
- (d) Staff turnover, where employees are leaving the business, indicates employee dissatisfaction with the job. This could arise from working conditions or pay. The business could address both of these by agreeing to improve working conditions such as penalty rates, leave provisions, safety concerns (perhaps with the new equipment). At the same time, the business could look at wage demands perhaps meeting the demands of workers part of the way in return for productivity trade-offs.

### Question 2

- (a) One feature of casual contracts is that the employment can be terminated almost immediately. Another common feature is that because of this lack of tenure and because casual do not receive benefits that permanent employees get, casuals tend to receive a higher daily or hourly rate of pay.
- (b) Induction training involves making new employees familiar with how the business operates. One aspect of induction training will be to create in the minds of new

employees, a favourable impression of the business culture, and employees will be made familiar with how entitlements such as annual leave, holiday and sick leave can be accessed and what the various processes are. New employees may have to undergo mandatory safety training. Another function of induction training is a socialisation process to introduce new employees to their fellow workers.

- (c) The new Work Choices legislation will cover 85% of Australian workers. The main method of fixing wages and working condition will be by way of Australian Workplace Agreements (AWA). These agreements will establish pay and conditions in each workplace. The government claims that the system is fairer and more flexible than the one it replaced and gives employees the opportunity to trade off some conditions such as holidays and sick leave for extra pay.
- (d) A business with a high turnover rate will realise that this is due to employee dissatisfaction with the business. As a result of high turnover, the business will be continually hiring new employees. This represents significant costs to the business when it has to advertise for prospective employees and in induction training of new employees. This is apart from any disruption caused by the turnover of employees. Disruptions due to staff turnover can put stress on the employees and managers who remain.

### Question 3

- (a) One influence on employment relations at Extreme Marketing is economic influences. The business is reacting to increased costs by locating some functions offshore.  
A second influence is social influences, although by cancelling maternity leave and flexible work arrangements, the business is going against the trend.
- (b) One such program would be the reintroduction of paid maternity leave. This is a program where a woman who is pregnant can work up to a certain point, have her baby and then access paid leave for an agreed time until she returns to work. Businesses include this in their benefits to encourage women to stay in the work force and to retain valuable skills.
- (c) By inviting workers or their representatives to participate or to be observers in the decision-making process of a business, the workers have a better understanding of the reasons for particular decisions. If they are part of the process, then they have some ownership (empowerment) of the decisions and are more likely to support and defend decisions which may otherwise be unpopular.
- (d) A good grievance procedure is one where a grievance or dispute can be resolved at any stage. In this case, the employees want greater say in business decisions. Employees should be able to bring this matter to the notice of their supervisors, and at the same time they should inform their union representative that a grievance has been notified. If the supervisors are able to convince top management to allow employees to have a greater say, then the grievance is resolved. If not, then discussions may occur between union delegates and senior management. If this is unsuccessful, there may be top level discussions between the union movement and employer associations. If the dispute cannot be resolved at this stage the likely outcome will be an industrial dispute which may be settled by conciliation or arbitration.