

Management of staff in small business

WHY IT IS IMPORTANT

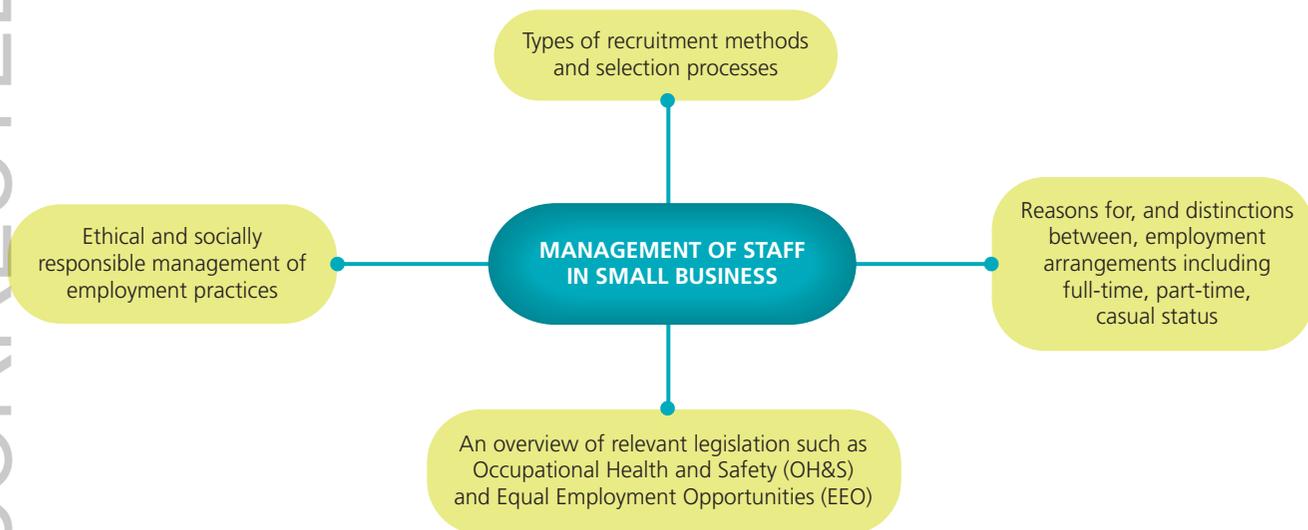
For Frank Russo of Rainbow Meats, the key to business success is staff training, and the ability to attract and keep great staff. The business currently employs 80 staff across five stores, including 16 apprentices. In over 30 years, Rainbow Meats has never had to advertise for staff — the strength of the brand has meant that there are always people who want to come and work there. Frank believes that it is important to keep training staff to improve their skills, to ensure a great workforce into the future. Staff are even provided with cooking classes so that they are able to advise customers on the best recipes for different cuts of meat.

Frank is committed to the growth of the business through new ideas and a proactive approach to improvement. But for those ideas to work, it is good staff training and motivation that will ensure they are effectively put into practice.

WHAT YOU WILL LEARN

KEY KNOWLEDGE

Use each of the points below from the Business Management study design as a heading in your summary notes.



KEY SKILLS

These are the skills you need to demonstrate. Can you demonstrate these skills?

- accurately use relevant management terms
- research the selected day-to-day operation/s of a small business using print and online sources
- acquire and exchange business information and ideas
- apply the selected day-to-day operation/s to a practical and/or simulated business situation
- discuss the ethical and socially responsible management of the selected day-to-day operation/s.



Picking the best person for the job

It is especially crucial for the small business owner to select employees whose business approach complements that of the business. This is a philosophy that Guy Bartlett, founder of domestic building company Bartlett Constructions has passionately adopted since he commenced his business. Guy takes great care in recruiting and selecting the most suitable employees.

Guy started Bartlett Constructions six years ago. What started out as a two-person operation has now grown to a business employing five staff members. The quality of the work performed by Bartlett Construction's employees is largely responsible for the business's success. According to Guy, this is the main reason that his employees must be 'the best in the business': 'I can supply the equipment and training but I can't do it all by myself. I rely on having a committed team of people who enjoy their work and gain satisfaction from a job well done. My staff members really are my greatest resource. The high quality of their work has enabled the business to gain an excellent reputation within the district.'

'I like to think of my staff as working with me, not for me. We are one team and all responsible for the long-term success of the business.' Currently, Bartlett Constructions employs four licensed builders, one apprentice and one part-time office assistant.

Guy encourages his employees to gain extra qualifications, and he provides financial assistance for course fees, materials and study days. 'For example, one of my builders recently attended a customer service training session at the local TAFE college. It is important for all staff to realise they are responsible for professional customer service; not just the office assistant. An employee's willingness to learn and to work as part of a team are two important personal qualities I look for when selecting new staff.'



Bartlett Constructions' approach to staff management is based on the belief that people and relationships are the most important factors of any business.

• I like to think of my staff as working with me, not for me. •

6.1 The management of staff — an introduction



KEY CONCEPTS Employees are the most important resources for success in business.

Staff planning is essential to ensure that the business is able to match the right person to each job.

Successful small business owners recognise that they rely on the quality of their employees to achieve their aims of improved profit, growth and increased market share. People are a business's most valuable asset, so it is important to take care to hire the best people. Also, when an employee turns out to be an excellent worker, retaining that employee may be crucial to ongoing business success. Developing good working relationships with staff and motivating them to do their best in the workplace must be a high priority for the small business owner.

South Australians Bree and Jessica were the 2014 winners of the reality television show *My Kitchen Rules*. Teams of contestants from all over Australia displayed their cooking skills, with teams gradually eliminated to leave the two winners. It's quite a selection process! Better work and employment relationships also begin with the small business recruiting and selecting appropriate employees.

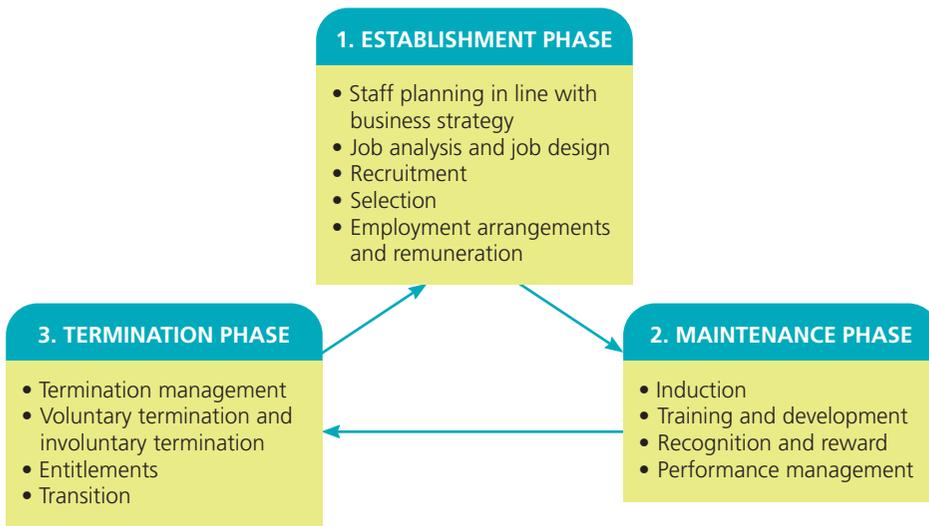


Human resource management is defined as the effective management of the formal relationship between the employer and employees, and involves the recruitment, selection, training, development, appraisal and dismissal of staff.

The **employment cycle** covers all stages in the process of employing staff, from initial planning through recruitment, selection, induction, performance management, and eventual termination of employment.

The responsibility for staffing

Human resource management, in its simplest form, is the effective management of the relationship between an employer and their employees, and involves all aspects of the **employment cycle**. The employment cycle is comprised of three main phases: establishing, maintaining and terminating. Each phase consists of a number of stages, as seen in the following diagram.



Human resource management deals with the three phases of the employment cycle: the establishment phase, which includes recruitment; the maintenance phase, which is concerned with making sure employees continue to thrive in the organisation; and the termination phase.

While large businesses are able to employ specialist human resource management staff, in small business this responsibility falls on the owners of the business, often with the assistance of existing employees. The dynamic nature of business means that staffing needs will change over time. As the business expands, or existing employees resign or retire, new positions will be created, so small business owners need to constantly monitor their staffing needs.

Staff planning

Employees represent a large investment for business owners, and hiring them requires as much planning as is needed for other resources. Lack of planning increases the risk of hiring an unsuitable employee, and this can lead to enormous problems for the business. Employees cannot be easily replaced as a business has obligations to its employees and also needs to comply with unfair dismissal legislation. Poor performance by an employee might not be obvious for a time, and the business can suffer before the problem is discovered.

The employer needs to have a clear idea of exactly what tasks a new employee will perform, as well as the qualifications, skills and experience necessary to perform those duties. In order to achieve this, the owners of the business must undertake a number of **staff planning** activities.

The task of investigating the duties to be performed by a prospective employee, as well as determining the knowledge and skills necessary to perform those duties, is known as **job analysis**. The job analysis for a particular position typically consists of two parts:

- 1 A job description** describes what an employee will actually do while at work. It should list the roles and responsibilities to be fulfilled by that employee. The extract in the job advertisement on page 172 is taken from a much more complex job description that would be given to a prospective employee and might contain many more additional minor points.
- 2 A job specification** should outline the type of person who would be suited to performing the duties contained in the job description. It would normally include desirable educational qualifications, as well as relevant knowledge, experience and skills. Ideally, a job advertisement should contain both a job description and a job specification, so that potential applicants can assess their suitability for the position.



DID YOU KNOW?

Gerry Harvey of successful retail chain Harvey Norman said, 'Businesses are made by people. We've proven time and again that you can have a wonderful shop, and put a bloke in there who's no good, and he'll stuff it up. Put a good bloke in, and it just turns around like that.'

Staff planning is the development of strategies to meet the business's future human resource needs.

Job analysis is a systematic study of each employee's duties, tasks and work environment.

A **job description** is a written statement describing the employee's duties, tasks and responsibilities associated with the job.

A **job specification** is a list of the key qualifications needed to perform a particular job in terms of education, skills and experience.

Sonic Technologies

Better services, better performance

Trainee opportunity

Sonic Technologies has created an exciting trainee position for applicants with an interest in information communication technology and systems analysis. The successful candidate will be trained in the position to become a business systems analyst.

This full-time position involves:

- coordination with both technical and non-technical staff to gather, assess and present data
- production of regular reports, plans and forecasts
- generation of creative solutions to fix problems and improve existing processes
- liaison with stakeholders to explore ongoing development of the business's ICT systems.

Ideally, you must possess:

- graduate qualifications in business computing
- good administration skills
- strong analytical and problem-solving skills
- knowledge of Lotus Notes R7 and R8
- knowledge of Microsoft Windows XP or Vista operating environments
- good communication skills
- the ability to work as part of a team.

Remuneration will be based on experience. Applications close Friday 19 June. Applications in writing should be addressed to:

Manager, Sonic Technologies, PO Box 15, Prahran VIC 3181

E-mail: applications@sontech.next.com.au

Phone: (03) 8290 5820

Job description

Job specification

An example of a job advertisement that includes a job description and the job specifications

TEST your understanding

- 1 Use your own words to define 'staff management'.
- 2 Explain why good staff management is vital to a small business.
- 3 Name the three phases of the employment cycle.
- 4 Outline the risks associated with lack of staff planning.
- 5 What is the difference between a job description and a job specification?

APPLY your understanding

- 6 In each of the following cases, the employer did not plan appropriately. For each example, write a job specification which could have prevented the problem.
 - A Joanne wasn't a qualified veterinary nurse but the vet employed her anyway because she loved animals. On most days Joanne found difficulty doing simple bandaging and could not provide the advice expected of her.
 - B Carrie was a waiter in a restaurant. When customers came in she would ignore them until she had finished what she was doing and always suggested that tipping was expected.
 - C Lee was a boisterous, happy employee who worked as a library technician. The head librarian regularly had to tell him to be quiet because libraries were quiet places.
 - D Janelle was employed as a florist but most of her bouquets fell apart when she handed them to the customer.
- 7 In the following situations explain whether staff planning has been adequate.
 - A Anya runs a small café that mainly sells cake and coffee. She decides to offer a lunch menu. It turns out to be very popular but many customers have to be turned away because she cannot meet demand.
 - B It's always busy over the Christmas period so Jon decides to recruit some casual staff to ensure he is able to maintain an efficient service.
 - C Gregory knew that his existing workers would not have the skill to operate the new equipment he had purchased for his motor mechanic business. He employed someone with computer skills, with the aim of training the other workers as well.
- 8 'In the current business environment it is crucial that small business owners recruit and maintain the right people for the job.' In groups of four evaluate this statement; discuss the relationship between good staff and business success.
- 9 Select three job advertisements from a newspaper and, using the example above as a guide, distinguish between the job description and the job specification.

6.2 Recruitment and selection



KEY CONCEPT A small business owner must recruit from staff within the business or seek new applicants from outside sources. Once job applicants are found the process of selecting the right applicant begins.

UNCORRECTED PAGE PROOFS

Recruitment

Recruitment involves attracting the right people to apply for a job vacancy. Traditionally the most common method used to attract qualified applicants has been to place an advertisement in the employment section of a newspaper, and this method is still widely used. Recent years have seen huge growth in online recruitment, however, and most businesses advertising a vacancy in the newspapers will also advertise through an online agency, such as seek.com.au, mycareer.com.au or jobsjobsjobs.com.au.

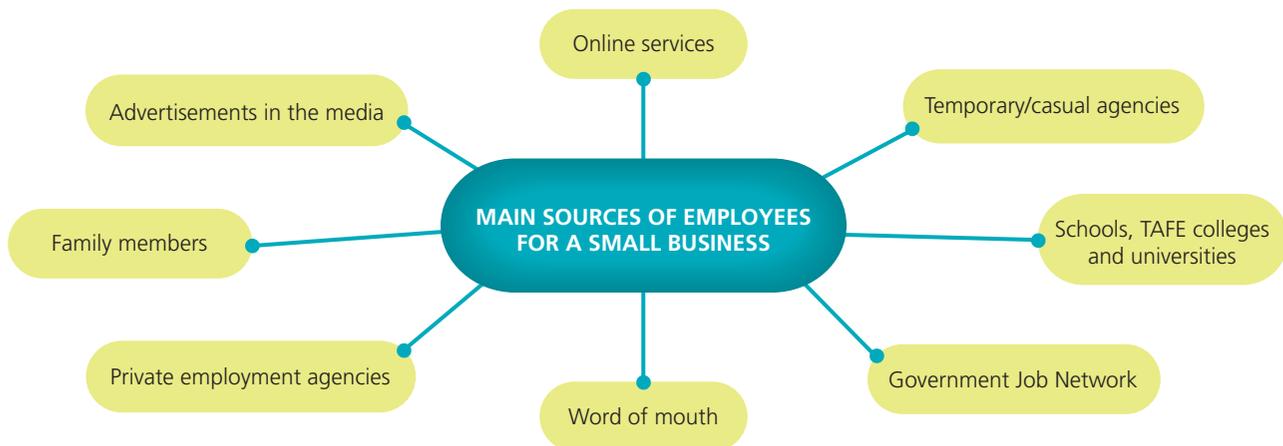
Internal recruitment occurs when a business decides to attract someone already employed within the business to a vacancy. This usually involves an opportunity for a person to take on different duties, and can mean a promotion to take on greater responsibilities within the business. Internal recruitment is popular and there is less risk, because the employer already knows the staff who will be applying for the vacancy. Of course, the person recruited internally may then have to be replaced by external recruitment.

External recruitment will be used to find suitable applicants from outside the business, either because staff planning has identified the need for a new position, an existing employee has resigned or retired, or the person previously performing the duties has been transferred or promoted to a new position within the business. There is a wide range of sources available for a business wishing to recruit externally, as shown in the following figure.

Recruitment is the process of attracting qualified job applicants — by using advertisements, websites, employment agencies and word of mouth — from which to select the most appropriate person for a specific job.

Internal recruitment involves filling job vacancies with present employees, rather than looking outside the business.

External recruitment involves filling job vacancies with people from outside the business.



The main avenues of external recruitment

Most businesses will want to advertise as widely as possible to attract the greatest number of applicants, so they will often use more than one avenue. For larger businesses, engaging an employment agency to handle the recruitment of staff can be very cost effective. Some agencies specialise in particular industries, and will handle all the advertising of vacancies. A number of the online employment sites not only charge a fee for employers to advertise, but can provide advice to employers on how best to advertise, as well as online templates to assist in setting out the advertisement for display on the website. Employers can also advertise on the government-owned Job Network at jobsearch.gov.au for free.



Job-seekers today are much more likely to search online job advertisements than to use traditional newspaper advertisements.

Selection

Employee selection involves gathering information about each applicant for a position, then using that information to choose the most appropriate applicant.

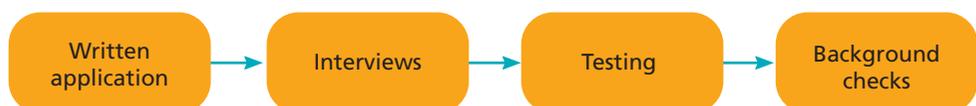
Employee selection is the means by which the employer chooses the most suitable applicant for a vacancy. An employer must identify the skills, qualifications and experience of each applicant, and then relate them to the skills, qualifications and experience listed in the job specification, to achieve the closest possible match. There are a number of methods for achieving this.

Selection options

Selecting the most appropriate candidate can involve all or any of the following steps:

- **Written application.** Some employers make use of a printed application form to be filled in by the applicant, requiring basic personal information, details of qualifications and experience, and names of referees. Alternatively, prospective employees may be able to submit a written application in any form they wish. This will usually include a **curriculum vitae** or **résumé** as well as any other relevant information. Applicants will often try to indicate how their own qualifications and experience match those included in the job specification. The employer usually shortlists a realistic number of suitable applicants.
- **Interviews.** The interview is perhaps the most important procedure in the selection process. Interviews should be well structured and cover a set of common questions to ensure consistency between applicants.
- **Testing.** Employers may apply a number of different tests to prospective employees. These can include psychological tests or personality tests which attempt to measure an applicant's personal characteristics; or aptitude tests, which attempt to measure the skills which might be relevant to the job description. Tests may be written, or may require the applicant to perform a number of different tasks.
- **Background checks.** Referees can be contacted to verify the accuracy of an applicant's previous experience, and to gain an assessment of their performance in a previous position.

After the successful applicant has been notified and has accepted the position the other applicants are notified.



Selection steps

Employing the right person

Magnet Mart Hardware prides itself on its high level of customer service. In this interview, Store Manager Michael Prevedello outlines the recruitment and selection process he uses.

Interviewer: How do you avoid employing the wrong person?

Michael: It basically comes down to common sense. I like to meet with the person first. If I like how they present and communicate, and [they] use appropriate body language, then they progress to the next stage.

Interviewer: What is the main difficulty when selecting an appropriate candidate?

Michael: Detecting a person's negative aspects. They may present extremely well in the interview, but they may mask their deficiencies.

Interviewer: What is the next stage in the process?

Michael: I get the applicant in for another meeting. If I still get a favourable impression, I then contact the nominated referees. Once the appropriate checks have been made I offer the person the position.

Interviewer: Is there a probationary period?

Michael: Yes, the person is placed on a three-month trial. I say to them that if during that time they don't like the work they are free to go without consequences. If we don't think they are measuring up, then we can ask them to leave. This time allows both parties to assess the suitability of the work.

Interviewer: Apart from an applicant's presentation and communication skills, what else do you look for?

Michael: Take, as an example, a cash register position. It's reasonably tiring work. You are on your feet for about eight hours; customers coming at you all the time, coordinating their wishes and actions; and accurately using an electronically generated register. The pressure is therefore on. Consequently, a person needs to have the right emotional and physical characteristics to handle these requirements. It is not fair to put a person in a position where they can't cope. It is important to always remember that you are dealing with human beings and these things need to be handled sensitively. However, at the same time, I have got to balance that with the needs of the business.

Interviewer: Above all else, what do you want from an employee?

Michael: If you want to work in retail, you have got to be committed to serving customers. Our induction manual states that, 'The customer is not an interruption to our work, they are the purpose of it'. Therefore, an applicant must have a desire to help customers get what they want in order to satisfy their need. Consequently, selecting the right person to work for you is of the ultimate importance.



Michael Prevedello places a high priority on recruiting and selecting the most suitable applicant for positions within the business.

Consequently, selecting the right person to work for you is of the ultimate importance.

TEST your understanding

- 1 Explain the difference between internal recruitment and external recruitment.
- 2 Select three avenues of external recruitment and explain why each is an effective method of recruitment.
- 3 Why is it important for an employer to promote a positive image of the business in a job advertisement?
- 4 Describe two steps that can be used in the selection process.

APPLY your understanding

- 5 Internal and external applicants will each bring different qualities to a business. Working with a partner, choose two advantages and two disadvantages of internal recruitment, and two advantages and two disadvantages of external recruitment.
- 6 Identify the personal qualities Michael looks for when employing staff.
- 7 Analyse the relationship between Magnet Mart Hardware's recruitment and selection practices and its workplace culture.



6.3 Interviewing applicants



KEY CONCEPT An employment interview provides the opportunity for the employer to compare different applicants in person, and for the job seeker to find out more about the business, and whether they really want to work there.

Types of interview

Selection interviews are of two main types:

- 1 In a **structured interview**, there is a predetermined process involving interview questions and possibly other activities, such as testing, which are common to all applicants. This is the most common type of interview, and is generally regarded as producing more accurate results.
- 2 In an **unstructured interview**, the interviewer has no planned questions or procedure, and simply provides an opportunity for each applicant to provide information in a less formal manner. While this can be a good way of following up in depth on each applicant's responses, it may be difficult to rank applicants if they are not required to provide similar information.

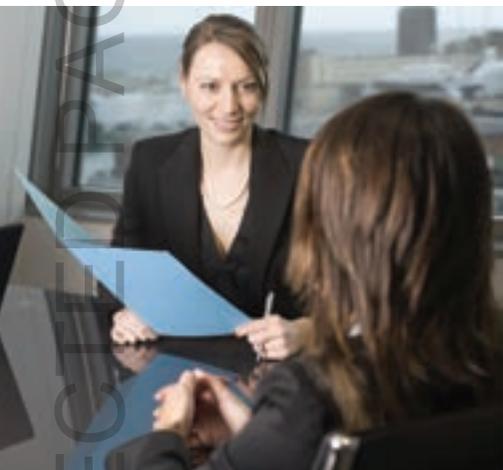
In a **structured interview**, the interviewer asks a series of prepared questions based on the job specifications.

In an **unstructured interview**, the interviewer does not have a set of prepared questions and the interviewee does most of the talking.

The interview process

A successful interview is usually the most important part of the selection process because it provides the best opportunity for the employer and the prospective employee to find out about each other. The nature and size of the small business and the nature of the advertised position will determine how the interview will work: formal or informal, detailed or simple, for a full-time, part-time or casual position. The interview can also depend on the employer's experience and time constraints. There are a number of steps that can be followed to contribute to the success of the interview:

- 1 *Decide who will conduct the interview.* The small business owner may conduct the interview alone or form a selection panel with the assistance of experienced staff members. Ideally the selection panel should meet before the job is advertised, to make sure they can all have input into the job description and job specification.
- 2 *Meet before the interview.* The interview panel should meet to determine which of the applicants will be interviewed, and what questions will be asked. Questions should be developed that are relevant to the job specification and job description and decisions made about which member of the panel will ask each question.
- 3 *Provide an appropriate setting.* The interview should be conducted in an area which is private and free from interruptions. Comfortable seating, and a well-lit and air-conditioned room will help applicants to feel more at ease, and will promote the image of the business as a professional and considerate employer.
- 4 *Put the applicant at ease.* A friendly and relaxed manner will help each applicant overcome any nervousness, and will give the interviewing panel a much more accurate impression of the applicant's relative strengths and weaknesses. A successful applicant is more likely to accept a job offer if they feel comfortable with the employer and their future workmates.
- 5 *Be impartial.* It is important not to let first impressions or personal feelings influence the decision. Research has shown that interviewers often make judgments about applicants in the first three to five minutes, and don't pay sufficient attention to what the applicant has to say after this time. Appearances can be deceiving.



A successful interview provides an opportunity for the employer and prospective employee to find out about each other



A nervous applicant can be put at ease by a friendly and relaxed interview.

- 6 *Encourage questions from applicants.* All applicants will want more information about the job, pay and conditions, features of the workplace, and details of the business and its prospects for success. They should be made to feel comfortable asking these questions, and not feel as if the interviewer is trying to hide something from them.
- 7 *Finish the interview appropriately.* The interview should be finished in a friendly manner, and the applicant given some indication of when they will be told if they have been successful or not. The applicant should leave the interview feeling they have been treated fairly and honestly.
- 8 *Make careful selections after the interview.* Members of the panel should compare notes, carry out background checks with referees, and decide which applicants are suitable and which are unsuitable for the position. If more than one applicant is considered suitable, it is useful to rank them in order of preference. A selection matrix can be useful in completing this task. If the successful applicant decides not to accept the position, an offer can then be made to the second or third ranked applicant. Also, it is useful to tell suitable applicants that they only missed out on the job because someone else was ranked more highly, and that they are welcome to apply for any positions that might arise in the future.



Employers should have a broad knowledge of anti-discrimination legislation when conducting an interview with the applicant.

Job interview: evaluate, don't discriminate

'Do you plan to have children soon?', 'Have you ever suffered from depression?', 'Are you in a permanent relationship?'. Unacceptable personal questions such as these can influence decisions about an applicant's suitability for the job, and may result in unlawful discrimination. If this happens, the applicant has the right to complain to the appropriate anti-discrimination commission.

When a person applies for a job they need to be evaluated on their abilities and skills. Interview questions, therefore, should relate only to the applicant's ability to perform the normal requirements of the position that is being offered. An interviewer should only ask questions about personal matters for very specific reasons; for example, when citizenship is a legal requirement for a job, or if there is a specific health risk associated with the job.

Generally, it is unlawful for employers to ask inappropriate personal questions about such matters as an applicant's religion, sexual preference, sick leave and workers compensation record, sex, age, country of birth, criminal record, child-care arrangements, relationship status, and spouse's name or occupation. It is also unacceptable to request photographs of applicants to be submitted.

- Generally, it is unlawful for employers to ask inappropriate personal questions. •

TEST your understanding

- 1 Why is the interview the most important part of the selection process?
- 2 Explain the difference between a structured interview and an unstructured interview.
- 3 List the key steps involved in the interview process, and explain the importance of each step.
- 4 Outline why it is important that interviewers not ask inappropriate personal questions.

APPLY your understanding

- 5 With a partner, brainstorm the possible advantages and disadvantages of using a panel rather than an individual to conduct a job interview.
- 6 Identify and explain three possible disadvantages of not using an appropriate environment for an interview.
- 7 Write a series of questions that could be asked at an interview for the following positions:
 - (a) dental assistant
 - (b) hairdresser
 - (c) panel beater.



APPLY YOUR SKILLS: Recruitment and selection

PRACTISE YOUR SKILLS

- accurately use relevant management terms
- research the selected day-to-day operation/s of a small business using print and online sources
- acquire and exchange business information and ideas
- apply the selected day-to-day operation/s to a practical and/or simulated business situation

The role of recruitment agencies

Outsourcing the search for the most suitable candidate



Small businesses are increasingly turning to recruitment professionals to source the best people for the job, without drawing on their own limited resources.

Many small business owners use external recruitment agencies as a way of decreasing the time involved in searching for a new employee. They pay an agency to interview applicants and recommend a short list of potential employees or an employee suitable for the available position.

There are a number of reasons for this trend, including the:

- growing demands on business to comply with increasingly complex employment legislation. Small business owners find it beneficial to access specialist advice rather than risk breaching employment law.
- availability of online recruiters. Recent statistics show that small business employers have widely embraced e-recruitment agencies.
- desire by small business owners to concentrate on their core business.
- difficulty in attracting candidates due to the low level of unemployment. External recruiters generally have ready databases of possible employees and the skill to sort candidates.

However, the principal reason for using an e-recruitment agency is related to the cost of a poor recruitment decision, which is generally believed to be around two or three times the annual salary of the person recruited. A poor recruitment and selection process leads to increased costs and lower productivity by increasing (among other things):

- training costs if poorly qualified staff are selected
- job dissatisfaction, lower performance, industrial unrest or labour turnover if the business or the job does not meet the expectations of candidates selected
- the absenteeism rate if staff feel inadequate for the job or feel under excessive work pressure
- accident or defect rates if untrained or inappropriate staff are selected.

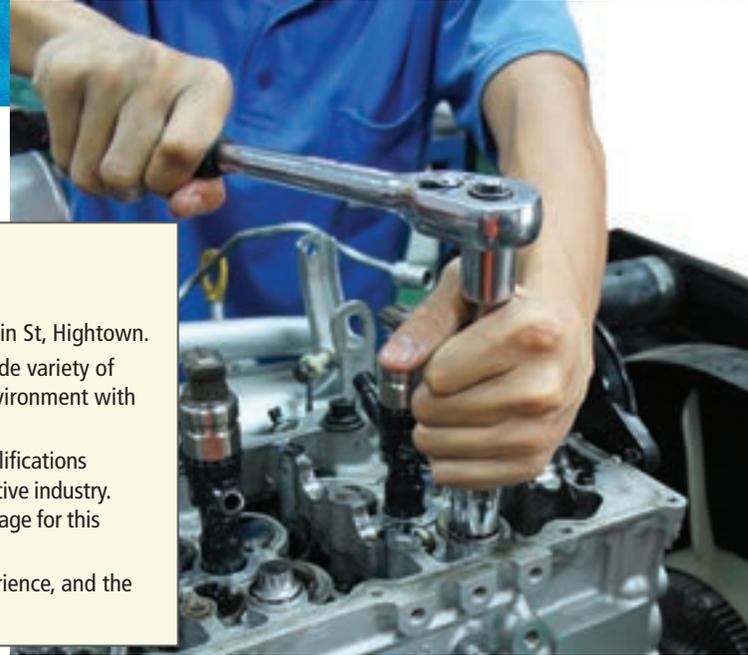
• A poor recruitment and selection process leads to increased costs and lower productivity.



TEST your understanding

- 1 Imagine you are employed by a recruitment agency. Write the text for a brochure designed to convince small business owners of the benefits of engaging a recruitment agency to assist with the hiring of staff.
- 2 Working with a partner, or in a small group, create a list of strategies a small business owner could use to retain valued employees.

Recruitment and selection



VACANCY

QUALIFIED MECHANIC

A vacancy exists for a qualified mechanic at TOP CLASS AUTO SERVICE, Main St, Hightown. Duties will include carrying out the mechanical repair and servicing of a wide variety of different makes and models of cars, vans and trucks, working in a team environment with other mechanics currently employed in the business.

The successful applicant will have completed appropriate apprenticeship qualifications and have at least two years of post-apprenticeship experience in the automotive industry. Qualifications and experience with diesel engines would be a definite advantage for this position.

Applications should include details of qualifications and employment experience, and the names of three referees.

TEST your understanding

- 1 Explain how the process of staff planning would have enabled this business to arrive at the job description and job specification included in the advertisement above.
- 2 Explain how either written or performance testing might be used in the selection process for this position.
- 3 Refer to the advertisement above. Explain two issues which might need to be considered by the owner of the Top Class Auto Service when preparing to interview applicants for this position.
- 4 What evidence is there that the owner of the business intends doing background checks on applicants?

APPLY your understanding

- 5 Use the **How to conduct the job interview** weblink in your eBookPLUS to compile a list of what you consider to be the three most important do's and three most important don'ts for people conducting an interview. You could also enter 'interviewing applicants' in your search engine to find other websites which offer hints for employers when conducting an interview.
- 6 Use the Weblink directs to wrong page. Ensure it directs to <http://www.seek.com.au/jobs-resources/interview-questions> weblink in your eBookPLUS to find hints for applicants preparing for and attending an interview. Compile a list of 10 hints for applicants to assist them to succeed at an interview.
- 7 Working in groups of three, conduct a simulated job interview. One person should adopt the role of the employer,

eBookplus

eBookplus

Some organisations find it more useful to hold group interviews. Organisations like Qantas have special recruitment days when group activities and interviews are held.



6.4 Employment arrangements



KEY CONCEPT As the nature of work changes, greater variety is occurring in the features and types of employment arrangements available to both employers and employees. Small business owners can select the type of employment arrangements that suit their needs, and the needs of their employees.

INCORRECTED PAGE PROOFS

Permanent employees have an employment contract of indefinite duration.

Fixed-term employees are employed on a contract for a specific period.

Casual employees have contracts with employers for short-term, irregular or seasonal work.

Employment contracts

A contract of employment exists between an employer and employee regarding the terms of their employment. **Permanent employees** are employed on an ongoing or continuing basis, compared with **fixed-term employees**, who may only be employed for a relatively short time. Both permanent and fixed-term employees may be employed on a full-time or part-time basis. **Casual employees** are employed on an irregular basis and are paid only for the specific hours they work. They generally have fewer entitlements than permanent or fixed-term employees.

National Employment Standards

Employees are entitled to a set of minimum employment conditions, known as the National Employment Standards. These are legislated by the federal government, and apply to all full-time and part-time employees, whether permanent or fixed term. They generally do not apply to casual employees. The 10 standards are:

- *Hours of work* — for full-time employees, this is generally set at between 35 and 38 hours per week. Employees cannot be required to work longer hours without special provision being made for penalty rates or other compensation.
- *Parental leave* — employees are entitled to 12 months' unpaid parental leave in relation to the birth or adoption of a child.



SES volunteers are entitled to take community service leave for emergency work.

- *Flexible work for parents* — an employee who is a parent of, or has caring responsibilities for, a child under school age will be entitled to request flexible working arrangements after having worked for the same employer for more than 12 months. These could include reduced hours, different start or finish times or home-working arrangements.
- *Annual leave* — for most employees this is four weeks, with part-time employees entitled to a pro rata amount. Casual employees have no entitlement to annual leave.
- *Personal, carer's and compassionate leave* — full-time employees receive 10 days' paid personal and carer's leave for every year of service with the organisation, with part-time employees receiving a pro rata amount.
- *Community service leave* — this includes jury service and emergency service duties, such as CFA or SES volunteer work.

Employees are entitled to be absent from work for all periods necessary to provide the community service, including reasonable travelling time and rest time

immediately after the activity. Usually this is unpaid leave, although employees on jury service leave can claim make-up pay.

- *Public holidays* — employees are not required to work on public holidays, but will still be paid for the hours they would have worked. If the employer requests the employee to work on a public holiday, the employee may be entitled to a penalty rate or other compensation.
- *Information in the workplace* — employers are required to supply all employees with a 'Fair work information statement' when they commence employment. This is a government document which contains information about the National Employment Standards and other employment related issues.
- *Notice of termination and redundancy* — most employees are entitled to minimum periods of notice of termination of their employment (or pay in lieu of notice), based on their period of continuous service. Fixed-term and casual employees, and employees serving a probationary period of employment, are not included.
- *Long service leave* — permanent employees, whether full time or part time, are entitled to long service leave after a qualifying period. This period varies between different occupations and industries.

All employees, whether full time, part time or casual, have an entitlement to superannuation. Employers are required to make **superannuation** contributions for all employees aged between 18 and 69 who are paid more than \$450 before tax in a calendar month. Employees under 18 years of age must work for 30 hours or more in a week to be entitled to have superannuation payments made by their employer.

Reasons for different employment arrangements

Full-time employment

Full-time employment is the traditional method of employment for most people. It still represents the largest single group of employees in Australia, although full-time employment is decreasing slowly as part-time employment increases. Australian Bureau of Statistics figures for April 2014 showed full-time employment at 70 per cent of total employment, while 10 years earlier the proportion of full-time employees was 73 per cent. There are a number of reasons why many employees prefer full-time work:

- Income is maximised, with the possibility of earning penalty rates of pay for overtime worked.
- Most full-time work in Australia is of a permanent nature, providing a higher level of job security.
- Maximum paid leave entitlements can be accrued.
- Regular daily contact with workmates increases the employee's sense of belonging, and thus improves job satisfaction.

Many employers also have good reasons for maintaining a largely full-time workforce:

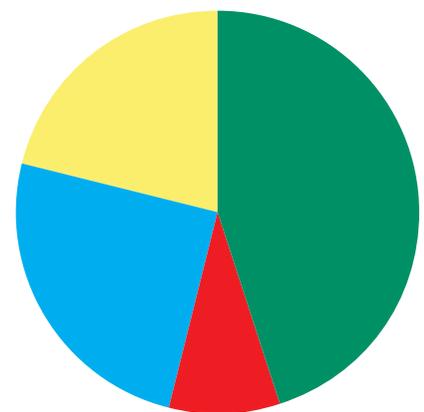
- Continuity and consistency of operations are easier to maintain.
- Full-time employees are likely to be better informed about the workplace, and more up to date with changes in policies and procedures.
- A high proportion of full-time employees is likely to mean a smaller number of employees overall, reducing on-costs such as the administration of workers compensation insurance and superannuation payments, and provision for paid leave entitlements.



DID YOU KNOW?

Paid Parental Leave is currently an entitlement funded by the federal government for working parents. It is paid at the minimum wage rate for a maximum of 18 weeks. The Abbott coalition government elected in 2013 plans to increase the leave to six months, paid at the person's regular level of wages.

Superannuation is a system by which contributions are made to a fund which will provide benefits to an employee after retirement.



- Males employed full time
- Males employed part time
- Females employed full time
- Females employed part time

Employment arrangements for male and female employees, April 2014

Source: Data derived from Australian Bureau of Statistics 2014, Labour Force, April 2014, cat. no. 6202.0.

Part-time employment

Part-time employment has been increasing in Australia over the last 40 years, partly as a result of an increase in the number of women entering the workforce, as well as the ageing of the workforce.

- Women with young families often find it easier to balance work and domestic responsibilities by working part time, and there are also situations where two parents can share child-raising duties by both working part time.
- People approaching retiring age will often see part-time employment as a useful form of transition to retirement.

- Employers will favour part-time employment if they have particular duties which can be performed on a part-time basis.
- Allowing some employees to work part time can be a means of retaining valued employees who may otherwise have resigned to pursue outside interests, such as domestic duties or further studies.

Casual employment

Approximately half of part-time employees in Australia are employed on a casual basis. Students, retirees, and women returning to the workforce as their children begin school are groups often found in casual employment. In many cases, casual employment is seen as a means of gaining experience with a view to later obtaining permanent employment.

Many employers favour casual employment because they are not liable to provide paid leave entitlements, and because their demand for labour can vary at different times of the day, and on different days of the week.

As the Australian population ages, there is a growing attitude to prolonging working life. Many mature-age employees prefer to be employed on a part-time basis.



TEST your understanding

- 1 Distinguish between permanent employees and fixed-term employees.
- 2 In groups of three or four, explain three of the 10 National Employment Standards using your own words. Choose a speaker and share your group's understanding with the rest of the class.
- 3 Which categories of employees are entitled to benefit from the 10 National Employment Standards?
- 4 Distinguish between part-time employment and casual employment.

APPLY your understanding

- 5 Imagine you are a business consultant. One of your clients owns a bicycle shop which both sells and services bicycles. He wishes to expand his business and is looking at hiring additional employees, but he is not sure of the most suitable employment arrangements for his business. Prepare a summary chart or diagram for him, indicating the possible advantages and disadvantages for his business of each of the following:
 - full-time employment
 - part-time employment
 - casual employment.

6.5 Occupational health and safety



KEY CONCEPT All employers are required by law to maintain a workplace which is safe for all employees, and for any visitors who may enter the workplace.

Work safe: it's your life

A recent safety poster carried the warning, 'Work is a health hazard'. This can be only too true. Inadequate training, lack of appreciation for the seriousness of health and safety issues, and an attitude of 'She'll be right' are the three main causes of workplace deaths, injuries and illnesses. The *Safe Work Australia Report* revealed that in 2012:

- 171 people were killed at work
- most of the deaths were men — 96 per cent in total
- one-third of all deaths involved employees under 34 years old
- 223 people died from work-related injuries or illnesses
- three industries — construction; agriculture, forestry and fishing; and transport and storage — accounted for over 60 per cent of deaths
- 97 per cent of work-related deaths could have been prevented.

On top of this, more than 650 000 workers suffer from some form of work-caused injury or disease, with 132 000 of these employees lodging a serious workers' compensation claim. In response to this alarming trend, WorkSafe Victoria offers a broad and diverse range of health and wellbeing programs such as the one that operates at Costa Logistics in Derrimut.



• ... in 2012, 171 people were killed at work. •

Every morning at Costa Logistics more than 200 logistics workers jog on the spot and perform stretching exercises.

Work (occupational) health and safety legislation

Over the years, in response to the high levels of injury, accidents and disease in the workplace, the federal and state governments have passed various pieces of occupational health and safety **legislation**. On 1 January 2012, the *Work Health and Safety Act 2011* (Cwlth) came into effect. This national set of work health and safety laws ensure a consistently high level of protection for all Australian workers and reduce compliance costs for businesses. Safe Work Australia is a statutory agency with responsibility for improving work health and safety and workers' compensation across Australia.

Legislation on work health and safety covers employees, employers and the self-employed. In Victoria, WorkSafe Victoria administers work health and safety legislation. This government authority has the power to inspect work sites and prosecute employers for any breaches of health and safety requirements. The following requirements apply under the Act:

- Employers must ensure the health, safety and welfare at work of all employees by:
 - providing a safe system of work
 - ensuring plant and substances are used, handled, stored and transported safely
 - giving employees the necessary information about the plant and substances, and the necessary training and supervision of their work

Legislation is a law made by parliament.

6.5 Occupational health and safety



Safety signs are used to provide a specific message to those who may be exposed to a hazard in the workplace.

- maintaining the site in a safe condition
- ensuring the goods that they design, make, supply, install or repair will not injure or damage the health of others.
- All employers must take out workers compensation insurance.
- Employers must take steps to ensure people on site who are not employees are not exposed to risks arising from the work undertaken.
- Employees are required to take reasonable care for the health and safety of others, cooperate with employers and comply with occupational health and safety requirements.
- Health and safety committees must be established at workplaces with more than 20 employees if requested by a majority of employees or if directed by WorkSafe.
- WorkSafe inspectors may inspect the workplace, collect information and issue improvement and prohibition notices. An inspection may, in some cases, mean that work ceases.
- WorkSafe must be notified of any deaths or serious injuries in the workplace, and any plans to carry out dangerous work.

Safe workplace strategies

All small businesses should carry out the steps in this flow chart to ensure a safe workplace.



The aim of the three-step approach to work health and safety — identify, assess, fix — is to remove or minimise potential risks in the workplace.

TEST your understanding

- 1 Do men or women face the greatest risk of work-related fatality?
- 2 Explain possible reasons for the three industries listed in the case study being responsible for over 50 per cent of workplace deaths.
- 3 What are the three principal reasons for workplace injuries and illness?
- 4 Identify the relevant legislation dealing with occupational health and safety.
- 5 List and explain the major responsibilities of employers under occupational health and safety legislation.

APPLY your understanding

- 6 Select one of the following workplaces, and develop a strategy for ensuring occupational health and safety in that workplace (use the flow chart as a guide):
 - local bank branch
 - hairdressing salon
 - car upholsterer's workshop
 - supermarket
 - an area of your school
 - fast-food outlet
 - a workplace that you are familiar with.

6.6 Equal employment opportunity



KEY CONCEPT All employers have an obligation to ensure that no employees or applicants for employment are discriminated against on the basis of their personal characteristics, status or beliefs.

State and federal legislation

Equal employment opportunity (EEO) is covered by the Victorian *Equal Opportunity Act 2010*, as well as Commonwealth legislation such as the *Racial Discrimination Act 1975*, *Sex Discrimination Act 1984*, *Human Rights and Equal Opportunity Commission Act 1986*, *Disability Discrimination Act 1992* and the *Age Discrimination Act 2004*.

The overall effect of this legislation is to make it illegal to discriminate against any employee or prospective employee on the basis of the following:

- | | |
|--------------------------|---|
| age | physical features |
| carer status | political belief or activity |
| family responsibilities | pregnancy |
| parental status | breastfeeding |
| disability or impairment | race |
| employment activity | religious belief or activity |
| gender identity | sex |
| lawful sexual activity | personal association with someone who has, or is assumed to have, one of these personal characteristics |
| sexual orientation | |
| industrial activity | |
| marital status | |

Source: Victorian Equal Opportunity and Human Rights Commission.



Equal employment opportunities ensure that the best person for the job is chosen so the organisation gains the person with the skills and abilities most appropriate to its needs.

Use the **Tradeswomen** weblink in your eBookPLUS to find out about opportunities for women in the building and construction industry.

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Employers' obligations

EEO initially becomes an issue during the recruitment and selection process. When devising a job advertisement, the employer has to be careful not to include any wording that could be seen as excluding any person or group from applying for that position. During the interview process, it is illegal to ask for information which could be used to discriminate against the applicant. Questions should relate to a person's skills and work experience, rather than personal matters, to avoid accusations of discrimination.

6.6 Equal employment opportunity

Recent research by the Diversity Council of Australia found that only 13 per cent of businesses surveyed believed that cultural diversity was important in their employment practices. With 25 per cent of Australians born overseas, many businesses fail to realise the importance of having staff to service a multicultural market.



DID YOU KNOW?

The Equal Opportunity Act 2010:

- simplified the definitions of direct and indirect discrimination to make the law easier to understand
- protects volunteers and unpaid workers from sexual harassment
- strengthens the Commission's role in helping government, business and the community to identify and eliminate discrimination.

Unlawful termination occurs when an employee is dismissed for discriminatory reasons.

Normal day-to-day employment practices also have relevance for equal employment opportunity. Equal pay for equal work and equal access to promotion opportunities need to operate in the workplace. While more experienced employees may be paid higher wages, and may be more likely to gain promotion, the important principle here is that all workers with equivalent experience and skills should be treated equally. The employer also has an obligation to ensure that employees do not discriminate against each other on the basis of their personal characteristics, status or beliefs. While employers have always had an important role to play in eliminating workplace discrimination, in the past they tended to be reactive: they waited for a complaint about discrimination to be made and then took action. The *Equal Opportunity Act 2010* introduced a significant shift in emphasis and more clearly outlined employers' obligations. Under this Act employers have a positive duty to eliminate discrimination — to be proactive — and take reasonable and balanced measures to get rid of discrimination, sexual harassment and victimisation. Employers are expected to encourage diversity in the workplace and ensure cooperation and smooth working relationships between employees of all backgrounds. Fostering diversity should be given a high priority in organisations of all sizes because it brings many benefits. These include:

- new markets may be more easily penetrated, especially by those employees who identify with the different cultures that support those markets
- customers' needs may be better serviced
- creativity, flexibility and responsiveness to change may be enhanced.

Termination of employment is another area where EEO principles apply. If difficult business conditions require a business to lay off some of its workers, it is important that no one group, based on gender, ethnicity, marital status etc. appears to be over-represented in this process.

Under federal Workplace Relations legislation, **unlawful termination** of employment occurs when an employer fires a worker for discriminatory reasons. Reasons classed as discriminatory under these laws include:

- temporary absence from work due to illness or injury
- trade union membership, non-membership or participation in trade union activities
- acting as an employee representative

- filing a complaint or participating in proceedings against an employer
- race, colour, sex, sexual preference, age, physical or mental disability, marital status, family responsibilities, pregnancy, religion, political opinion, national extraction or social origin
- absence from work during maternity leave or other parental leave
- temporary absence from work due to voluntary emergency management activity.

There may be circumstances other than those listed when an employee believes that he or she has been unfairly dismissed. There are specific laws and procedures applying to unfair dismissal, and restrictions on when these laws apply. Balancing the rights and responsibilities of both employers and employees in cases of alleged unfair dismissal can be complex and difficult.

Employers slam industrial umpire's decision

Paul Quinlivan, of Jindera, New South Wales, was sacked last September for failing to follow four orders from managers to wear safety goggles while collecting staples from a paper recycling tank.

But the nation's industrial umpire ruled the man must be reinstated and paid compensation because of his poor education and poor job prospects.

Fair Work Australia found Mr Quinlivan had engaged in 'relatively serious misconduct', but ruled the sacking harsh due to his length of service and the fact he was a poorly educated, middle-aged family man.

Mr Quinlivan, a father of two, has been awarded \$16 000 in back pay and resumes work at Norske Skog Paper Mills in Albury on Monday.

The Australian Chamber of Commerce and Industry and the Victorian Employers Chamber of Commerce and Industry have hit out at the Fair Work Australia decision to hand back his job.

VECCI workplace relations manager Alexandra Marriott said it presented a double jeopardy for employers insisting on workers wearing safety equipment without relying on potential dismissal for non-compliance.

Mr Quinlivan said he and a co-worker had refused to wear the safety goggles because they fogged up. He said he looked forward to returning to work.

Source: Extracts from M Dunn 2010, 'Employers slam industrial umpire's decision', Herald Sun, 20 February.



• Fair Work Australia found Mr Quinlivan had engaged in "relatively serious misconduct", but ruled the sacking was harsh . . .

TEST your understanding

- 1 List the major state and Commonwealth Acts which deal with equal employment opportunity (EEO).
- 2 Identify those attributes covered by equal opportunity legislation and group them in three lists, according to whether they are personal characteristics, issues of status, or beliefs.
- 3 How does EEO affect the recruitment and selection process?
- 4 Refer to the case study above. In small groups, discuss whether you agree or disagree with the judgement by Fair Work Australia. Present your reasons to the rest of the class.
- 5 List and explain the circumstances when termination of employment can be unlawful.

APPLY your understanding

- 6 Which of the following interview questions could be considered discriminatory under EEO legislation?
 - A How many years since you completed your apprenticeship?
 - B Will you need to arrange child care before you take on this job?
 - C Would working on Sundays interfere with your church attendance?
 - D Would you be interested in gaining further qualifications to be eligible for promotion?
 - E Could you give us an example of your greatest strength and your greatest weakness?
 - F Have you had any recent illness that might limit your ability to handle the pressure of this job?



6.7 Ethical and socially responsible management of employment practices



KEY CONCEPT The ethical and socially responsible management of employment practices requires the same application of moral standards and obligations to the community as other areas of business management. These standards are relevant at all stages of the employment cycle.

Recruitment and selection

Ethical human resource management requires the employer to treat all employees and prospective employees fairly, honestly and respectfully. In the recruitment and selection process, this not only means avoiding any form of discrimination, but making an extra effort to give every applicant a fair hearing, ensuring all are asked the same questions, and being honest with answers to questions applicants may ask at interview. It also means avoiding any form of **nepotism** or favouritism towards any group.

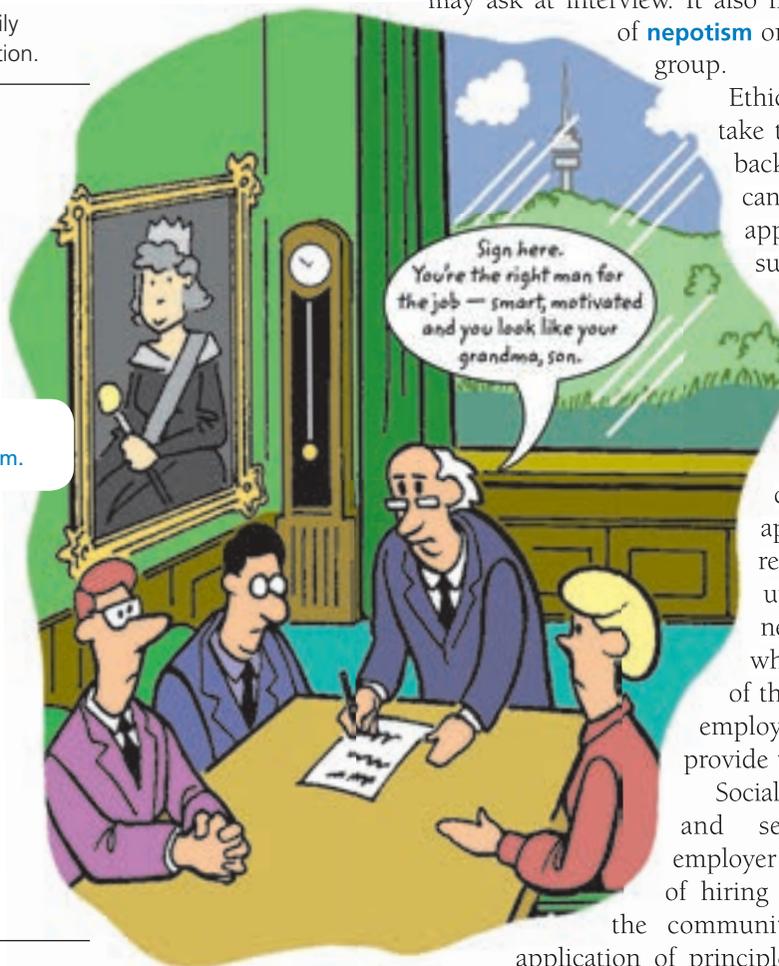
Ethical employers will also take the time to provide feedback to unsuccessful applicants. Often an unsuccessful applicant may have been suitable for the position, but not the best applicant at the time. If a person has made an effort to apply and attend an interview, they deserve the courtesy of an honest appraisal and to be given reasons why they were unsuccessful. Any business owner or manager who values the reputation of their business as an ethical employer will take the time to provide this feedback.

Socially responsible recruitment and selection requires the employer to look at the implications of hiring policy and practices on the community. An example is the application of principles of **affirmative action**.

This is the means by which there is a focus on providing opportunities for groups who have traditionally been discriminated against in society. Commonwealth legislation specifically refers to women in this context, but an employer can demonstrate social responsibility by providing an affirmative action approach to assist disadvantaged groups such as the disabled or members of minority groups. Related to this is the issue of cultural diversity in the workplace. This involves providing employment opportunities to a wide variety of different ethnic, racial and cultural minorities, and ensuring their active participation in the workplace.

Nepotism occurs when a family member is favoured for a position.

Ethical recruitment and selection will avoid nepotism.



Affirmative action refers to measures taken to eliminate discrimination and to implement positive steps to overcome current and historical lack of equal opportunity.

Employment arrangements

There are many horror stories about employers exploiting their employees. While there are legal obligations which must be met by all employers, an ethical employer will go further in ensuring they pay fair wages, provide safe and pleasant working conditions, and consult with employees on important workplace issues. Effort is recognised and rewarded, and training is offered to provide employees with opportunities to improve. When a promotion opportunity arises, all eligible employees should be invited to apply, rather than the employer simply appointing an individual without any selection process. An ethically managed workplace will have clear policies to discourage workplace bullying or sexual harassment. If such an issue does arise, an ethical employer will approach it in an impartial and transparent manner, ensure everyone gets a fair hearing, and take appropriate action to resolve the matter.

Socially responsible employers will take into consideration the effect of their employment practices on the community. Balancing the demands of work with family responsibilities is a key issue and one that is likely to continue to be of concern. Allowing flexible working hours to employees with family or other caring responsibilities and providing paid family leave to new parents are examples of socially responsible employment practices. Some larger businesses provide child-care facilities for their employees. Supporting employees' family responsibilities not only improves employee loyalty and motivation, but brings broader social benefits, such as a more stable family life for children in a family.

When sharing is caring for the bottom line

Work flexibility may be mandatory under the new employment laws, but part-time work and job sharing has become a boon for smaller businesses seeking and retaining talent.

Human Resources adviser Jenni Pavlou observes that job sharing has become increasingly popular in administration positions.

Ms Pavlou said the real challenge for employers considering job sharing in the workplace is to recruit workers carefully in terms of compatibility and longevity.

'There's the likelihood of a bigger on-cost with two employees instead of one,' she said.

'You've got more superannuation costs, but in the long run, less churn and more cover so you may not have to use temps for holidays. That could even the extra cost out.'

Student Kelly Chandler job shares with Lee Anne Wolterman — who wanted to spend more time on her horses and equestrian interests — at law firm Maddocks in Melbourne.

'I'd recommend job sharing; I actually like it,' Ms Chandler said of her two-day-a-week job. 'You have to be organised. We've learned to work together.'

A lot of it still comes back to recruiting good staff.

'People will often be harder to select (for flexible arrangements) but the key thing is hiring well,' Ms Pavlou explained.

'The statistics show you (the employer) have a 50 per cent chance of getting it right.

'This is where you need compatibility of workers. They must have similar motivation, and drive.

'Most important is their willingness to share information, and to be secure about themselves; otherwise, that's a problem!'

Source: Extracts from J Dowling 2010, 'When sharing is caring for the bottom line', *The Age*, 25 March.

The demands of balancing family and work can be challenging. For many people, job sharing can be a way of achieving better work-life balance. Offering employees the opportunity to job share may be mutually beneficial for the employer and the employee.



• ... job sharing has become increasingly popular ... •

Termination practices

When it becomes necessary to terminate the employment of one or more employees, ethical practice demands honesty and fairness. Termination may take the form of resignation, relocation, voluntary redundancy, contract expiry, retrenchment or dismissal. It must be managed carefully by employers to avoid claims of discrimination and adverse effects on the morale and productivity of remaining staff.

An ethical employer will always treat the issue of termination of employees in a sensitive and supportive manner. When an employee is terminated, the employer must provide a written statement confirming the termination and reasons for the termination. If staff must be retrenched, it is important to establish a process for making such decisions based on factors such as length of service, standard of performance, future potential and whether some staff may be

willing to leave voluntarily. Notice complying with the relevant state or federal award or legislation must be given. Employers should consult with staff prior to termination, and may support them with outplacement services such as practical career advice and psychological support to ensure a smooth transition that does not adversely affect the remaining employees' morale.



DID YOU KNOW?

With a shortage of skilled staff looming in Australia, organisations will need to work harder to motivate and retain staff to reduce termination rates or 'employee churn'.



An ethical employer will inform an employee of their dismissal in a sensitive manner.

UNCORRECTED PAGE PROOFS



TEST your understanding

- 1 In what ways can an employer ensure that applicants for a position are treated in an ethical manner?
- 2 Identify and explain how employers can consider community needs in their recruitment and selection policies.
- 3 According to Jenni Pavlou in the case study on the previous page, what are the (a) risks and (b) benefits for employers considering job sharing in the workplace?
- 4 Suggest why 'compatibility of workers' is necessary for a job-sharing arrangement to be successful. Share your answer with the rest of the class.
- 5 List and explain three indications of ethical employment arrangements.
- 6 How can employment arrangements assist workers with family responsibilities?
- 7 Identify two examples of ethical termination practices.

APPLY your understanding

- 8 How should the following situations be dealt with in an ethical and socially responsible manner?
 - A Of two applicants for an office administration position, one is clearly better qualified and more experienced, but the other is in a wheelchair.
 - B During a selection process, one member of the selection panel points out that he knows one of the applicants from a previous place of employment, and has a very high opinion of that person's ability.
 - C A young person approaches a business offering to work for nothing for two weeks to learn the job, in the hope of gaining ongoing employment after that.
 - D An employee from an ethnic minority approaches the employer complaining of other employees making fun of his background.
 - E A business has to lay off one worker from its warehouse, which currently employs three workers. One of those workers is the manager's cousin.

EXTEND YOUR KNOWLEDGE: Researching issues in staff management



KEY CONCEPT An ethically and socially responsible employer can be expected to achieve safe and fair working conditions that improve the welfare of employees.

Mike's Electrical Service

Over a number of years, Mike had built up a very successful domestic electrical business. He employed 20 experienced and qualified electricians, as well as three apprentices. Each year he would employ a new apprentice. With all of his employees having to climb ladders and crawl into dangerous spaces when wiring new houses, Mike was very conscious of the need for workplace safety. His apprentices were rotated around different work sites, and worked under the supervision of different experienced electricians every day, so he wanted to ensure that each apprentice received consistent on-the-job training in workplace safety. To achieve this he decided to produce a training manual for his employees, to help them in training the apprentices.



WorkSafe Victoria aims to have Victorian workers returning home safe every day.

• ... each apprentice received consistent on-the-job training in workplace safety ...

TEST your understanding

Use the **WorkSafe Victoria** weblink in your eBookPLUS to find out more about this organisation and then answer the following questions:

eBookplus

- 1 What is the role of WorkSafe Victoria?
- 2 What are Mike's responsibilities as an employer under the OH&S legislation?
- 3 What assistance does WorkSafe Victoria offer to small business?

- 4 Identify the major safety risks faced by workers in this industry (construction).

EXTEND your understanding

- 5 Compile a set of safety instructions that Mike could include in his training manual to deal with the identified risks.
- 6 If an employee was injured on the job, what processes would Mike and the employee have to follow?

The hot bread shop

Janet successfully applied for a job as a baker in a hot bread shop. She was the first female baker employed in the shop, which employed three other bakers — all men. After about five months, she was having a chat with one of the other bakers, and the subject of wages came up. In the course of the conversation she discovered that the men were being paid six dollars an hour more than her, despite having similar qualifications and a similar amount of experience in the industry. She approached the owner of the business about this issue. He told her she was lucky to have a job, saying, 'I can't afford a rise, I've got to earn a crust'. He normally employs women as sales assistants, not in the more skilled trade of baker. He employs 22 sales assistants, mostly students on a casual basis.

• ... she discovered that the men were being paid six dollars an hour more than her.

TEST your understanding

Use the Victorian Equal Opportunity and Human Rights Commission weblink in your eBookPLUS to find out more about this organisation and then answer the following questions:

eBookplus

- 1 What is the first step Janet should take in attempting to resolve this problem?

- 2 If Janet decides to make a formal complaint, describe the process she should follow to do this.
- 3 Explain what the employer should do in response to a complaint from Janet.
- 4 Who handles the complaint, and what processes do they follow?

UNCORRECTED PAGE PROOFS



EXTEND your understanding

Janet wins a pay rise to make her pay equal with that of the three men. Then two months later her employer sacks her, claiming sales of bread have decreased, and he no longer needs four bakers. A few weeks later, Janet discovers that the employer has hired another male baker to replace her. She believes she may have a case under unfair dismissal laws. Use the **Employment and workplace relations** weblink in your eBookPLUS to answer the following questions:



- 5 What is the difference between unfair dismissal and unlawful termination?
- 6 Under what circumstances do unfair dismissal laws apply in Australia?
- 7 List the specific situations when unfair dismissal laws do not apply.
- 8 Outline in detail the steps that Janet must go through to make a claim relating to unfair dismissal.
- 9 Explain the process the employer will follow when attempting to defend a claim of unfair dismissal.
- 10 What organisation has the power to resolve a dispute relating to unfair dismissal, and what procedures does it follow?

... figures suggesting that 85 per cent of workers suffer or witness bullying in the workplace.

Verbal abuse is the most common form of workplace bullying.



Bullying in the workplace

One in six students is bullied every week in Australian schools. Not much seems to change when they join the workforce, with figures suggesting that 85 per cent of workers suffer or witness bullying in the workplace. It is a serious issue both for schools and workplaces.

The more noticeable forms of workplace bullying are intimidation, humiliation, verbal abuse, slamming doors, pushing, touching or fondling, and threatened or actual violence against an employee — in short, any repeated actions likely to generate a risk to a person's health and safety. Australian businesses are paying dearly for bullying in the workplace. Recently, a company was ordered to pay \$350 000 to an employee for his medical bills, loss of income, and pain and suffering. As a young apprentice the employee faced continual harassment, including being rolled around the factory inside a large drum, and having grease smeared on parts of his body. The judge found the business instilled a 'culture of intimidation'.

There are also subtle forms of bullying such as excluding or isolating employees, assigning meaningless tasks that are unrelated to the job, deliberately changing work rosters to inconvenience particular employees and deliberately withholding information that is vital for effective workplace performance.



EXTEND your understanding

Type 'workplace bullying' into your search engine, and explore different websites dealing with this issue before answering the following questions.

- 1 Identify the personal and business costs associated with workplace bullying.
- 2 Imagine that you are a person being bullied in the workplace. Outline how it would affect your:
 - (a) self-confidence
 - (b) performance.

Summary

Staff planning and the employment process

- Employees are the most important resources for success in business.
- Human resource management covers all aspects of the employment cycle.
- Staff planning is essential to ensure that the business is able to match the right people to each job.
- Job analysis consists of a job description (an employee's duties and responsibilities) and a job specification (qualifications and experience required).

Recruitment and selection

- Recruitment can be internal or external.
- External recruitment involves advertising a vacancy in the media, online, or through a private or government-owned agency.
- Employee selection involves choosing the most suitable applicant.
- The selection process can involve a combination of examining a written application, different types of testing, interviews and background checks.

Interviewing applicants

- An employment interview provides the opportunity for the employer to compare different applicants in person, and for the job seeker to find out more about the business.
- Selection interviews are of two main types, either structured or unstructured.
- A successful interview includes a number of features, such as the formation of an interview panel, meeting to formulate questions, providing an appropriate setting, encouraging applicants and putting them at ease, impartiality at all times, and systematic evaluation of all applicants.

Employment arrangements

- As the nature of work changes, greater variety is occurring in the features and types of employment arrangements available to both employers and employees.
- Employment contracts can be permanent or fixed term, full time, part time or casual.
- Many employees are entitled to a set of 10 minimum employment conditions, known as the National Employment Standards, which deal with hours of work, various forms of paid and unpaid leave, flexible work for parents, provision of information in the workplace, and rights relating to notice of termination and redundancy.
- All employees, whether full time, part time or casual, have superannuation entitlements.
- Full-time employment provides maximum income and security for employees, and continuity, consistency and predictability of costs for employers.
- Part-time permanent employment allows flexibility for employers and employees, while maintaining the security of ongoing employment.
- Casual employment provides flexibility for employees, while reducing on-costs for employers.

Occupational health and safety

- All employers are required by law to maintain a workplace which is safe for all employees, and for any visitors who may enter the workplace.
- WorkSafe Victoria administers occupational health and safety in Victoria.
- Obligations on employers include taking out workers compensation insurance, and establishing health and safety committees.
- Employers can improve safety by identifying dangers in the workplace, assessing the level of risk of each of those dangers, and eliminating or minimising dangers by changing work processes or physical aspects of the workplace.

Equal employment opportunity

- All employers have an obligation to ensure that no employees or applicants for employment are discriminated against on the basis of their personal characteristics, status or beliefs.
- When devising a job advertisement, the employer has to be careful not to include any wording that could be seen as excluding any person or group from applying for that position.

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Digital doc:

Glossary

Download a glossary of key terms from this chapter.

Searchlight ID: DOC-7666

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Digital docs:**Missing word
glossary quiz**

Test your knowledge of key terms from this chapter.

Searchlight ID: DOC-7667

Crossword

Check your understanding by completing this crossword on key concepts from this chapter.

Searchlight ID: DOC-7668

- During the interview process, it is illegal to ask for information which could be used to discriminate against the applicant.
- Equal pay for equal work and equal access to promotion opportunities must operate in the workplace.
- The employer has an obligation to ensure that employees do not discriminate against each other on the basis of their personal characteristics, status or beliefs.
- Termination of employment must not discriminate against any group or individual.

Ethical and socially responsible management of employment practices

- The ethical and socially responsible management of employment practices requires the application of moral standards, and obligations to the community.
- Ethical and socially responsible recruitment and selection requires that every applicant be given a fair hearing and honest feedback, and that principles of affirmative action and workplace diversity be applied.
- Ethical employers will ensure they pay fair wages, provide safe and pleasant working conditions, and consult with employees on important workplace issues, as well as recognising and rewarding effort, providing fair promotion processes, and discouraging workplace bullying or sexual harassment.
- Socially responsible employers will take into consideration the balance between the demands of work and the family responsibilities of employees.
- An ethical employer will always treat the issue of dismissal of staff in a sensitive and supportive manner.

Review questions

TEST your understanding

- 1 Explain the importance of staff planning for a small business.
- 2 What is the value of producing a job description and a job specification prior to advertising a position?
- 3 How can an employer attract the best applicants to a vacancy?
- 4 When might external recruitment be preferred to internal recruitment?
- 5 Explain the value of a selection matrix in the selection process.
- 6 What are the benefits of a structured interview, rather than an unstructured interview?
- 7 Why should an interview panel try to provide a comfortable and welcoming environment for job applicants?
- 8 What benefits do employees gain from full-time, permanent employment?
- 9 What reasons might an employer have for preferring part-time employees?
- 10 Explain the steps an employer might go through to ensure a safe workplace.
- 11 What impact can the application of EEO principles have on the different stages of the employment cycle?
- 12 Identify and explain three examples of unethical employment practices.

APPLY your understanding

- 13 Download a job advertisement from one of the employment websites. Choose one which is similar to a career in which you are interested, then complete the following:
 - (a) Write down the job description, as identified in the advertisement.
 - (b) Write down the job specification.
 - (c) Identify three questions you would want to ask the employer before formally applying for the position.
 - (d) Develop six questions relevant to this job that an interview panel could ask applicants.
 - (e) Identify whether the position is full time, part time, permanent or casual, and list the benefits the employer and employee gain from that type of employment arrangement.
 - (f) List and explain four possible OH&S issues that could arise in this industry.
 - (g) Write a paragraph that could be included in the job advertisement to indicate that the employer is committed to EEO, and ethical and socially responsible management of staff.

School-assessed coursework

OUTCOME 3

Discuss one or more of the day-to-day operations associated with an ethical and a socially responsible small business, and apply the operation/s to a business situation.

ASSESSMENT task — investigation and report (written, visual, oral)

Bob and Jenny's café

When Bob and Jenny McPherson started up a café it was the culmination of a dream to run their own business. It only took a few weeks before they discovered that they would need to hire staff, and it was then that they came face to face with the issues involved with managing staff.

'At first the problem seemed simple enough,' says Jenny. 'We operate from 7.00 am until 4.00 pm each day doing breakfasts, light lunches, snacks, tea, coffee and so on. Bob does all the cooking and food preparation, but waiting on tables, making and serving tea and coffee, and clearing and cleaning tables was more than I could handle on my own. We needed additional waiting staff, particularly at those peak times like breakfast and lunchtime.'

'You'd think it was a fairly simple matter to hire a waiter or waitress,' continues Bob, 'but suddenly we were confronted with a whole lot of decisions to make. Did we want one full-time person or a number of part-time casuals? Is a friendly personality more important than experience when you're dealing with the public? How do you create a job advertisement that will attract the right sort of applicant? If you get a lot of applicants, how do you select the best one?'

You work as a customer service advisor for an employment agency. Bob and Jenny have approached you to assist them with their staffing problem. Prepare a report for them, including the following:

- 1 Advise them on whether they should employ full-time or casual staff, outlining the advantages and disadvantages for their business.
- 2 Develop a step-by-step recruitment and selection process for Bob and Jenny that will give them the greatest chance of hiring appropriate staff.
- 3 Design a job advertisement which includes both a job description and a job specification, and which will present a positive image to attract good quality applicants. Make sure it is clear to applicants what information is required in a written application.
- 4 Provide a list of six recommendations on how they might conduct interviews of the applicants.
- 5 Prepare between six and eight interview questions they could ask the applicants.
- 6 What OH&S issues will they need to address when they have new employees? Prepare a set of proposals that will help them to comply with the relevant legislation.
- 7 Provide advice on any EEO issues they may have to deal with in the employment of staff.
- 8 Bob and Jenny want to do the right thing by their employees. Advise them on how they can put ethical and socially responsible staff management principles into practice.
- 9 If they were to find that an employee was unsatisfactory, how should they deal with the problem?

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Complete your school-assessed coursework in Microsoft Word.

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