

# EMPLOYMENT RELATIONS

## Multiple choice

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

## Matching terms

The function of managing employees	<b>Human Resource Management</b>
The process of identifying employment needs, hiring the right staff, determining wage levels and maintaining staff until their final separation, whether they retire, leave for another job or are retrenched	<b>Human resource cycle</b>
Occurs when an employee is unable to attend work for a period of time due to illness	<b>Sick leave</b>
The process whereby a person is treated unfairly because of a certain characteristic they possess, such as race, gender or religious preference	<b>Discrimination</b>
Involves establishing the skills, experience and qualifications required to fill a position	<b>Job specification</b>
Turnover of staff as employees pursue other options e.g., seek new challenges elsewhere, change careers, travel, study fulltime, etc.	<b>Voluntary separation</b>
Termination of an employee because they are not fulfilling their job function adequately or are responsible for some form of misconduct	<b>Involuntary separation</b>
The removal of bias in employment by defining jobs only in terms of relevant characteristics and by selecting people for employment solely on the basis of ability and merit	<b>Equal Employment Opportunity</b>
Laws that aim to improve safety in the workplace	<b>Occupational Health and Safety</b>
Involves a business actively trying to counteract the possibility of discrimination in the workplace e.g., actively hiring women to ensure a fair balance of both sexes in the workplace	<b>Affirmative action</b>

# Short answers

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## Question 1

- (a) Method 1: She could promote one of her current employees and pay for any additional training needed. This "internal" recruitment policy allows Miriam to have confidence in the worker and shows a system of internal rewards for loyalty and efficiency.

Method 2: She could advertise the position externally in a newspaper or through the internet. This "external" recruitment policy has the benefit that no training costs may be necessary, but she would not know how efficient or loyal the new captain would be compared to current staff.

- (b) Cost 1: Sick leave – employees receive a number of paid days off a year in the case of illness (normally ten a year). Here Miriam would have to pay sick leave if the captain was ill, as well as paying for a casual replacement.

Cost 2: Annual leave – normally four weeks a year paid leave for employees. Miriam would have to pay for a replacement during this period.

Cost 3: Superannuation – all employees must be paid 9% (from July 2002) compulsory superannuation savings on top of their wage.

Cost 4: Workers Compensation Insurance – workers compensation insurance increases with the number of workers and their wages.

## Question 2

- (a) (i) The span of control has increased significantly. Originally the partners were in charge of no-one but themselves. Now they each control 7-8 employees on average.
- (ii) As the span of control grew so did the chain of command as the 3 partners rose to the top of a hierarchy chain within the strong office.
- (b) (i) The ATO affects both the daily workings of Dale & Co.'s internal accounts, but also the work that they carry out for their clients. Changes to taxation rules will force clients to pay for increased accountancy assistance. Also, the work carried out by Dale & Co would be subject to the scrutiny of the ATO on taxation matters.
- (ii) Dale & Co. would (every few years) have to re-register their business name with the Department of Fair Trading. The Department also regulates general business conduct across a range of industries and could prosecute Dale & Co. if they breached business regulations.
- (c) Problem 1: Insufficient support staff – there are only 3 support staff for 27 people.

Solution 1: Dale & Co. should hire more administrative staff as well as human resource specialists to look after all non-accounting matters.

Problem 2: There are no clear lines of accountability or lines of reporting whereby employees can make suggestions or bear grievances.

Solution 2: The chain of command needs to be far more clarified as does the role of management in actively listening to the concerns of employees. An HR person could assist in implementing such a system.

### Question 3

(a) Human Resource Management (HRM) refers to all issues relating to the staffing needs of a business, covering issues from the hiring and education of new staff, the training and maintenance of current staff, to the eventual departure of staff.

(b) Benefit 1: Creativity – employees may gain access to new advertising techniques or strategies not previously used by the business.

Benefit 2: Increased motivation – sending the message that employees are valued enough to be trained sends positive reinforcement signals to employees.

Benefit 4: Increased flexibility – the increased skill base of employees makes it easier, especially in a small business, to cope with sick or on-leave employees.

(c) (i) Employers must follow a set procedure if they wish to terminate an employee. Employees must be given formal warnings and these can only be given if the employee is guilty of misconduct or has not performed their job properly. Thus Francesca has breached unfair dismissal laws.

(ii) Francesca has violated anti-discrimination laws by firing Dave on the basis that he is male. Not only does the Sex Discrimination Act 1984 prevent her from firing Dave on this basis, she is also not allowed to refuse the job to new applicants on the basis that they are male.