CHAPTER 6
Staffing a business

6.1 Overview

6.1.1 Why it is important

For Frank Russo of Rainbow Meats, the key to business success is the ability to attract and keep great staff. The business currently employs 80 staff across five stores, including a number of apprentices. In almost 40 years, Rainbow Meats has never had to advertise for staff — the strength of the brand has meant there are always people who want to work there. This gives Frank the opportunity to select the best employees, who will become the face of the business in its dealings with customers.

Frank is committed to the growth of the business through new ideas and a proactive approach to improvement. But for those ideas to work, having quality staff is essential. In this chapter you will be studying the staffing needs of the business; strategies for staffing a business, including recruitment, selection and induction; the legal obligations that must be addressed; and the relationship between employers and employees within a business.

AMICUS — EMPLOYER OF CHOICE

Each year, Australian Business Awards are presented to businesses that achieve excellence in a number of categories. One of these categories is ‘Employer of Choice’. The concept is centred on the idea that some employers are so good to work for that potential employees would be keen to work for them. Employers of Choice would be likely to attract large numbers of applicants whenever they have a vacancy. In 2017, one of the businesses awarded an Employer of Choice Award was Amicus, a business that creates and fits out offices and other workplaces for a variety of clients. Amicus employs around 70 people, including project managers, estimators, various furniture and furnishing consultants, sales staff, as well as administrative staff, such as accounts staff and human resource experts.

Amicus won an Employer of Choice Award because of its workplace culture. Management maintains a very positive and supportive atmosphere for all employees, and the personal and professional development of all staff is a major priority. All employees receive ongoing support to advance their careers within the business as well as access to training and educational opportunities.

Amicus places a strong focus on employee health and wellbeing. The company’s wellbeing program includes providing access to guest speakers on topics such as diet and exercise, as well as more sensitive topics, such as dealing with the death of a family member. Staff are given access to in-house yoga sessions and gymnasium challenges. As part of the team-bonding process, and to promote health and fitness, staff are also encouraged to enter in fun runs and other similar activities.

The message on the wall in a meeting room in the Amicus Melbourne office sums up the company’s relationship with its staff.
6.1.2 What you will learn

Key knowledge

Use each of the points from the VCE Business Management Study Design below as a heading in your summary notes.

- **The relationship between the performance of staff and achieving business objectives**
- **Corporate social responsibility management issues regarding establishing the staffing of a business**
- **Global issues such as overseas recruitment**
- **The purpose and common methods of employee induction**
- **Legal obligations for staffing such as Occupational Health and Safety (OHS) and agencies such as Equal Employment Opportunities and Workplace Gender Equality Agency**
- **Employee expectations such as conditions of employment, remuneration, job security and work–life balance**
- **Employer expectations such as contracts of employment, business loyalty and terms of notice**
- **Identification of the staffing needs of the business, such as the knowledge, skills and ideas staff can contribute to the business**
- **The effects that developments in technology may have on staffing needs**
- **Job analysis and its relationship to job design and related documentation, job descriptions and job specifications**
- **Recruitment methods and the advantages and disadvantages of each method:**
  - internal such as intranet and word-of-mouth
  - external such as websites, online recruitment agencies, social media
- **Selection methods such as interview, psychological testing, work testing, online selection, and the advantages and disadvantages of each**
- **Employment arrangements such as full time, part time, contractual and casual**

Key skills

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

- Define, describe and apply relevant business management concepts and terms
- Acquire, record, interpret and share business information and ideas
- Research and analyse case studies and contemporary examples of business management applicable to establishing staff in a business
- Apply business management knowledge to practical and/or simulated business situations
- Evaluate the costs and benefits of various strategies for staffing a business
- Propose and justify the staffing strategies chosen for practical and/or simulated business situations

6.2 Staff performance and achieving business objectives

**KEY CONCEPT** Employees are the most important resources for success in business. Achieving business objectives depends on how well employees perform their tasks.

Successful 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 business owner.

**Lesson:** The relationship between the performance of staff and achieving business objectives

### 6.2.1 Achieving business objectives

Typically, business objectives include:
• making a profit
• expanding the business
• increasing market share.

Levels of profit depend on the relationship between the revenue of the business and its expenses. When expenses are less than revenue, the business is likely to make a profit. It is the activities of employees that generate most of the business revenue, although wages paid to those employees are a major expense to the business. Ultimately, a business needs to balance the number of employees it needs to provide its products or services with the cost of employing those employees. More highly skilled and qualified employees can also improve the business’s productivity. Improvements in productivity come about because of an increased or improved output from the same quantity of inputs or maintaining the same level and quality of product with a reduced level of inputs. Employees’ knowledge and skill levels are a key to improving productivity, particularly through the ability to work smarter. Improvements in productivity can bring increases in revenue without increasing expenses and can thus lead to improved profits. The quality of employees can also affect the capacity of the business to grow and increase market share. Motivated employees will work hard to improve the performance of the business, and these extra efforts can contribute to business growth and market share. For these reasons, decisions relating to the number and type of employees hired will always be closely related to the achievement of business objectives.

### 6.2.2 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 diagram on the following page.

While larger businesses are able to employ specialist human resource management staff, in smaller businesses 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 human resource managers and business owners need to constantly monitor their staffing needs.

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 business; and the termination phase.

1. Establishment phase
- Staff planning in line with business strategy
- Job analysis and job design
- Recruitment
- Selection
- Employment arrangements and remuneration

2. Maintenance phase
- Induction
- Training and development
- Performance management

3. Termination phase
- Termination management — voluntary and involuntary
- Entitlement and transition issues

DID YOU KNOW?
‘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.’
— Gerry Harvey, Chairman of Harvey Norman

6.2 Activities
TEST your understanding
1. Use your own words to define ‘staff management’.
2. Explain why good staff management is vital to a business.
3. How can improvements in productivity within a business contribute to an increase in profits for that business?
4. Name the three phases of the employment cycle.
5. Why do human resource managers and business owners need to constantly monitor their staffing needs?

APPLY your understanding
6. Explain whether or not each of the following staffing strategies might help each business achieve its objectives. Give reasons for your answers.
(a) A café owner hires additional staff to work at weekends when his business is at its busiest.
(b) A gardening supplies business arranges for its employees to enrol in TAFE Horticulture certificates.
(c) A newsagent hires VCE students to work as casual shop assistants after school and at weekends, but sacks them as soon as they turn 18 and have to be paid adult wages.
(d) A wine exporting business hires a Chinese-speaking salesperson to help it develop an export market into China.

7. In the following situations explain whether human resource management 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 skills 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 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.

EXAM practice
9. Define the term ‘productivity’. In what ways can the staffing of a business help to improve productivity? (4 marks)

10. Chris has set up a building supplies business in a new and expanding suburb where large numbers of new homes are being built.
   (a) Identify two staffing decisions he might need to make to meet his business objectives. (4 marks)
   (b) Explain why he would need to constantly review his staffing needs. (2 marks)

6.3 Identifying staffing needs

**KEY CONCEPT** Before advertising a staff position, a business needs to plan its human resource requirements and determine what jobs need to be filled and what those jobs entail.

### 6.3.1 Human resource planning

All businesses have to plan for the positions that inevitably become vacant. Employees retire, resign or get promoted. Also, new positions develop as the business expands. Therefore, for most businesses, determining staffing needs is an ongoing process.

**Human resource (HR) planning** in the establishment phase of the employment cycle involves forecasting the number of employees available and the number of qualified employees demanded in the future. HR planning must be related to business strategies. A business strategy is an action that is taken to achieve a business’s objectives. A common strategy used in order to achieve the objective of increased profitability may be to reduce business costs. HR must forecast the future demand for employees and estimate the supply available to meet that demand in order to avoid having too many employees on the payroll. If supply of employees is forecast to be greater than demand, HR will have to plan for a reduction of the workforce. For example, large supermarket chains in Victoria will have to plan for the likely staffing effects of customer self-scanning facilities. With as many as six in ten shoppers now scanning their own supermarket items, chains such as Woolworths and Coles must plan for what may inevitably mean a decrease in the number of checkout operators.
DEVELOPING A WORKFORCE PLAN

A workforce plan is a process by which a business can examine its current workforce, forecast likely future workforce needs, and identify gaps that may need to be filled over time. South Australian consultancy firm Wendy Perry and Associates provides advice and support for businesses in workforce planning and development through its Workforce BluePrint model. The model involves working through five steps to develop answers to a series of questions.

Step 1: Context and environment
Questions include the following: What are the business’s objectives, and how do they affect the workforce? What is happening in the external environment, and what are the associated challenges? What is happening in the internal environment? How comprehensive is our business planning? What is the structure of the business and does it have the capacity to deliver our goods and services?

Step 2: Current workforce profile
Questions include the following: What are the current skills and competencies of the workforce? What are our strengths, and what areas need further development? What is consultation with current employees telling us about areas for improvement, and what are the current workforce priorities?

Step 3: Future workforce profile
Questions include the following: What products and services are likely to be offered in the future, based on our strategic plan? How might the external environment change in the future? What future skills and competencies might be required? What are our future workforce priorities, based on consultation and analysis?

DID YOU KNOW?
Over the next decade, the workforce will age considerably (often referred to as the ‘greying’ of the population) as the post–World War II, ‘baby boomer’ generation grows older. Take, for instance, the nursing profession. In 2001, the average age of both registered and enrolled employed nurses was 42.2 years. Now the average age of a nurse is around 50 years. It is therefore not surprising that in recent years there has been a recruitment drive to attract more people to become nurses, and many nurses from overseas have been employed.

DEVELOPING A WORKFORCE PLAN

Wendy Perry, CEO of Wendy Perry and Associates, developers of the Workforce BluePrint

Human resource planning that is related to the strategy of the business has never been more important. Given the pace of today’s technology and the global economy we now operate in, businesses must respond to change faster. If a business does not plan its human resource needs in line with its business strategy, it is unlikely that the business will succeed.

Human resource planning in the establishment phase of the employment cycle requires a business to constantly monitor and plan:
- the number of employees required
- their qualifications, including skills, previous experience and knowledge
- when and where these employees will be needed.
Step 4: Gap analysis and closing strategies

Questions include the following: What are the key areas requiring action, in order to move from where we are now to where we want to be in the future? What are the key issues to be addressed? Answering these questions should help in developing an action plan with strategies to address gaps in the current workforce profile.

Step 5: Conclusion, review, evaluation strategy and next steps

Questions include the following: What are the key outcomes of our workforce action plan? How can it be implemented? What processes do we have to evaluate the strategies in this plan?

Source: Adapted from Workforce BluePrint model.

6.3 Activities

TEST your understanding

1. Outline why determining staffing needs is an ongoing process.
2. Predict the problems that could arise if a person being hired does not possess the skills or attitudes required for the position.
3. From the case study, explain the purpose of workforce planning.

APPLY your understanding

4. Explain why it is important to link business strategy to workforce planning.
5. Kitchen Kapers is a successful retailer of cookware and kitchen appliances, and has branches in three different shopping centres. The owners wish to double the number of stores by opening three new branches in shopping centres where no similar retail outlets currently exist. Using the five-step Workforce BluePrint process outlined above, prepare a report for the owners, outlining the issues they need to consider when staffing these three new stores.

EXAM practice

6. Define the term ‘human resource planning’ and explain how human resource planning is related to business strategies. (4 marks)

7. Glenda runs a café that has small numbers of customers from Monday to Friday but is extremely busy on Saturdays and Sundays. Explain the staffing decisions she has to make in relation to the following issues:
   (a) number of employees (2 marks)
   (b) skills and qualifications of employees (2 marks)
   (c) when and where employees are needed. (2 marks)
6.4 The effect of technological development on staffing needs

6.4.1 Developments in technology

The past 20 years have seen a technological revolution through the development of information and communications technology. It is only since the mid 1990s that the internet has been generally available to business, with processing speeds that make e-business a realistic proposition. The smartphone that is now the norm is a little over 10 years old — the first iPhone was released in 2007 and the first Android phone was released in 2008. Social media such as Facebook and Twitter have been available for public use since 2006, and are now widely used by many businesses as a means of communicating with customers and promoting their products and services. Because all these developments can affect the way businesses operate, they will strongly influence staffing needs and workforce planning.

6.4.2 Impacts on staffing needs

New information and communications technologies can change the nature of the workplace. New jobs are created that use new technology and its application, while others become redundant. For a business, it may be a relatively straightforward task to upgrade equipment, introduce new computer systems or software, and alter design or layout requirements. It is often a far more difficult task to help employees to adapt to and make efficient use of the new technology. When introducing new technologies, many of the following workplace issues will arise:

• Existing employees may need to be trained to use new technologies, an approach that may be more cost-effective than simply dismissing them and replacing them with new, more qualified staff. Maintaining the loyalty and motivation of employees will assist enormously in times of change and transition.
• New technology may lead to a reduction in staffing requirements, as the technology may allow fewer staff to carry out the necessary tasks. It is important that those made redundant are treated as sensitively and fairly as possible, as the business does not want employees who remain to feel resentful about losing their workmates.
• Rates of pay may need to be adjusted to take into account new skills acquired by employees, and the likely increased value of their work to the business.
• Staff are more likely to use workplace computers to carry out personal business during work hours. At the same time, many will carry out work-related tasks at home during their own time. Studies have shown that employees using work computers for apparent personal reasons may not necessarily be simply ‘slacking off’ in work time.
• Wireless connected tablet computers and smartphones can change the nature of work. Employees become more mobile and can carry out their tasks from almost anywhere. Many people with high levels of training in ICT may become freelance contactors, selling their skills to different employers for short periods of time for a fee, rather than becoming permanent employees.
TOMORROW’S DIGITALLY ENABLED WORKFORCE

In February 2016, the results of a study carried out by the CSIRO, the Australian Government Department of Employment and a number of industry groups was launched by the Employment Minister. The report was called *Tomorrow’s Digitally Enabled Workforce*, and it forecast dramatic changes to workplaces and workforce needs as a result of changes in technology. Some of the changes predicted include:

- The traditional office structure, with separate cubicles each occupied by a single worker at a desk may be a thing of the past, with shared office spaces likely to double in number as workers become more mobile.
- Companies are likely to adopt staffing models with a smaller core of permanent staff, with freelance contractors filling a variety of roles as needed. The report points out that freelancing is a growing employment model in other countries, and the number of independent contractors in Australia is likely to continue rising above 1 million people.
- Cloud computing is likely to encourage businesses to have smaller, more flexible departments, with the ability to embrace new technology and quickly analyse data as required. Future jobs are likely to be more agile, networked and connected.
- The greatest growth in employment in Australia is likely to be in service industries, and the labour market of the future will demand that employees are digitally literate for most jobs.

*Source:* Adapted from *The Age* Business pages, 27 February 2016.

DID YOU KNOW?

The Sensis Social Media Report is an annual survey of 800 consumers, 1000 small to medium businesses and 100 large businesses that examines how they use social networking sites. The 2017 survey indicated that 79 per cent of the population use social media, an increase of 10 percentage points from 2016. Thirty-five per cent check social media more than five times a day, and 21 per cent check during work time, although 47 per cent check during lunch breaks and other breaks from work. The percentage checking while at work varies according to age group, with 46 per cent of the 18–29 years age group checking social media while at work.

6.4 Activities

**TEST your understanding**

1. Why would a business owner or manager need to be aware of technological advances when making decisions in relation to staffing?
2. Explain why it might be more cost-effective to retrain existing employees in new technology than to simply replace them with more qualified staff.
3. Outline two changes that the *Tomorrow’s Digitally Enabled Workforce* report suggests are likely to occur as a result of changes in technology.

**APPLY your understanding**

4. How might a business owner solve each of the following staffing issues arising from changes in technology?
   (a) Older employees have very little experience of using computers, but the employer wishes to expand the online presence of the business.
   (b) The introduction of a new computerised accounting system requires three fewer staff members to work in the accounts department of the business.
A number of staff have upgraded their skills by attending TAFE courses in programming, and are able to set up new programs to improve business efficiency.

Some employees are using work computers to send personal emails and check their Facebook pages.

EXAM practice
5. Technological developments can both destroy and create jobs. Explain why and how this is the case. (4 marks)
6. Explain two effects that developments in technology may have on staffing needs. (4 marks)

6.5 Job analysis and job design

KEY CONCEPT A business owner or human resource manager must have a clear idea of the tasks any new employees may need to perform, and the qualifications and experience necessary to perform those tasks.

6.5.1 Job analysis
There is no sense in hiring people unless the business is clear about what it is hiring them to do. In other words, the business must determine the exact nature of a job before it can recruit the right person to do it. Job analysis is a systematic study of each employee’s duties, tasks and work environment. A job analysis examines:
• actual job activities
• the equipment used on the job
• specific job behaviours required
• working conditions
• the degree of supervision necessary.

Job analysis can be performed in a number of ways. The most commonly used methods include:
• the observation method. This involves observing workers carrying out their tasks. It can be useful in determining different types of activities carried out to achieve a result, as well as the sequence in which those tasks are carried out. It can also help identify the skills needed to perform the relevant tasks. It can be a time-consuming method of job analysis, so often two other forms of observation are used. One of these is work sampling, where samples of different tasks are observed for short periods of time. Another is the use of a work diary or log, in which the employee observes his or her own work activities and records these over a given period.
• the interview method. In this method, employees may be interviewed by a supervisor or HR Manager to help develop a job analysis. Often, a standard set of interview questions is used to maintain consistency across a group of employees. Typically, employees can be asked about their regular duties and responsibilities, as well as skills required, physical demands and safety requirements.
• questionnaires. Similar to the interview method, employees can be asked to provide written answers to questions about their duties, responsibilities and skills.
• the critical incident technique. In this method, staff responses to particular incidents are judged to be effective or ineffective based on the actions taken. The method involves examining the events leading up to the incident, the actions taken by the staff member that were either effective or ineffective, the consequences of those actions and the degree of control the employee had over those consequences.
The job analysis for a particular position typically consists of two parts:
1. a **job description**: a written statement describing the employee’s duties, and tasks and responsibilities associated with the job
2. a **job specification**: a list of the key qualifications needed to perform a particular job in terms of education, skills and experience.

Once staffing needs have been identified, a business is able to begin its recruiting procedures.

An example of a job description and a job specification

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**GRAPHIC DESIGNER (Artists)**

John Wiley & Sons Australia, Ltd, a leading educational publisher, wishes to appoint an experienced **Graphic Designer** for its busy Art studio in McDougall Street.

This **full-time position involves creating flyers, brochures, posters, catalogues, advertising, stationery and web pages, along with book interior and cover designs.**

The successful applicant will have excellent design skills and can format supplied text both quickly and accurately. A thorough knowledge of Adobe CS6 studio software package for Mac is vital. GoLive, PowerPoint, or website design experience, as well as strong English skills, would be very advantageous.

Remuneration will be based upon experience. All applications should be sent in writing by **Tuesday, 3 October 2019** to: Manager, Design, John Wiley & Sons Australia, Ltd, PO Box 1226, Milton QLD 4064. Work samples/copies would be appreciated.

We are also calling for expressions of interest from Mac artists with a thorough working knowledge of Illustrator to perform casual or freelance work for our Art Dept.

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**Job design**

Whereas job analysis concentrates on the work required for a job to be completed, **job design** details the number, kind and variety of tasks that individual employees perform in their jobs. Good job design takes into consideration the satisfaction of the employee’s needs. In your school canteen, for instance, jobs may be divided according to tasks, with one person handling food and another handling money only. Alternatively, a single employee may do both tasks and may have other responsibilities such as ordering supplies, developing menus or cleaning the canteen. Jobs that are designed so that they include a variety of tasks and give the employee some decision-making responsibility are more likely to lead to greater job satisfaction. Greater job satisfaction in turn may result in lower employee turnover. To return to our example, if you were working in the canteen and were given sole responsibility for cleaning, you may lack motivation and eventually look for a job elsewhere.

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**Resources**

- **eLesson**: Job analysis and its relationship to job design  
- **eLesson**: Evaluating the costs and benefits of staffing strategies
JOB DESIGN FOR MOTIVATION

In the past, job specialisation — where production was broken down into distinct tasks that were performed by individual employees — often resulted in employee boredom and dissatisfaction. To counter this effect, three job design approaches have been used based on intrinsic rewards — the good feeling that one gets from doing something well.

1. **Job rotation**: employees switch, for a period of time, from one job to another. This provides variety and gives employees a more comprehensive view of the business or the production process.
2. **Job enlargement**: employees are given more things to do within the same job. This provides job variety and a greater challenge for employees.
3. **Job enrichment**: employees are given more control and independence over how they do their work. This makes the job more interesting and challenging and provides motivating opportunities for self-satisfaction.

6.5 Activities

**TEST your understanding**

1. Explain the relationship between a job analysis, a job description and a job specification.
2. Select three job advertisements from a newspaper or online. Using the figure in section 6.5.1 as a guide, distinguish between the job description and the job specification.
3. What is job analysis and why might well-designed jobs lead to lower staff turnover?
4. Undertake a job analysis for the position of Year 11 Business Management Student at your school and identify the key elements for consideration.

**APPLY your understanding**

5. If you were redesigning a job, which job design approach discussed in the case study above would you use? Justify your selection.
6. ‘Job enrichment is just a fancy name for worker exploitation.’ Discuss.

**EXAM practice**

7. Define the term ‘job design’ and provide one example of how a job design may be carried out. (4 marks)
8. Janet wants to hire a salesperson to work in her electrical goods shop.
   (a) Identify and explain two elements that could be included in the job description. (4 marks)
   (b) Identify and explain two elements that could be included in the job specification. (4 marks)
6.6 Recruitment methods

**KEY CONCEPT** A business owner must recruit from staff within the business or seek new applicants from outside sources. This process must be carried out in a way that will attract the best applicants.

6.6.1 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 can occur through an internal computer network such as an intranet, by word of mouth among employees, or by posting a notice on a staff noticeboard. Of course, the role previously performed by the person recruited internally may then have to be filled 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.

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 cost effective. An employment agency or recruitment agency is a business that specialises in finding suitable employees to fill vacancies for a variety of different organisations. Employment agencies make their money by charging the employers who choose to use their services. 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 also 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 jobactive (formerly Job Services Australia) at jobsearch.gov.au for free.

As well as providing a job description and job specification, a job advertisement has to attract the best applicants. A successful job advertisement will provide information about the benefits of the position for an employee, any opportunities for advancement and training, as well as positive information about the business, how it provides a pleasant and supportive workplace, and its future prospects for growth. Employers will often be competing against each other to attract the best staff, so it is important to promote the business as a good place to work.

### 6.6.2 Advantages and disadvantages of different recruiting methods

In making a choice between internal and external recruitment, an employer needs to consider the following advantages and disadvantages.

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<thead>
<tr>
<th>Internal recruitment</th>
<th>Disadvantages</th>
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<tbody>
<tr>
<td><strong>Advantages</strong></td>
<td></td>
</tr>
<tr>
<td>Employees are already known to the employer, so choice may be easier.</td>
<td>There may be no-one suitable from within the business.</td>
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<tr>
<td>Applicants are already familiar with the business and its objectives, culture and processes.</td>
<td>If there is more than one internal applicant, it can lead to conflict or jealousies between those employees.</td>
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<tr>
<td>If the position is a managerial or supervisory position, it creates a career path within the business to reward valued employees.</td>
<td>Applicants may be set in their ways and not open to new ideas.</td>
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<tr>
<td>Costs of advertising the position are reduced, and no external agencies need to be paid.</td>
<td>The successful applicant from within may have to be replaced, so an external recruitment process may be necessary anyway.</td>
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<table>
<thead>
<tr>
<th>External recruitment</th>
<th>Disadvantages</th>
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<tbody>
<tr>
<td><strong>Advantages</strong></td>
<td></td>
</tr>
<tr>
<td>There is a wider range of applicants to choose from.</td>
<td>The applicants are all unknown, so the choice may be more difficult.</td>
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<tr>
<td>Outside applicants may bring new ideas and fresh approaches to tasks.</td>
<td>There are costs associated with advertising the position.</td>
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<tr>
<td>Different qualifications or experience from those already within the business can be specified in the advertising process.</td>
<td>The field of applicants may be larger, so the process of selection may become more time consuming.</td>
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<tr>
<td>This method allows for rapid growth of the business because it allows for an increase in actual staff numbers.</td>
<td>Qualified employees from within the business may resent outsiders coming in, particularly if it is a managerial or supervisory position.</td>
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EXAM TIP

The Unit 2, Area of Study 3 outcome states that you need to ‘evaluate the benefits and limitations of management strategies in this area from both an employer and an employee perspective’. This suggests that you should understand the advantages and disadvantages of recruitment methods and be prepared to explain their benefits for both employers and employees, as well as their limitations for both stakeholders.

6.6 Activities

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?

APPLY your understanding
4. Max runs a successful garage, with a large number of regular customers who have their cars serviced with him. Seeing the future of electric cars, he wishes to set up a new section to service them, and he needs someone to run this section for him. One of his young mechanics has said that he would be willing to do a course in the mechanics of electric cars and take responsibility for the new section. Max is not sure and thinks it might be better to look externally and find an expert in electric cars. How would you advise Max in choosing between these two possible methods of recruitment?

EXAM practice
5. Define the term ‘internal recruitment’ and outline one advantage and one disadvantage of this type of recruitment. (4 marks)
6. Diane needs to recruit a new accounts manager for her courier business.
   (a) Explain two recruitment methods that Diane could use to staff her business. (4 marks)
   (b) Evaluate the use of one external recruitment method. (5 marks)

6.7 Selection methods

KEY CONCEPT

Once the recruiting process has identified a number of applicants for a vacant position, procedures for selecting the most appropriate person to fill the position will be implemented.

6.7.1 Employee selection

Employee selection may be described as a screening or sifting process. It involves gathering information about each applicant for a position, and then using that information to choose the most appropriate applicant. Interviews, tests, physical examinations, and referee and reference checks are all part of this process. In selecting staff, the idea is to choose the most ‘appropriate’ person with the qualifications that best match the position, rather than the applicant with the ‘most’ qualifications.
Employee selection can be an expensive process — not only in terms of the time and effort put into the screening process, but also in terms of the costs of inappropriate selection.

A poor selection process leads to increased costs and lower productivity by increasing:

• training costs, if poorly qualified staff are selected
• job dissatisfaction and labour turnover, if the business or the job does not meet the expectations of candidates selected
• absenteeism rates, if staff feel inadequate on the job or feel under excessive work pressure
• accident or defect rates, and fines or claims, if untrained staff are selected.

DID YOU KNOW?
The cost of a poor recruitment decision is believed to equate to around two or three times the annual salary of the person recruited.

6.7.2 Selection options

Selecting a candidate for a position is an important decision. The decision maker must choose appropriate devices for screening applicants, gradually ‘narrowing the field’ until the most suitable person is found. Developing a short list of suitable applicants helps to limit the number of interviews to be conducted or tests and checks to be carried out. The following devices can be used in the selection process:

• Application forms. Candidates outline information about themselves. The form may be simple, requiring details such as name, address and contact number, or it may require more detail about an applicant’s personal history, skills and experience.

• Tests. These may be written or practical and are designed to assess aptitude, intelligence or ability. Psychological testing and work testing are two forms of testing commonly used. Psychological testing attempts to reveal aspects of a person’s character and personality that may affect their ability to perform the work tasks required. Work testing is more closely related to the actual job, and may seek to test specific skills that are needed to carry out the relevant work.

• Online selection. This occurs when some part of the screening and selection process is conducted online. It may involve completing a multiple-choice test online, or providing other information online. It may be used to screen out unsuitable applicants, but is no substitute for a face-to-face interview.

• Interviews. This is the most common device used in the selection process. The interview must be well organised and structured, and common questions must be used in each interview to ensure a consistent basis for selection.
Interviews provide an opportunity for the job seeker and the business to learn more about each other. Interviewers ask questions to evaluate the candidate’s motivation, personality and attitudes. The interview also provides the candidate with the opportunity to find out more about the job.

- **Background checks.** The employer verifies the information on the application form by contacting referees or agencies for information about an applicant’s previous experience, performance or record.
- **Medical examinations.** Some jobs require certain physical attributes. For example, Victoria Police requires medical assessment as part of their background checks.

After the interviews have been conducted and the checks and testing have been performed, the most suitable applicant will be offered the position. That person is the applicant that best meets the job specification, in terms of skills, qualifications and experience. The business will usually wait for the successful applicant to accept the position before informing the other applicants that they have been unsuccessful. This will help to avoid a potential problem, if the successful applicant no longer wishes to accept the position.

The following figure summarises the steps in a typical selection process, and the table below summarises the advantages and disadvantages of the different selection methods.

### Steps in a typical selection process

1. Applications received
2. Screen applicants
3. Shortlist candidates
4. Interviews
5. Referee checks
6. Offer job to candidate

### Advantages and disadvantages of different selection methods

<table>
<thead>
<tr>
<th>Method</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interview</td>
<td>The employer actually meets prospective employees, so can make judgements first hand.</td>
<td>Some people are able to present well at an interview, but may not be completely honest.</td>
</tr>
<tr>
<td></td>
<td>Provides the applicant with an opportunity to ask questions about the job and the workplace</td>
<td>Doesn’t assess actual skills or abilities on the job.</td>
</tr>
<tr>
<td>Psychological testing</td>
<td>Can give an insight into the personality of the applicant, not just job skills</td>
<td>Relies on the applicant giving honest answers to the test questions or tasks.</td>
</tr>
<tr>
<td></td>
<td>Can be used to assess skills such as the ability to work in a team, leadership and decision making</td>
<td>Not all tests have the necessary reliability in measuring what they claim to measure.</td>
</tr>
<tr>
<td>Work testing</td>
<td>Can provide an assessment of the actual skills needed to carry out the job</td>
<td>May test technical skills but not broader skills such as leadership or problem solving</td>
</tr>
<tr>
<td></td>
<td>Allows future work colleagues and supervisors an opportunity to see different applicants in action</td>
<td>Can be an artificial environment, and some applicants may be nervous and not demonstrate their actual abilities.</td>
</tr>
<tr>
<td>Online selection</td>
<td>Convenient: applicants can complete at any time, and selection panel can view responses in their own time</td>
<td>Very impersonal — gives no indication of the actual person performing the tasks.</td>
</tr>
<tr>
<td></td>
<td>Can be used for a wide variety of different types of tasks and responses</td>
<td>May not be secure (e.g. could be hacked).</td>
</tr>
</tbody>
</table>
DID YOU KNOW?
Much employee turnover in Australia occurs in newly recruited staff who have spent less than one year in the job. This reinforces research that suggests most Australian management selection processes are unplanned, subjective, unsophisticated, highly susceptible to error and not supported by effective induction programs.

EXAM TIP
The Unit 2, Area of Study 3 outcome states that you need to ‘evaluate the benefits and limitations of management strategies in this area from both an employer and an employee perspective’. This suggests that you should understand the advantages and disadvantages of selection methods and be prepared to explain their benefits for both employers and employees, as well as their limitations for both stakeholders.

6.7 Activities
TEST your understanding
1. Identify the costs that may result from a poor selection process. Give examples.
2. Discuss the strengths and weaknesses of different selection methods.
3. What is the purpose of a job interview?

APPLY your understanding
4. You have recently been appointed as Human Resource Manager for a national clothing company. The business has a history of high staff turnover and low morale. To correct these problems, you have decided to improve the recruitment and selection procedures. Outline the steps you might take to identify potential capable employees. How would you screen applicants?
5. Interviews can be carried out by an individual or a panel of people. Identify and explain two possible advantages and two possible disadvantages of each method.
6. Write a series of questions that could be asked at an interview for the following positions:
   (a) dental assistant
   (b) hairdresser
   (c) panel beater.

EXAM practice
7. What is ‘employee selection’ and why is it often described as a ‘screening’ or ‘sifting’ process? (4 marks)
8. Carrying out personal interviews and requiring applicants to complete an online selection process are two possible methods of selecting staff.
   (a) Identify and explain one advantage and one disadvantage of each of these methods. (4 marks)
   (b) Propose and justify what you believe would be the most appropriate method for staffing a business. (4 marks)
6.8 APPLY YOUR SKILLS Recruitment and selection

PRACTISE YOUR SKILLS
- Define, describe and apply relevant business management concepts and terms
- Research and analyse case studies and contemporary examples of business management applicable to establishing staff in a business
- Acquire, record, interpret and share business information and ideas
- Apply business management knowledge to practical and/or simulated business situations
- Evaluate the costs and benefits of various strategies for staffing a business

6.8.1 The role of recruitment agencies

OUTSOURCING THE SEARCH FOR THE MOST SUITABLE CANDIDATE

Many 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 shortlist 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. Business owners find it beneficial to access specialist advice rather than risk breaching employment law.
- availability of online recruiters. Recent statistics show that employers have widely embraced e-recruitment agencies.
- desire by 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.

6.8.1 Activities

TEST your skills

1. Outline two advantages of using an employment agency to carry out the recruitment and selection of new staff.
2. Poor recruitment and selection processes can be very costly for a business. Explain two examples of the problems that can occur if these processes are not performed well.
3. Imagine you are employed by a recruitment agency. Write the text for a brochure designed to convince business owners of the benefits of engaging a recruitment agency to assist with the hiring of staff.
4. Working with a partner, or in a small group, create a list of strategies a business owner could use to retain valued employees.
APPLY your skills
5. (a) Identify the advantages and disadvantages of external recruitment agencies.
(b) The task word (sometimes referred to as command word or instructional word) ‘evaluate’ generally requires you to consider both sides of something, and then provide an overall conclusion or judgement related to which argument is the more persuasive and why. Using the information you have listed in part (a), evaluate the costs and benefits of using external recruitment agencies to staff a business.

6.8.2 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.

6.8.2 Activities

TEST your skills
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. Identify and explain two advantages and two disadvantages of putting each applicant through a work test as part of the selection process for this position.
4. What evidence is there that the owner of the business intends to do background checks on applicants?

APPLY your skills
5. Use the How to conduct the job interview weblink in the Resources tab 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 that offer hints for employers when conducting an interview.
6. Use the SEEK weblink in the Resources tab 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.

Some businesses find it more useful to hold group interviews. Large businesses like Qantas have special recruitment days when group activities and interviews are held.
7. Working in groups of three, conduct a simulated job interview.
   One person should adopt the role of the employer, and another student that of an applicant. A third
   student should act as an observer, to assess the interview on the following criteria:
   (a) How effective and relevant were the interview questions?
   (b) How well did the applicant answer the questions?
   (c) How could both the questions and answers be improved?
   (d) What effect can body language and manner of both interviewer and interviewee have on the
   interview?
   The student assessing could award a score out of 20 for each of the participants, giving reasons for their
   marks. All students are to then change roles. You may wish to video the interviews to watch and discuss them
   in class.

Resources

- Weblink: How to conduct the job interview
- Weblink: SEEK

6.9 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. Employers can
select the type of employment arrangements that suit their needs, and the needs of their employees.

6.9.1 Employment arrangements
The different needs of businesses will determine the types of employment arrangements offered to employees.
Full-time permanent employment is the traditional method of employment for most people. Permanent full-
time employees usually work for between 35 and 38 hours per week, and are entitled to a set of 10 National
Employment Standards. Most full-time employees are also employed under an Award, which lays down a set
of minimum wages and conditions.

Some employees may be offered part-time permanent employment, where they work for less than the
ordinary full-time hours. Part-time employees have continuity of employment and similar entitlements to those
of full-time employees. The difference is that their entitlements are calculated on a proportional basis. For
example, if a part-time worker is employed for three days out of five each week, he or she will be paid 60 per
cent of the full-time wage, and will accumulate annual leave, long-service leave and sick leave entitlements
at 60 per cent of the full-time rate.

While permanent employees are employed on an ongoing basis, a business will sometimes offer employ-
ment on a fixed-term contract. Wages and conditions under these arrangements are usually similar to those
of permanent employees, but the employment has a pre-arranged finishing date. Periods of employment from
3 to 12 months are common with this type of arrangement, and this can suit a business that may have specific
employment needs for this period of time.

Another type of employment arrangement may involve a business employing what are known as casual
employees. Casual employees are employed on an hourly basis and do not receive a range of entitlements
(non-wage benefits) such as long-service leave and sick leave. To compensate, casual employees are some-
times paid a loading — that is, extra pay — on top of the normal full-time hourly rate. Part-time and casual
employment can provide workers with flexibility that allows for improved work–life balance.
Different employment arrangements

<table>
<thead>
<tr>
<th>Permanent employment</th>
<th>Fixed-term employment</th>
<th>Casual employment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full time</strong></td>
<td><strong>Can be full time or part time</strong></td>
<td><strong>Usually part time</strong></td>
</tr>
<tr>
<td>Usually 38 hours per week</td>
<td>Agreed number of hours and working times each week</td>
<td>No set working hours or times</td>
</tr>
<tr>
<td><strong>Part time</strong></td>
<td><strong>Agreed finishing date for employment</strong></td>
<td><strong>Limited employment entitlements</strong></td>
</tr>
</tbody>
</table>

Most secure form of employment

Least secure form of employment

**study on**

6.9.2 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.
- **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 business, 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 that 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.

### 6.9 Activities

**TEST your understanding**

1. Not everyone works nine to five these days. List and describe at least five different employment arrangements that can exist between the employer and employee.

2. What are the National Employment Standards and how do they protect workers?

**APPLY your understanding**

3. What benefits may both the employer and employee enjoy as a result of making more flexible work arrangements available to employees?

4. Imagine you are a business consultant. One of your clients owns a bicycle shop that 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.
EXAM practice
5. Explain two employment entitlements available to permanent employees that are not available to casual employees. (2 marks)
6. Jenny is a volunteer with the State Emergency Service. Following a severe storm, she is required to help clear fallen trees, causing her to miss a day’s work. Explain why her employer cannot penalise her for missing that day at work. (2 marks)
7. Explain two employment arrangements that must be considered when staffing a business. (4 marks)

6.10 Employer expectations

**KEY CONCEPT** Employers expect their employees to work hard at the job they are being paid to perform, but they may have other expectations. These can include adhering to the conditions of an employment contract, loyalty to the business employing them, and providing adequate notice when they decide to leave the business.

When a new employee joins a business or other organisation, he or she will usually be expected to sign an employment contract. This will include provisions that protect the employee, such as the 10 National Employment Standards, and will also contain terms that reflect the expectations of the employer. In addition, there may be expectations that are not specified in writing, but would be reasonable to expect from any person wishing to be a successful employee of that business. The diagram below outlines what these expectations might include.

### What an employer might expect from employees

- Be committed to their job
- Be punctual
- Follow reasonable requests
- Work cooperatively in teams
- Provide excellent customer service
- Complete projects on time
- Demonstrate loyalty to the business
- Provide adequate notice when ceasing employment with the business

#### 6.10.1 Employment contracts

Contracts of employment are governed by provisions of the *Fair Work Act 2009* (Cwlth). A typical employment contract may include some general terms, such as an expectation that the employee will adhere to the policies and procedures of the business, the title or classification of the position the employee is filling, a start date and the name of the immediate supervisor. It may then detail the specific duties to be undertaken, the hours of work, rates of pay, and leave and superannuation arrangements. All of these are subject to the provisions of the 10 National Employment Standards, and must also conform to the conditions that apply in a relevant *Award* or *enterprise agreement*. 
Awards

Awards have been the traditional means of establishing working conditions for employees. Each Award sets the minimum standards for all workers within a particular industry. In addition to the 10 National Employment Standards, Awards can include details of minimum wages for different types of work within an industry, overtime and penalty rates, special allowances for particular types of work, leave details and superannuation arrangements. Currently there are just over 100 different Awards in Australia, providing minimum standards for workers in those industries and occupations. Many of these Awards provide the basic terms of an employment contract.

Enterprise agreements

An enterprise agreement provides an opportunity for employers and employees within a particular business or enterprise to negotiate a set of conditions that improve on the standards in an Award. Employees are usually represented by a bargaining agent, such as a union, in these negotiations. If a group of employees wish to negotiate for better pay and conditions than those available in an Award, the employer will usually expect them to offer more than simply carrying out the basic tasks associated with their job. Changes in work practices to improve productivity are often included in the agreement, and as these can allow the business to improve its performance, they provide benefits for the employer as well as improved pay and conditions for the employees. Enterprise agreements are usually not permitted to reduce the employees’ pay and conditions that apply within an Award.

Individual common law contracts

It is possible for some employees to negotiate individual employment contracts that do not have to include Award conditions. These usually only apply to relatively highly paid professionals, and are subject to a minimum level of pay. This minimum is known as the high income threshold and it is increased on 1 July each year. At 1 July 2017 it was set at an annual income of $142,000 for the 2017–18 financial year. As Awards are seen to be less relevant to employees earning high salaries, an employee earning above this level can enter an employment contract that does not rely on any Award. Contracts of this type are enforceable through the courts in the same way as any other legally binding contract between two parties.

6.10.2 Business loyalty

Most employers would expect their employees to show loyalty to the business that employs them. This can often mean that they do not make negative comments about the business or its products or services. Employment contracts may sometimes include a provision that prohibits an employee from doing anything that may harm the reputation of the business. It also means that they should not disclose any sensitive commercial information to competitors, including the contents of any correspondence that the employee may have seen. Some businesses include confidentiality provisions in employment contracts that specifically prohibit employees from disclosing any trade secrets or financial information to outside parties. In some cases, such a contract
can even include a prohibition on the employee disclosing such information for up to 12 months after leaving
the business. Some employment contracts can also prevent an employee who leaves to work with a competitor
from approaching a client or customer of the business and attempting to lure them to the new employer. If an
employer acts in an ethical manner towards its employees, it is not unreasonable to expect those employees
to show loyalty to the business, and not act in a way that might harm it.

6.10.3 Terms of notice
Situations arise when an employee decides to leave the business. It may be because he or she has applied for
and been successful in gaining a job with a different business. In these circumstances, an employer would
expect that the departing employee give a reasonable amount of notice of his or her intention to leave. The
amount of time considered to be ‘reasonable’ varies depending on the particular employment circumstances.
Generally, when a person has been employed on a full-time basis, four weeks is usually considered a rea-
sonable amount of time. When an employee leaves, the employer has a number of decisions to make and a
number of actions that follow those decisions. All of these take time, and can include the following:

• How should the departing employee be replaced? If that person was in a supervisory position, can an
existing employee be promoted through internal recruitment to fill the vacancy? If so, will this create a
consequential vacancy that has to be filled through external recruitment?
• Is this an opportunity to downsize the workforce, or does a vacancy still need to be filled to maintain
existing levels of business activity and achieve objectives? Does the business take the opportunity to
change the existing job description and job specification to match its changing needs?
• Which methods should be used to advertise the vacancy? What selection processes need to be set up?
Will interviews be scheduled, and who will be on the interview panel?
• Will the successful applicant have to give notice to his or her current employer? How long will it take for
the vacancy to be filled, and how does the business alter procedures in the meantime to cover the staffing
shortage?

Given the significance of these decisions, and the actions that follow, it is not unreasonable for an employer
to expect that the departing employee will provide adequate warning of their departure, and allow for the
business to make the necessary adjustments.

6.10 Activities

TEST your understanding
1. Identify two provisions that might be included in an employment contract.
2. Explain the difference between an Award and an enterprise agreement.
3. Under what circumstances can an employee be offered an employment contract that does not include Award
   conditions?
4. Outline three ways in which an employer might expect an employee to demonstrate loyalty to the business.
5. Why is it appropriate that an employee provide adequate notice of his or her intention to leave the business?

APPLY your understanding
6. Is it necessary that all employer expectations be included in the written terms of an employment contract, or
   can an employer reasonably expect some types of behaviour and performance that are not included?
   Give reasons and examples to support your opinion.
7. In the following situations, explain which employer expectations have been not been met.
   (a) Gayle starts work as a receptionist in a medical practice, but keeps forgetting to bring in a signed copy of her employment contract.
   (b) While enjoying a few drinks with friends, Tim begins criticising his employer and the quality of his employer’s products.
   (c) Ahmed leaves one job to commence work with a different employer. When a job vacancy arises with his new employer, he phones one of his friends at his former workplace to encourage her to apply for the vacancy.
   (d) Cassie tells her employer on Wednesday that she is leaving to take up a new job, and that her new employer would like her to start next Monday.

EXAM practice
8. Identify whether each of the following statements is true or false.
   (a) Penalty rates are payable when an employee is required to work outside normal working hours. (1 mark)
   (b) An Award usually provides better pay and conditions than an enterprise agreement. (1 mark)
   (c) An employee who earns above the high-income threshold must be employed on pay and conditions governed by an Award. (1 mark)
   (d) A confidentiality clause in an employment contract can prohibit an employee from disclosing commercial information for up to 12 months. (1 mark)
   (e) An employee who is leaving a place of full-time employment would normally be expected to provide three days’ notice of their intention to leave. (1 mark)

9. Darren was employed as a salesman at a shoe shop. He often turned up late to work, made sexist jokes about his female colleagues and was occasionally rude to customers. After several warnings, the shop owner dismissed him. Darren claimed that his dismissal was unfair because none of the things he was accused of doing wrong were even mentioned or prohibited in his employment contract. Do you believe he was right or wrong to make such a claim? Explain why. (3 marks)

6.11 Employee expectations—conditions of employment, remuneration and work–life balance

**KEY CONCEPT** Employers must provide employees with basic working conditions. Many employers, however, provide more than just the basic working conditions. Providing more flexibility in the workplace can lead to employees achieving a better work–life balance and greater productivity at work.

6.11.1 Conditions of employment
‘Conditions of employment’ refer to what an employer has agreed to give the employee in return for the employee’s work. Basic conditions of employment include:

- the number of hours an employee is expected to work
- annual leave entitlements and other entitlements, such as sick leave and long-service leave
- public holidays the employee may be entitled to
- other entitlements such as redundancy pay.

Some employers go beyond the basic conditions of employment in order to satisfy their employees’ needs. The Transport Accident Commission (TAC), for example, provides up to 14 weeks paid maternity leave, up to 10 days paid paternal leave or partner leave, or leave for reasons such as blood donation, emergency relief activities and sporting events. The business also allows for flexible working conditions, such as part-time employment, flexible working hours (also known as flexitime) and work-from-home arrangements.
6.11.2 Remuneration

Remuneration refers to the financial payment an employee receives in return for working for an employer. These payments can be made in the form of a wage or a salary. Remuneration is one factor in retaining productive and efficient employees who are loyal and display a high degree of commitment to their work. Paying employees appropriately is important because it affects productivity by increasing employee motivation, and lowering rates of absenteeism and staff turnover. While employee motivation will be influenced by broader issues than remuneration, an adequate level of pay is a necessary condition in attracting and retaining good employees.

Most industries are governed by Awards that set minimum remuneration levels for workers within those industries. In addition there is a national minimum wage, which is the legal minimum that can be paid to any adult employee. Businesses can pay their employees above these minimum levels, and can use some of the following to provide additional incentives:

- financial incentives, such as bonuses, commissions and allowances, which are paid when an employee achieves specified goals
- other rewards, such as the use of a company car, laptop computers, childcare facilities and holidays
- salary sacrifice (also referred to as salary packaging), where employees sacrifice some of their salary to receive a benefit such as a car. The item is often purchased out of their pre-tax salary, making salary sacrifice an attractive proposition for many employees.

The combination of a base wage and these types of extras form what is referred to as a ‘remuneration package’. It is important that any remuneration package is aligned with the strategic and tactical goals of the business, and that additional bonuses are genuinely earned by employees contributing to the achievement of those goals. In recent years, shareholders of some large public companies have been critical of executive remuneration packages that have rewarded senior managers excessively, even when company performance has been poor.

All employees in Australia are entitled to unpaid parental leave when a new child is born or adopted. Extra entitlements can also be received, such as paid parental leave from either the Australian government or an employer. The Australian government Paid Parental Leave scheme provides eligible employees, who are the primary carer of a newborn or recently adopted child, 18 weeks' leave paid at the national minimum wage. This provides work–life balance and supports employees returning to their jobs after starting a family. It also makes good economic sense because it is expensive for businesses to recruit and train new people. Some sources have estimated that the cost of replacing a manager can be the equivalent to a year's salary or more.
6.11.3 Flexible working conditions

Flexible working conditions are patterns of work that allow businesses to work more efficiently or allow employees to balance work and family responsibilities. Flexible working conditions may take the form of:

- variable working days/weeks, with the core hours specified as required, but with flexible start and finish times
- an extension of ordinary hours to weekend work and public holidays
- the lengthening of shifts to 10 hours
- flexitime, which allows employees to nominate starting and finishing times to suit their needs
- maxiflex, which allows employees to build up sufficient hours or overtime to take more time off
- job sharing, which allows two employees to share the hours required for one job
- work-from-home arrangements.

6.11.4 Achieving work–life balance

Many businesses actively seek to improve their employees’ work–life balance. Work–life balance means achieving the right combination of time devoted to work and time devoted to personal or family life. Flexible working conditions help many employees achieve a better work–life balance.

Business owners must first determine whether employees’ work–life balance is a key need within the business. Low productivity levels and high absenteeism rates might be symptoms of a business that needs to look after this area of employee expectations. Along with flexible work conditions, many businesses are offering their employees the opportunity to participate in time management courses, as well as general health and wellbeing programs to improve work–life balance.

The benefits of achieving a work–life balance for employees

- Increased employee productivity
- Compliance with industrial and antidiscrimination legislation
- A motivated workplace with enthusiastic employees
- Enhanced corporate image
- The maintenance and enhancement of workplace skill levels
- Reduced stress
- Improvements in attendance rates and reduced sick leave costs
- Increased employee retention
- Compliance with industrial and antidiscrimination legislation

As an unusual extension of flexible work arrangements, some businesses provide leave for employees to look after their sick pets or settle in new pets. Other companies, including Nestlé and Mars, allow staff to bring pets, such as cats and dogs, to work. This can enable people to work longer hours because there is no need to rush home to tend to their animals. Also, research shows that having pets at work lifts the mood of the workplace: it reduces stress, increases productivity and improves staff engagement.
DID YOU KNOW?
Stress-related conditions cost Australian companies more than $200 million each year in workers compensation claims.

6.11 Activities
TEST your understanding
1. Give an example of what you would consider to be a basic condition of employment and an example of a condition that a business is not obligated to give to its employees, but may do so.
2. What other types of monetary rewards can be given to an employee over and above the base wage?
3. Explain why offering flexible working conditions may help:
   (a) the employee
   (b) the employer.

APPLY your understanding
5. If you have a casual job, write a list of your basic working conditions and also list any benefits you are given by your employer that go beyond the basic working conditions expected.
6. Use the Australian Work and Life Index weblink in the Resources tab to read a report on the reality of achieving work–life balance. List some of the key findings of the report. According to the report, what should be done to improve work–life balance?

EXAM practice
7. Explain why the issue of remuneration is important for a business in attracting and retaining employees. (2 marks)
8. Debra has noticed that there has been an increase in sick leave taken by her employees at her dry-cleaning business, particularly among female employees with children. She suspects that they are under pressure juggling work commitments with domestic commitments.
   (a) Propose and justify two ways in which Debra might be able resolve this issue. (4 marks)
   (b) Identify and explain two benefits to her business if Debra can achieve an improved work–life balance for her employees. (4 marks)

6.12 Employee expectations — job security

KEY CONCEPT A concern for employees is the threat that they may lose their job. Job security is a factor that can impact on the way employees feel about their workplace.

6.12.1 Job security
Job security refers to whether an employee believes they are likely to lose their job either through being made redundant or being dismissed. In the past 20 years, employees have faced continuing employment cutbacks, automation, downsizing, increased competition from imports and non-unionised domestic companies. Job
security can no longer be taken for granted. It is a significant issue for many Australian workers as a consequence of difficult economic conditions. During downturns in the economy, many industries begin laying off workers. Some commentators argue that job insecurity is now the common experience of many employees.

At the end of 2013, Holden announced that it would cease producing vehicles in Australia, closing its manufacturing operations in 2017. Approximately 2900 workers’ jobs were affected by the decision. By the time the factory in Elizabeth, South Australia, closed in October 2017, almost 2000 of those workers had already left to look for work elsewhere.

DID YOU KNOW?
Research shows that many workers are worried about job security. Employees are said to worry about job loss and its consequences.

This change in employment conditions has implications for human resource managers. Employees need to feel some stability in the employment relationship. While lifetime employment guarantees are not necessary, there should be enough job security to develop a relationship in which employees believe their efforts will be rewarded. This fosters a supportive workplace culture in which employees are prepared to contribute over and above their minimum effort. Job insecurity, on the other hand, fosters a more formal employment relationship with minimal feelings of trust and loyalty. It is not surprising that the threat of being ‘laid off’ is one of the greatest setbacks to employee loyalty, even among those whose jobs are not at immediate risk. Perceived job insecurity is receiving increasing recognition as an important determinant of employee work outcomes.

Job insecurity can cause stress for many employees. Psychological stress can lead to physical symptoms such as headaches, stomach upsets, skin rashes, back pain and even hair loss. If stress continues, it can contribute to heart disease and high blood pressure.
Not only can uncertainty about job security affect the motivation of staff and, therefore, staff productivity, it can also have a negative impact on the health of workers due to the many effects of stress. The following case study discusses the decision to cut jobs at Qantas in 2014, and its impact over the years that followed.

**CHANGE AT QANTAS**

After reporting a $235 million half-year loss at the start of 2014, Qantas announced it would cut 5000 jobs over the following three years. As part of its transformation program the airline’s Chief Executive Officer, Alan Joyce, said that Qantas would restructure and cut costs in an attempt to return to profitability. Staff would lose jobs through the reduction of management roles, the reduction of operational positions caused by changes to fleet plans and routes, the restructure of maintenance operations and catering facilities, and the closure of the Avalon maintenance base. Over the next two and a half years, Qantas cut 4605 jobs and by August 2016 was able to announce a return to profit of $1.03 billion for the 2015–16 financial year. The union representing many Qantas employees, the Transport Workers Union, was scornful of this profit, claiming it was achieved by sacrificing safety and the wages and conditions of employees. Union Secretary Tony Sheldon claimed in a statement that he didn’t consider sacrificing job security, slashing wages and potentially compromising safety to be the ‘Spirit of Australia’.

On the other hand, the President of the Australian and International Pilots Association welcomed the return to profit and pointed out that, while job losses are not a good thing, a public company like Qantas could not have kept going with too many staff.

### 6.12 Activities

**TEST your understanding**

1. Define ‘job security’.
2. Discuss three reasons why the feeling of job security among employees may have declined in the past couple of decades.
3. What is the impact of cutting staff numbers on:
   (a) the employer?
   (b) the employee?

**APPLY your understanding**

4. Read ‘Change at Qantas’ and answer the following questions:
   (a) Explain the reasons why Qantas decided to cut jobs.
   (b) In what way did cutting numbers of staff help achieve one of Qantas’s business objectives by 2016?
   (c) The Transport Workers Union and the Australian and International Pilots Association expressed different views in relation to the impact of staffing cuts at Qantas. Which of these groups do you think has the strongest case? Give reasons for your answer.
5. How might a person’s self-esteem be affected if they are made redundant?
EXAM practice

6. Identify and explain two reasons why job insecurity has increased in Australia in recent years. (4 marks)

7. Henry is facing a period of declining sales at his farm equipment business because drought conditions have affected farmers’ incomes. He offers his staff reduced hours of work on reduced pay but promises to keep them all employed until the drought is over and business improves.

(a) Outline one reason why it is valuable for Henry to provide this level of job security for his staff. (2 marks)

(b) Describe one problem Henry might have faced in the future if he chose to lay off staff rather than reduce their hours and pay. (2 marks)

6.13 Legal obligations for staffing

**KEY CONCEPT** All employers are required by law to maintain a workplace which is safe for all employees, and for any visitors. They also 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.

Businesses employing staff are subject to a number of legal obligations in relation to those staff members. As previously discussed, wages and conditions are subject to provisions of the *Fair Work Act 2009* (Cwlth), while employers also have a legal obligation to pay superannuation contributions on behalf of their employees. In addition, employers are legally obliged to provide a safe workplace and to ensure that principles of equal opportunity are applied in the way employees are treated while at work.

**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 annual *Safe Work Australia Report*, published in 2017, revealed that in 2016:

- 182 people were killed at work
- most of the deaths were men — 92 per cent in total
- over 25 per cent of all deaths involved employees under 34 years old
- two industries (agriculture, forestry and fishing; and transport, postal and warehousing) accounted for over 50 per cent of deaths
- 99 fatalities, or 54 per cent, involved a vehicle
- 3414 workers lost their lives at work between 2003 and 2016, an average of 20 workers per month.

Every morning at Costa Logistics more than 200 logistics workers jog on the spot and perform stretching exercises.
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 range of health and wellbeing programs, such as the one that operates at Costa Logistics in Derrimut.

6.13.1 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. In Victoria, workplace safety is regulated by the Occupational Health and Safety Act 2004 (Vic). This Act, and regulations issued in 2007 and 2017 under this Act, set the standards that employers are legally obliged to follow to ensure safe workplaces. It also sets the rules for providing compensation to those who are injured at work.

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
  - 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.
6.13.2 Safe workplace strategies

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

6.13.3 Equal employment opportunity


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
- carer status
- family responsibilities
- parental status
- disability or impairment
- employment activity
- gender identity
- lawful sexual activity
- sexual orientation
- industrial activity
- marital status

- physical features
- political belief or activity
- pregnancy
- breastfeeding
- race
- religious belief or activity
- sex
- personal association with someone who has, or is assumed to have, one of these personal characteristics

6.13.4 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 that 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.

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 businesses 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.
6.13.5 Agencies supporting equal employment opportunities

In order to support EEO in the workplace, federal and state governments have set up bodies to provide employees with assistance if they believe they have been discriminated against, as well as to support employers to improve their EEO performance.

**Victorian Equal Opportunity and Human Rights Commission**

The Victorian Equal Opportunity and Human Rights Commission (VEOHRC) was established under the *Equal Opportunity Act 2010* (Vic). Its role is to inform and educate the public on equal opportunity and human rights issues as well as to receive complaints and resolve disputes under the Act. If a person believes they have been discriminated against in the workplace, he or she can approach the VEOHRC to resolve the issue. Complaints can be made online, or by filling in a form that can be downloaded from the VEOHRC website. The Commission can use a wide variety of dispute resolution methods, depending on the nature of the dispute. These can range from informal discussion and mediation, to a formal process of conciliation. The aim is to reach a resolution that both parties can agree to accept.

**Workplace Gender Equality Agency**

The Workplace Gender Equality Agency was established under the *Workplace Gender Equality Act 2012* (Cwlth), and is a federal government body set up to work with employers to improve gender equality in the workplace. The agency issues guidelines to assist employers and provides advice to employers on how they can improve gender equality in their businesses. It also collects information from employers on their progress in achieving gender equality. Each year employers with more than 100 employees are required to complete a report to the agency. These reports detail the progress made by those employers in achieving the aims of the relevant legislation. The agency uses the information from these reports to measure progress towards gender equality across a range of different industries, as well as to develop its educational and assistance programs.
6.13 Activities

TEST your understanding
1. Do men or women face the greatest risk of work-related fatality?
2. Explain possible reasons for the two industries listed in the 'Work safe: it's your life' 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.
6. List the major state and Commonwealth Acts that deal with equal employment opportunity (EEO).
7. 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.
8. How does EEO affect the recruitment and selection process?
9. Outline the key functions of each of the following agencies:
   (a) Victorian Equal Opportunity and Human Rights Commission
   (b) Workplace Gender Equality Agency.

APPLY your understanding
10. 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
11. 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 childcare before you take on this job?
   (c) Would working on Sundays interfere with your church attendance? Would you be interested in gaining further qualifications to be eligible for promotion?
   (d) Could you give us an example of your greatest strength and your greatest weakness?
   (e) Have you had any recent illness that might limit your ability to handle the pressure of this job?

EXAM practice
12. Explain the purpose and role of each of the following:
   (a) the Occupational Health and Safety Act 2004 (Vic) (2 marks)
   (b) the Equal Opportunity Act 2010 (Vic) (2 marks)
   (c) WorkSafe Victoria (2 marks)
   (d) the Workplace Gender Equality Agency. (2 marks)
13. Kirsty had recently completed an honours degree in civil engineering, and she attended an employment interview for a position with a major construction company. During the interview, one of the interviewers suggested she might have problems working with lots of men on building sites. She was unsuccessful in getting the job and believes she had been discriminated against based on her gender.
   (a) What action could Kirsty take to deal with her complaint against the construction company? (3 marks)
   (b) Outline two methods the business could use to help resolve the issue. (2 marks)
6.14 EXTEND YOUR KNOWLEDGE Maintaining a healthy workplace

**KEY CONCEPT**
Maximising employee health, safety and wellbeing can improve worker output and business productivity.

**PREVENTION IS BETTER THAN CURE**

Evidence suggests that taking preventative health measures is worthwhile for both workers and businesses. The results of national research show that healthy workers are more productive than employees suffering from poor health. Health-promoting workplaces experience reduced sick leave, absenteeism and workers compensation claims. They show improved staff morale and motivation as well as better workplace relationships. Many workplaces have been encouraged by federal government initiatives in the area of workplace health. The National Partnership Agreement on Preventive Health (NPAPH) Healthy Workers initiative recognises the opportunity for workplaces to help people stop smoking, use alcohol safely and adopt good nutrition practices, particularly fruit and vegetable consumption, and to enable workers to be more physically active. Funding of $294.3 million was allocated for 2009–18. Programs to improve the health of employees can be as simple as participating in a ‘walk to work’ day, or subsidising gym membership. More comprehensive programs can be introduced to target specific health problems directly related to a particular business.

**Targeting health at City West Water**

City West Water provides drinking and recycled water, trade waste retrieval and sewerage services to Melbourne’s inner and western suburbs, and central business district. It introduced the H2GO brand, under which all City West Water health and wellbeing activities are run. A portal allows staff to upload their personal details and design an individual health profile. This enables them to access a range of tailored information. The data collected by the portal drives the types of events and activities offered to staff, including men’s and women’s health seminars, flu vaccinations, desk massages, skin checks and exercise programs.

Around 60 per cent of employees have uploaded their personal details on the H2GO portal. All of City West Water’s managers are required to participate in its Managing Well program. This is a tailored program of face-to-face training for managers to equip them with the skills for identifying and supporting staff who are experiencing mental health issues. A similar program was developed for individual staff members. The Managing Well program resulted in increased numbers of employees seeking assistance and support for matters relating to mental health. City West Water also produces an Employee Work Life Balance Kit which details a range of leave options and flexible work arrangements. It is reviewed every two years to ensure that it remains relevant to current staff and to ensure it continues to promote employee wellbeing and business performance. The most recent review took place in January 2018.
ARE WORK LIVES IN BALANCE?

It would appear that Australian workers have all of their expectations met, except for one. According to the OECD's How's Life? 2017 report, Australia performed well in many of the 11 life dimensions that the OECD considers essential to a good life. But it lies below the OECD average in terms of work–life balance: Australian full-time employees reported having 30 minutes less time off (i.e. time spent on leisure and personal care) than those in other OECD countries, and more than 13 per cent of employees regularly worked 50 hours or more per week in 2016. Many studies have shown that Australians feel that work frequently interferes with other life activities.

The consequences for workplaces with a low work–life balance include increased staff turnover and stress levels, decreased morale and job satisfaction, and deterioration in health and wellbeing. One way in which businesses can provide work–life balance is to offer flexible conditions. The Australian Public Service has been gradually increasing its workplace flexibility over the past 20 years. In 2017, 41 per cent of male employees and 52 per cent of female employees were accessing flexible work arrangements. The most common types of flexible work arrangements included:

- flexible hours of work — 60 per cent
- part-time work — 31 per cent
- working away from the office — 19 per cent.

It has been shown that flexible work arrangements help reduce unscheduled absences, such as personal leave. The 2017 Public Service employees' census indicated that employees who have access to flexible work arrangements are less likely to take unscheduled personal leave days.

6.14 Activities

TEST your understanding

1. Read 'Prevention is better than cure'. What strategies are employers using to improve the health and wellbeing of their workers?
2. List the expected benefits of improving employees’ health and wellbeing.
3. Explain why tailoring health and wellbeing programs to particular business needs is more likely to be effective.
4. Read 'Are work lives in balance?' Are Australian workers having their work–life balance expectations met?
5. Identify two consequences of a poor work–life balance for employees.
6. Explain how the Australian Public Service provides work arrangements that can contribute to a positive work–life balance.

EXTEND your understanding

7. Outline the potential benefits of flexible work arrangements for employees in the Australian Public Service.
8. What evidence can you find in the two articles that suggests that prioritising the health and wellbeing of employees is not only good for employees but also provides benefits for employers?
6.15 Employee induction

**KEY CONCEPT** Induction helps employees to adapt to their new workplace. In this transition phase there are many new things to learn about how the business operates and the processes that are used.

Beginning a new job means meeting new people and learning how everything works, and trying to create a good impression at the same time. Soon after candidates join a business they go through an induction program. A well-prepared induction program can help an employee through this stressful transition period.

6.15.1 The induction process

The process of induction (sometimes called orientation or onboarding) introduces new employees to the job and shows them where they can find the basics they need to begin the job. An effective induction program is carefully planned to introduce new employees to the job, their co-workers, the business and how it operates. Topics covered in the induction program include information about the history of the business, its culture, general conditions and benefits, training, safety and career paths.

Supervisors, co-workers and the human resources department may be involved in the induction process. Research shows that most employees who leave a business depart in the first six months, so the need for support is greatest when an employee is new in a job.

Purposes of induction

A well-structured induction program for new employees should serve the following purposes:

- to provide any specific technical or other training that might be required to supplement the skills, knowledge and experience that new employees may bring to the business
- to build the self-confidence of new employees, and to build their confidence in the business. It is particularly important to reduce any anxiety new employees may have, both in relation to their own abilities and their capacity to fit into the business.
- to create a feeling of belonging and to begin to develop a sense of loyalty to the business
- to familiarise the new employee with the job environment and with the specific duties they are required to undertake within that environment. This includes an introduction to the culture of the business, and its rules and procedures.
- to create favourable relationships with other members of the business, including those with similar duties and responsibilities, those in a position of authority and those who may have different types of duties within the business.
- to minimise the time it takes for new employees to become fully productive and contribute to the achievement of the business’s objectives.

Induction methods

Employers can use a number of different methods of inducting new employees into the business. In a larger business, the Human Resource Manager and the immediate manager or supervisor of the new employee’s work area may both be involved. Some methods include:

- using audiovisual presentations, such as videos and PowerPoint presentations. Researchers have found that 83 per cent of people learn best from visual information, so information about the business and about the tasks to be performed can be passed on to new employees this way.
- using concrete examples to explain important processes. An example will help a new employee to remember important information.
• making sure new employees understand the reason why certain processes exist, and their purpose. An induction program should not just present a set of rules, but should help the inductee understand the reasons behind them.
• providing hands-on training, where necessary, under the supervision of experienced staff.
• testing the inductee’s grasp of new information with informal quizzing at different times throughout the induction process.
• ensuring that those carrying out different parts of the induction process are friendly and welcoming, and make the new employee feel at home. Appointing someone as a ‘buddy’ to help the new employee acclimatise will help the induction process.

6.15.2 The benefits of induction
A well-prepared induction program will:
• reduce stress and anxiety that may be associated with starting a new job
• build a new employee’s confidence in the job by
  • assisting the employee to feel part of the business
  • helping to establish good working relations with co-workers and supervisors
• ensure greater awareness of major safety policies and procedures.

TELSTRA TURNS TO TOBI
Telstra retail stores are located in shopping centres all over Australia and are a major setting for interaction between customers and the telecommunications company. People come into the stores to purchase new equipment and to solve questions relating to their existing Telstra products and services. The retail workers employed in these stores need to have expertise in a wide variety of areas of technology to be able to assist customers with the broad range of issues they may bring to these stores.

When Telstra was seeking to implement a new induction program for these workers, it approached the training and educational company Be Learning to assist in the development of such a program. The result was the Telstra OnBoarding & Induction program, known as TOBI. TOBI is a 90-day learning app that is provided to all new employees to teach them the skills necessary to work successfully in the Telstra retail network.

The app provides a one-stop dashboard that allows workers to track their own journey through the induction program. The first 30 days are directed learning that takes new employees through all the essentials of the job. The remaining 60 days are learner initiated, allowing the employee to access elements such as video and games, as well as on-the-job activities to broaden their experience and deliver highly competent sales consultants.
6.15 Activities

TEST your understanding
1. What is an induction program?
2. What are the main purposes of offering new employees an induction program?
3. Explain three different techniques that can help to make the induction process a success.

APPLY your understanding
4. In principle, induction programs reduce stress, easing the transition into the workplace for the new employee. Not all induction programs are run properly though. Describe the faults in the following cases.
   (a) Joanne arrived at 9.30 am for her induction training but no one else was there. The Learning and Development Manager finally turned up with a bundle of manuals for her to read. He said: ‘That should at least keep you going till lunchtime!’
   (b) When he started his new job Lee had many questions he needed answered. He needed to know how and when he would get paid; what his job really entailed; what the work environment was like; and where the toilets and canteen were. Unfortunately, most of the day was focused on how to beat the competition rather than what he really needed to survive the first month.
   (c) Grant enjoyed the induction. It gave him a real feel for the place, but he did finish the day a little confused. He listened to at least three different versions of how to approach his projects from various staff members at different times.
5. Think back to a time when you started something new. It may have been a new year at school or you may have joined a group to learn something new. Explain the induction process that was used to help you ease into the new situation, and comment on whether or not it was beneficial.

EXAM practice
6. Define the term ‘induction’ and outline two purposes of an induction program. (3 marks)
7. Explain why each of the following techniques may help make an induction program more effective:
   (a) using audiovisual presentations such as videos and PowerPoint (2 marks)
   (b) using concrete examples to explain important processes (2 marks)
   (c) providing the reasons behind particular workplace procedures. (2 marks)

6.16 Global issues related to establishing staffing

**KEY CONCEPT** In our increasingly internationalised business environment, employers need to take into account a number of global issues when making decisions in relation to staffing.

We live in an increasingly globalised business environment, and employers frequently have to take global issues into consideration when making staffing decisions. Some businesses requiring special expertise will not only recruit from within Australia, but may also seek to attract applicants from overseas. In some cases, Australian businesses are expanding overseas and may need to send employees from Australia to live in other countries. Transnational companies make decisions in relation to the size and scope of their operations in Australia, and this can have an impact on their staffing decisions within Australia. Australian companies also make decisions to move some of their operations offshore, often to take advantage of low wages in other countries.

6.16.1 Overseas recruitment

As qualifications and experience become more internationally recognised, more people are prepared to move to different countries for employment. Universities have recruited internationally recognised academics from all over the world for decades, and in the late 1960s and 1970s the Victorian Education Department recruited teachers from the United States to fill shortages in some subject areas. Today, many people travel to study in
overseas universities and are prepared to seek employment in any country. Australian companies can recruit from anywhere in the world, and online advertising of vacant positions makes this a relatively simple process. Video conferencing technology allows an interview to be conducted without the interviewee having to be in the same room as the interviewers. Psychological and other testing can be conducted online, as can background and reference checks.

Australian businesses are able to recruit skilled workers from other countries on special government permits known as Temporary Skill Shortage (TSS) visas. There are two main streams available under the TSS visa program:

- **Short-term stream.** This is for employers to source genuine temporary overseas skilled workers in occupations included on the Short-term Skilled Occupation List (STSOL) for a maximum of two years (or up to four years if an international trade obligation applies)
- **Medium-term stream.** This is for employers to source highly skilled overseas workers to fill medium-term critical skills in occupations included on the Medium and Long-term Strategic Skills List (MLTSSL) for up to four years, with eligibility to apply for permanent residence after three years.

There is also a Labour Agreement stream for exceptional cases where standard visa programs are not available and there is a demonstrated need that cannot be met within the Australian labour market.

Many of those who come to Australia under this program, and previous programs, apply for permanent residency after their temporary status expires.

**DID YOU KNOW?**

Melbourne regularly tops the list as the world’s most liveable city in a survey conducted by *The Economist* magazine’s Intelligence Unit. This does not mean that Melbourne is the most liveable city for ordinary citizens. The survey is designed to rank cities for the employees of large transnational companies who might be transferred to work in different cities around the world. The liveability index is specifically designed to provide these companies with a guide as to how much hardship allowance to pay these employees. The higher up the liveability scale a city is, the lower the hardship allowance that has to be paid.

### 6.16.2 Sending employees to overseas postings

Australian businesses that have branches or subsidiaries in other countries will often send their employees to work for a time in those overseas postings. It can be good experience for someone entering managerial or other leadership roles to gain experience in other countries. The four large Australian banks all have branches in major cities in the Asia-Pacific region, and some other financial institutions have also expanded into the Asian market. While they will employ some locals in these operations, Australian employees often fill many of the leadership positions. Companies involved in travel, such as Qantas, may send Australian employees to overseas postings, and our major media organisations have journalists and technical staff working in many parts of the world.

### 6.16.3 Transnational corporations opening and closing branches

At various times, large transnational corporations have set up operations in Australia and have hired local employees to carry out a variety of tasks. One obvious example is the automotive industry. American companies, such as General Motors and Ford, and Japanese company Toyota all had lengthy periods of operations in Australia. In most cases, these companies send in the top levels of management from their home countries but provide employment for locals in their factories as skilled and semi-skilled workers, as well as middle management and supervisory jobs. The continuing presence of these transnationals in Australia or any other country...
can depend on the profitability of their operations, and this can mean that a company may set up for a period in a particular location but may then decide to close that particular factory at relatively short notice. Transnational automotive companies that built cars in Australia for many years all ceased operations in Australia in 2017.

6.16.4 Offshoring

Many Australian businesses have moved parts of their operations to other countries in recent years. This process is known as ‘offshoring’. It is often done to take advantage of lower wages in other countries. This can mean that Australian employees lose their jobs to employees in overseas locations, usually in Asia. Qantas has moved some of its aircraft maintenance and servicing to Asian locations such as Hong Kong and Singapore, reducing its maintenance workforce in Australia. India and the Philippines have become major locations for call centres, with Telstra and the ANZ Bank setting up in Manila. While these decisions provide employment in these countries, they can reduce employment in Australia.

studyon

Global issues — staffing

6.16 Activities

TEST your understanding
1. Identify two reasons why a business might seek to recruit workers from overseas.
2. What is a TSS visa?
3. Explain one example of an Australian business sending employees to work overseas.
4. What is ‘offshoring’? Why do some Australian companies engage in this practice?

APPLY your understanding
5. Using internet resources, investigate one of the transnational automotive companies that operated in Australia to answer the following questions.
   (a) When did the business first become established in Australia?
   (b) How long did it operate in this country?
   (c) Did they assemble cars from imported components or manufacture from Australian components?
   (d) Why did the business decide to close its Australian operation?
   (e) When did production finish in Australia?
   (f) If they still intend to supply the Australian market, where will they be importing their cars from?

EXAM practice
6. Identify whether each of the following statements is true or false.
   (a) A TSS visa allows an Australian worker to seek employment overseas. (1 mark)
   (b) Australian companies often send managerial staff overseas to gain experience in other countries. (1 mark)
   (c) Transnational companies usually bring in their workforce from overseas rather than hiring Australian workers. (1 mark)
   (d) Offshoring usually involves sending employees offshore to other countries. (1 mark)
7. Australian businesses can choose to hire staff locally or to recruit staff from overseas.
   (a) Outline one advantage and one disadvantage of choosing to recruit only from within Australia. (4 marks)
   (b) Outline one advantage and one disadvantage of recruiting employees from overseas. (4 marks)

6.17 Corporate social responsibility management in relation to staffing

**KEY CONCEPT** As is the case with other areas of business management, staffing a business should be carried out in a socially responsible manner.

Corporate social responsibility has been discussed in previous chapters and is an important issue to consider when staffing a business. Just as business owners need to be aware of the social implications of the actions they take in running a business, they need to remember that employees are people first of all, and contributors to the business second. Treating employees and prospective employees in a socially responsible manner means recognising that all people should be treated in a way that takes account of their feelings and individual circumstances.

6.17.1 Recruitment and selection

Socially responsible 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 also 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.

Socially responsible 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 a socially responsible 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.
6.17.2 Employment arrangements

There are many horror stories about employers exploiting their employees. During 2017 and 2018, stories of staff being underpaid by franchise businesses, such as Caltex, 7-Eleven stores and Domino’s Pizza, were prominent in the media. Many examples have also occurred in the hospitality industry, with a number of well-known ‘celebrity chefs’ accused of underpaying staff, including non-payment of penalty rates. In many cases the exploited workers have been in Australia on student visas or other short-term visa arrangements and have been threatened with deportation by their employers. Not only is such behaviour by employers socially irresponsible, but it is also illegal and can result in prosecution. While there are legal obligations that must be met by all employers, a socially responsible employer will go further in ensuring 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, and offering educational opportunities, 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. A responsibly managed workplace will have clear policies to discourage workplace bullying or sexual harassment. If such an issue does arise, an employer should 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 childcare facilities for their employees. Supporting employees’ family responsibilities not only improves employee loyalty and motivation, but also brings broader social benefits, such as a more stable family life for children in a family.

**WHEN SHARING IS CARING**

Work flexibility may be mandatory under Commonwealth 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.

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!’

6.17 Activities

TEST your understanding

1. In what ways can an employer ensure that applicants for a position are treated in a socially responsible manner?
2. Identify and explain how employers can consider community needs in their recruitment and selection policies.
3. According to Jenni Pavlov in the case study above, 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 socially responsible employment arrangements.
6. How can employment arrangements assist workers with family responsibilities?

APPLY your understanding

7. How should the following situations be dealt with in a 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.

EXAM practice

8. Define the term ‘affirmative action’ and give an example of how it might work. (2 marks)
9. A promotion to a managerial position has become available at a confectionery factory, but several female employees who are qualified are concerned that their family responsibilities outside of work may prevent them from applying. Outline two socially responsible strategies the employer could implement to ensure that these women have an equal chance of applying for the position. (2 marks)

6.18 EXTEND YOUR KNOWLEDGE Researching issues in staff management

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

6.18.1 Safe working conditions

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.
6.18.1 Activities
TEST your understanding
Use the WorkSafe Victoria weblink in the Resources tab to find out more about this organisation and then answer the following questions.
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 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?

Resources

Weblink: WorkSafe Victoria

6.18.2 Fair working conditions

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.

6.18.2 Activities
EXTEND your understanding
Use the Victorian Equal Opportunity and Human Rights Commission weblink in the Resources tab to find out more about this organisation and then answer the following questions.
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?

Resources

Weblink: Victorian Equal Opportunity and Human Rights Commission

364  Jacaranda Key Concepts in VCE Business Management Units 1 & 2 Fifth Edition
6.18.3 Employee welfare

**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 intentionally withholding information that is vital for effective workplace performance.

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6.18.3 Activities

**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.

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6.19 APPLY YOUR SKILLS Gender equality in the workplace

**PRACTISE YOUR SKILLS**

- Define, describe and apply relevant business management concepts and terms
- Acquire, record and share business information and ideas
- Research and analyse case studies and contemporary examples of business management applicable to establishing staff in a business
- Apply business management knowledge to practical and/or simulated business situations
- Propose and justify the staffing strategies chosen for practical and/or simulated business situations
6.19.1 Workplace inequality

REPORT REVEALS HIGH LEVELS OF WORKPLACE INEQUALITY

On 5 March 2018, the Sydney University Australian Women’s Working Futures Project released its first report. The project team surveyed over 2000 working women aged under 40, 500 men aged under 40, and 50 Indigenous working women aged under 40. They also carried out a series of focus group interviews with working women under 40. Their report indicates that inequality for women in the workplace remains a serious issue for large numbers of working women.

When asked about the most important aspects of a job, 80 per cent of women surveyed said that having a job where they would be treated with respect was of greatest value. This finding suggests that a large percentage of women currently believe they are not treated with respect at work. This aspect of the workplace was considered more important than the level of pay or workplace flexibility. In reality, only 68 per cent felt they were genuinely treated with respect, while only 48 per cent felt they received adequate recognition at work and 56 per cent said that they felt valued at work.

Less than a third of women surveyed (31 per cent) believed that men and women were treated equally at work, and only 53 per cent expected gender equality to improve over the next decade. Ten per cent of women said they have experienced sexual harassment in the workplace, a finding described as ‘shocking’ by one of the researchers, Dr Elizabeth Hill of Sydney University. In addition to issues of direct sexual harassment, many women in focus groups pointed to other forms of gender-based discrimination in the workplace, such as being targeted for their physical appearance.

Forty per cent of the women surveyed had at least one child, and over 50 per cent said they expected to have a child in the future. However, many recognised that they faced a serious conflict when choosing between furthering their career and having children. Many women said that they were either delaying having children or choosing not to have a family in order to safeguard their careers. It was clear that many women felt that they had to choose between having children and having a successful career and were concerned at the apparent barriers to them doing both.

6.19.1 Activities

TEST your skills
1. Which aspect of the workplace did the largest percentage of women feel was most important?
2. Why did Dr Elizabeth Hill describe the figures on sexual harassment as ‘shocking’?
3. Other than sexual harassment, what is another form of discrimination reported by women in the survey?

APPLY your skills
4. Many women in this survey felt that they were not respected or valued in the workplace. In small groups, perform the following tasks:
   (a) Develop a list of reasons why you believe so many women do not feel valued in the workplace.
   (b) Propose a set of human resources policies that could help overcome this problem.
   (c) Identify two benefits that a business might experience from introducing these policies.
5. Deciding whether to have children can create a conflict in the minds of many working women. In your small group again:
   (a) list some of the reasons why this feeling of personal conflict occurs
   (b) formulate some solutions that could reduce this problem.

6.19.2 Addressing sexual harassment

HOW TO CHANGE ATTITUDES TO SEXUAL HARASSMENT

In 2017 the #MeToo movement highlighted the problem of sexual harassment, initially in the entertainment industry but later in the worlds of business and politics. Sexual harassment remains a serious problem throughout society,
with Australian Bureau of Statistics data suggesting that half of all Australian women have experienced some form of sexual harassment in their lifetime, and 2.4 million experiencing it in just the last 12 months. A major problem is that this type of behaviour has been tolerated and underreported for decades. The #MeToo phenomenon has brought the issue out into the open and thrown down a challenge for employers and politicians to act. In the second half of 2017, the number of workplace sexual harassment complaints to the Victorian Equal Opportunity and Human Rights Commission rose by 40 per cent, a clear sign of a greater willingness to see this issue out in the open.

In an article for The Age newspaper in March 2018, Kristen Hilton, the Victorian Equal Opportunity and Human Rights Commissioner, proposed a three-step approach to dealing with sexual harassment in the workplace. The first step is for employers to set up effective reporting and complaint mechanisms. Too often in the past, women have not had sufficient trust in existing mechanisms and so have been unwilling to report. Complainants need to be protected through a process that is timely, fair and confidential. In many cases, what is required is simply a change in behaviour, not that the alleged perpetrator has to face dismissal. Informal reporting processes with a guarantee of anonymity can see a problem solved in the early stages before it becomes a major issue. Flexibility in reporting methods, and a variety of channels for communication, can help engender trust and encourage women to report instances of harassment.

A second step involves cultural change in the workplace. Management needs to make it clear that there will be zero tolerance of harassment and sexist behaviour within the workplace. All staff should be empowered to uphold appropriate standards and provide support for each other. Intervening in an incident of inappropriate behaviour can be very powerful because research shows that when workmates ignore bad behaviour and keep quiet, the harasser becomes emboldened and is likely to repeat the activity.

Creating and supporting a diverse workforce is the third step. Workplaces with large numbers of women tend to experience fewer incidents of sexual harassment. Having more women in leadership and supervisory positions can reinforce this culture. Family-friendly workplaces that allow women to take on these extra responsibilities can make a strong contribution to the reduction of workplace sexual harassment.


6.19.2 Activities
TEST your skills
1. Identify an example of the impact the #MeToo movement has had on the reporting of sexual harassment incidents in the workplace since 2017.
2. List and explain the three steps proposed by Kirsten Hilton to help reduce incidents of workplace sexual harassment.

APPLY your skills
3. Explain two benefits of having more women in a workplace, particularly in leadership positions.
4. The task word (sometimes referred to as command word or instructional word) ‘propose’ generally requires you to put forward an idea, argument, or suggestion for consideration or action. This involves writing a little more than simply just identifying or suggesting something. The task word ‘justify’ requires you to show how the statement or statements that you have made are correct or to provide evidence to support your argument. In small groups, complete the following:
   (a) A complaints procedure needs to be timely, fair and confidential, and needs to take account of the power imbalance that may exist between senior staff and junior staff. Propose and justify features that could be included in a complaints procedure and that take account of these issues.
   (b) Sexual harassment behaviour can range from unwanted flirting to serious physical contact. Identify the different types of behaviour that could be considered to be sexual harassment and propose and justify a set of possible consequences for each type of behaviour.
   (c) A change of culture may see bystanders more willing to speak out if they see examples of sexual harassment in the workplace, but this may be difficult if the alleged harasser is a senior member of staff and the witness is a junior employee. Propose and justify a solution to this problem.
6.20 Review

6.20.1 Summary

Staff performance and achieving business objectives
- Employees are the most important resources for success in business.
- The quality of employees can influence the ability of the business to achieve its objectives.
- Human resource management covers all aspects of the employment cycle.

Identifying staffing needs
- Staff planning is essential to ensure that the business is able to match the right people to each job.
- Human resource planning enables the business to identify likely staffing needs.

The effect of technological development on staffing needs
- Developments in technology can lead to the creation of new jobs, but also make other jobs redundant.
- New technology can change the nature of work and the workplace, with mobile devices leading to greater flexibility in work practices.

Job analysis and job design
- Job analysis consists of a job description (an employee’s duties and responsibilities) and a job specification (qualifications and experience required).

Recruitment methods
- Recruitment can be internal or external.
- External recruitment involves advertising a vacancy in the media, online, or through a private or government-owned agency.

Selection methods
- 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.

Employment arrangements
- 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.

Employer expectations
- Employers expect employees to sign employment contracts, which can be based on Awards, enterprise agreements or individual contracts if the employee is paid above the high income threshold.
- Employees are expected to demonstrate loyalty to the business.
- Departing employees should provide a reasonable period of notice to allow the employer to find replacement staff.

Employee expectations — conditions of employment, remuneration and work–life balance
- Many businesses try to ensure their employees have a healthy work–life balance through providing flexible working conditions, such as working from home and flexible working hours.

Employee expectations — job security
- Job security is the belief that the employee will not lose their job. HR managers need to provide some stability in the employment relationship.
Legal obligations for staffing

- All employers are required by law to maintain a workplace that 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.
- 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.
- During the interview process, it is illegal to ask for information that 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.

Employee induction

- Induction is the first part of the maintenance phase in the employment cycle and involves providing the employee with a good introduction to the business. Typical topics covered in induction may include the history of the business, its culture, safety and work processes.

Global issues related to establishing staffing

- Many businesses take the opportunity to recruit employees from overseas.
- Australian businesses with branches in other countries may send Australian employees to work in those branches.
- Transnational corporations may open or close businesses in different countries, with employment implications in each case.
- Offshoring involves sending certain business activities overseas.

Corporate social responsibility related to establishing staffing

- The socially responsible management of employment practices requires the application of moral standards and obligations to the community.
- 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.
- Socially responsible 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.
- A socially responsible employer will always treat the issue of dismissal of staff in a sensitive and supportive manner.
## 6.20.2 Key terms

<table>
<thead>
<tr>
<th><strong>Term</strong></th>
<th><strong>Definition</strong></th>
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<tbody>
<tr>
<td>affirmative action</td>
<td>measures taken to eliminate discrimination and to implement positive steps to overcome current and historical lack of equal opportunity</td>
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<tr>
<td>Award</td>
<td>a legally binding agreement that sets out the minimum wages and conditions for a group of employees</td>
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<td>casual employees</td>
<td>workers employed on an hourly basis</td>
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<tr>
<td>conciliation</td>
<td>a process involving a third party who assists the parties to reach agreement. It differs from mediation in that a conciliator is able to suggest solutions to the parties.</td>
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<tr>
<td>e-business</td>
<td>use of the internet to conduct the full range of business activities</td>
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<tr>
<td>employee selection</td>
<td>the process of choosing the candidate who best matches the business’s requirements.</td>
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<td>employment cycle</td>
<td>all stages in the process of employing staff, from initial planning through recruitment, selection, induction, performance management, and eventual termination of employment</td>
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<td>enterprise agreement</td>
<td>an agreement that has been directly negotiated between an employer and the employees of a business or enterprise</td>
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<tr>
<td>expenses</td>
<td>what it has cost the business to provide its services or sell its products</td>
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<td>external recruitment</td>
<td>filling job vacancies with people from outside the business</td>
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<tr>
<td>fixed-term contract</td>
<td>employment offered for a specific period</td>
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<tr>
<td>flexible working conditions</td>
<td>conditions that allow employees to balance work and family responsibilities more effectively</td>
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<tr>
<td>full-time permanent</td>
<td>employees that have an ongoing employment contract that includes all legally required entitlements</td>
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<tr>
<td>human resource management</td>
<td>the effective management of the formal relationship between the employer and employees, and involving the recruitment, selection, training, development, appraisal and dismissal of staff</td>
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<tr>
<td>human resource (HR) planning</td>
<td>the development of strategies to meet the business’s future human resource needs</td>
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<tr>
<td>induction</td>
<td>the process of acquainting new employees with the business — its history, structures, objectives, culture, policies and practices — and the jobs they will perform</td>
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<tr>
<td>internal recruitment</td>
<td>filling job vacancies with present employees, rather than looking outside the business</td>
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<tr>
<td>job analysis</td>
<td>the study of an employee’s job in order to determine the duties performed, the time involved with each of those duties, the responsibilities involved and the equipment required</td>
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<tr>
<td>job description</td>
<td>a summary of what the worker will be doing — the role they will have in the business in terms of duties and responsibilities</td>
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<tr>
<td>job design</td>
<td>details the number, kind and variety of tasks that individual employees perform in their jobs. Jobs may be designed so they include a variety of tasks to keep employees interested and motivated.</td>
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<tr>
<td>job security</td>
<td>the belief that the employee will not lose their job</td>
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<tr>
<td>job specification</td>
<td>indicates the sort of person a business is seeking in terms of personal qualities, skills, education and work experience</td>
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<tr>
<td>legislation</td>
<td>a law made by parliament</td>
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<tr>
<td>mediation</td>
<td>a means of settling disputes in which a neutral third party assists the parties to reach a mutually acceptable agreement. Mediators do not suggest solutions, but assist the parties to reach agreement through their own suggestions.</td>
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<tr>
<td>nepotism</td>
<td>occurs when a family member is favoured for a position</td>
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<tr>
<td>part-time permanent employment</td>
<td>involves working fewer ordinary weekly or monthly hours compared with full-time employees</td>
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<tr>
<td>penalty rates</td>
<td>additional payments made to workers who are required to work outside of normally accepted working hours</td>
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<tr>
<td>productivity</td>
<td>a measure of business efficiency that compares the output produced by the business with the quantity of inputs (equipment, labour and materials) required to produce that output</td>
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<tr>
<td>recruitment</td>
<td>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</td>
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<tr>
<td>remuneration</td>
<td>monetary payment in return for the work an employee performs</td>
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**CHAPTER 6 Staffing a business**

**revenue** what the business receives in the normal course of trading or operating, including sales, fees, interest, dividends, royalties and rent

**salary** a fixed amount paid to an employee each year, which is then divided by 26 to give a fortnightly salary, or by 12 to give a monthly salary

**salary sacrifice** forgoing salary in order to receive another non-cash benefit of equivalent value

**superannuation** a system by which contributions are made to a fund that will provide benefits to an employee after retirement

**visa** an official authorisation for an overseas visitor to enter a country and remain there for a specific period

**wage** an hourly or weekly rate of pay

**work–life balance** achieving the right amount of time for work and for personal or family life

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**6.20.3 Review questions**

**TEST your understanding**

1. Explain the importance of staff planning for a business.
2. What is the value of producing a job description and a job specification prior to advertising a position?
3. Explain why changes in technology are changing the nature of the workplace.
4. How can an employer attract the best applicants to a vacancy?
5. When might external recruitment be preferred to internal recruitment?
6. What are the advantages and disadvantages of different methods of selecting the best applicant for a job?
7. What benefits do employees gain from full-time, permanent employment?
8. What reasons might an employer have for preferring part-time employees?
9. Explain the key expectations that employers are likely to have of employees.
10. How can an employer contribute towards the work–life balance of employees?
11. Why is job security so important to most employees?
12. Explain the steps an employer might go through to ensure a safe workplace.
13. What impact can the application of EEO principles have on the different stages of the employment cycle?
14. Why is it important to have an effective induction process for new staff?
15. Explain two common methods of employee induction.
16. How can globalisation affect employment practices within Australian businesses?
17. Identify and explain three examples of unethical employment practices.

**APPLY your understanding**

18. Download a job advertisement from an employment website. Choose one that 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.

**EXAM practice**

19. Explain the meaning of each of the following terms:
   (a) job analysis  \(\ldots\) (2 marks)
   (b) job design \(\ldots\) (2 marks)
   (c) external recruitment \(\ldots\) (2 marks)

20. ‘Implementing thorough human resource planning is essential to achieving business objectives.’ Discuss this statement. (6 marks)

21. Catherine runs a shop selling towels, bedsheets and other bedroom and bathroom accessories. She needs to hire two new staff members to help her. She is uncertain about whether to hire casual or permanent staff. She asks for your advice as a management expert.
   (a) Explain one advantage and one disadvantage for Catherine of hiring permanent staff members. (4 marks)
   (b) Explain one advantage and one disadvantage for Catherine of hiring casual staff members. (4 marks)

22. Megan employs several single parents and wishes to offer them flexible working conditions to enable them to better manage their domestic responsibilities.
   (a) Explain the meaning of the term ‘flexible working conditions’. (2 marks)
   (b) Propose and justify two possible staffing strategies that Megan could use to meet the employee expectation of work–life balance in her workplace. (4 marks)

23. Explain the concept of ‘corporate social responsibility’ as it applies to the staffing of a business, particularly in relation to the following:
   (a) recruitment and selection processes (3 marks)
   (b) employment arrangements for staff. (3 marks)
6.20.4 School-assessed coursework

OUTCOME 3
Discuss the staffing needs for a business and evaluate the benefits and limitations of management strategies in this area, from both an employer and employee perspective.

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 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. Explain how hiring additional staff may help Bob and Jenny achieve one of their business objectives.
2. Advise Bob and Jenny on whether they should employ permanent or casual staff, outlining the advantages and disadvantages of each form of employment, both for their business and for any prospective employees.
3. Design a job advertisement that includes both a job description and a job specification, and which will present a positive image to attract good applicants. Make sure it is clear to applicants what information is required in their written application.
4. Identify two possible methods Bob and Jenny could use in their employee selection process and explain one advantage and one disadvantage of each method.
5. Prepare a list of five interview questions they could ask each applicant.
6. Both employers and employees have expectations of each other.
   (a) Outline two expectations that Bob and Jenny could reasonably expect from potential employees.
   (b) Outline two expectations that employees could reasonably expect from Bob and Jenny as employers.
7. Explain three legal obligations Bob and Jenny have in relation to occupational health and safety legislation.
8. Provide advice on any EEO issues Bob and Jenny may have to deal with in the recruitment and selection process.
9. Evaluate the use of an induction process for Bob and Jenny’s business.
10. Propose and justify a strategy that Bob and Jenny can use to ensure they act in a socially responsible way in establishing employment arrangements with each of these possible prospective employees:
    (a) a university student who only wants to work part time because of study commitments
    (b) a mother of two primary-school-aged children who has to drop them at school in the morning and collect them in the afternoon.

on Resources

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