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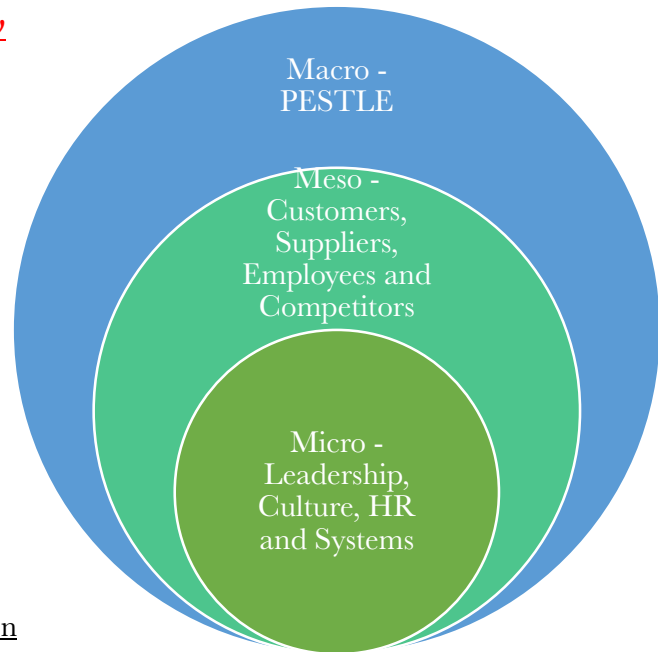
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Lecture 1: Subject Overview

Why study Managing Employee Relations?

Employment does not happen in a vacuum:

1. Be aware of employment relationship
2. Who are the key institutional players?
3. Changing landscape
4. Enterprise bargaining
5. Advocacy
6. Contribute to civic debate
7. Be an informed citizen



The Role of the Government-Political Context in Employment

1. **Legislative Role** – Ensuring businesses comply with ethical responsibilities and the society is not harmed.
2. **Supervisory Role** – Ensure business with market dominance does not abuse power through monopolistic anti-competitive practices.
3. **Incentivising Role** – Encourage sustainability by incentivising desirable practices.

Cronyism

- Associated with political systems that have weak regulation and a lack of transparency
 - Politicians and the business elite as the main beneficiaries
 - The needs of society are subordinated
- Businesses receive lucrative contracts in exchange for bribes
 - Bofers scandal India
 - Surancy and Note Printing Australia scandal (Financial Review 2012)

Neoliberalism and Market Deregulation

- Aggressive pro-business policies and free-market ideology in the 1980s
- Businesses freed from legal and governmental control
- Voluntary self-regulation

Keeping up with Technological Innovation

1. The world's largest hotel company does not own a single hotel.
2. The world's largest taxi company does not own a single taxi.

3. The world's largest shopping mall did not own a single store until recently.
4. The world's largest movie screening company does not own a single movie theatre.

Corporate Social Responsibility (CSR)

1. Questions asked in the wake of scandals.
2. Business ethics and CSR arise as a response.
3. Undertaking sustainable goals by balancing environmental, social and economic impact of the organisation's business.

Australian Political Context – Australia is generally considered as a good place for business investment because it has a stable democratic political environment, rule of law and low levels of corruption.

Lecture 2: Introduction to Employment Legislation

What is the Employer Relationship?

Based on everyday experiences:

1. How many people know about the conditions of their employment?
2. What is the industrial instrument and conditions of the job?
3. Jobs with “cash-in-hand” are not taxable and do not have workers compensation.
4. Who is engaged as a contractor?

Casual Versus Normal Wage Rate – The casual wage rate is higher as there is no sick or annual leave. There is a 25% loading on the current wage rate. Therefore, the manager can roster the individual for shifts and then tell the individual that their services are no longer employed.

Who are Workers? These are employed persons, approximately 11.8 million individuals. They have wage rates in moderns awards, in which some of these workers rely on. The modern award is the basic classification wage, or the employer pays above the award. Increasingly, employees are catered through awards rather than agreement.

What is Distinctive About Employee Relations as a Discipline?

This is where labour is seen as a distinctive commodity over other commodities as it involves people (human beings). People need to be treated as deserved. Dunlop mentions industrial relations as a set of rules which could be formal or informal. Formal rules are based around the statute or legislation while informal rules are based around no rules needed for coming in late, for example.

Ethical and Social Dimension

As labour is distinctive, it should be differentiated from other inputs in the economy. These human beings, part of society, can find it challenging if there is not a predictable income. The price of labour shouldn't just be based on economics but also on other social but demand and supply impacts wages. For example, a truck driver in Western Australia will be paid more during a mining boom as the employer will pay more. This is because of the political system setting rules and the economics. The Fair Work Act 2009 replaced Work Choices as the old legislation reduced rules with the wages and conditions setting. Why is it that the government introduces one legislation, but another politician introduces a different legislation?

Employment Relations at Law – It is a contract of service where one person sells his or her labour to another person.

Difference Between an Employee and Employer

Where a driver is working for Foodora, and to understand if he was an employee or contractor? Do you think these deliver drivers have some element of control on how work is done? Do they have the option to work how many hours they want? In making a decision whether a worker is a contractor or employee, certain questions need to be understood.

For example, a security guard who is an employee shown through rosters and element of control. They give details such as their ABN, are given invoices for work performed, pays own insurance and has regular patterns of work contained in a roster for several years at the same time with no accrued leave. On the other hand, a carpenter is a contractor due to the large element of control and choice. Another contractor would be a letter box pamphlet distributor compared to a cleaner who is an employee. Culture is shaping and changing the legal relationship in the working conditions. The delivery drivers are making a choice, for supplementary income, but it could not be as well. What is the element of control and bargaining power?

Chapter 1: What is Employment Relations?

Introduction

Everyone who derives an income through work or becomes involved through work or in an organisation and management of employees is involved with the practice of employment relations that can affect the overall performance of an organisation. The public-policy theme at the company level regularly arises as owners and managers confront the pressures of competitive product markets by reducing labour costs. The efficiency-equity theme at the defining issues can mean the rise and fall of governments.

At the core of employment relations are different views about effective ways to manage the relationship between an organisation and its representative and employees and their representatives.

Commonsense, Industrial Relations and Employment Relations

Industrial relations describes an area of social relations and a particular approach to the study of those relations. Industrial relations common sense meaning comes from everyday use of the term who associate it with sensational events and dramatic incidents of workplace conflicts. The sensational, collectivist and conflictual interpretation of industrial relations creates false impressions of the practice of industrial relations.

Sensational – The event being dramatic and newsworthy with elements of secrecy and extreme behaviour made by economic and political consequences.

Collectivist – The event involves group behaviours by employees and the activities of trade union.

Conflictual – The event involves disagreement and process with members of the union refusing to engage in usual work duties and employers resorting to police protection.

The Nature of the Employment Relationship

An employment relationship is created whenever one person sells his or her labour to another person or organisation and thereby works on behalf of them. It requires two steps including:

Market Transaction – An agreement is struck between the supplier of labour and the purchaser of labour about the price and conditions of employment. There is a market transaction in which employees agree to work for the employer and the employer pays a wage in return for the work. This is the price of labour and the conditions set on both sides set.

Production Relation – An ongoing and everchanging relationship between an employee and employer regarding how, when and under what circumstances work is done. The production relation is where employers ensure that employees deliver on their agreements by working hard with the promised skills.

The Distinctiveness of Employment Relations

Defining employment relations as the study of employment relationship is a basic boundary with two theoretical approaches including analytical tools and values. The analytical tools focus on the various set of concepts used to analyse employment relationships.

- The neo-classical economics focuses on an exchange of relationships on the role of markets as mechanisms for reconciling the objectives of buyers and sellers. It prioritises market transaction aspects of the employment relationship.

- Human resource management offers a second approach to employment relations of analytical tools associated with psychology and organisational behaviour combined with an emphasis on strategy and strategic fit. HRM is based on conservative, pro-management values where employees and employers are assumed to have common interests.
- Marxism is the critical theory of employment relationship focused on class struggle and control as analytical tools. The defining features being machinery and technology as the raw materials necessary are owned by one class and production requires labour which is bought by the other class in the form of labour power. The values are radical and anti-management due to common interests assumption.
- Employment relations adopts a different set of analytical tools which assumes the attitudes and behaviours of employees and employers focus on rules that regulate the employment relationship. Rather than assuming individual employees and employers are driven by rational economic decisions based on market forces or by organisation policies that align psychological motivations to organisational goals. It assumes the attitudes and behaviours of both parties are heavily influenced by social norms and expectations. It is recognised with displaying pluralist values and ideology with common and conflicting interests that need to be managed to meet interests of both sides.

Lecture 2: Theoretical Perspectives, Parties and Processes

John Dunlop – Dunlop wrote on the industrial relations systems, specifically the three main parties or actors who interact with each other to produce rules and regulate behaviour. He theorised that the systems operate within a large environment, which influenced the rule-making behaviour. The interactor was between the state, employees and employers. Is his approach relevant today or not?

What is the State? The state includes the Legislature (also known as the Parliament), the Executive (Prime Minister and the Cabinet) and the Judiciary. The difference between the government and the state is that the government exists within the state. So the government is the captain of the ship, but the state is larger than the government.

Theoretical Perspectives

Pluralism

| Aspect | Characteristic |
|--|---|
| General Philosophy: | An enterprise contains people with a variety of different interests, aims and aspirations. Power is said to be diffused among the main bargaining groups in such a way that no party dominates the others. |
| The Nature of the Employment Relationship: | The employment relationship is open-ended and intermediate, creating an underlying structural antagonism that has the potential to produce conflict in both the labour market and the workplace. |
| Role of the State: | The state is regarded as the impartial guardian of the public interest. Its' role is to protect the weak and restrain the power of the strong. |
| Role of the Management: | Management should not expect blind obedience or suppress any ideas. The aim is to reconcile conflicting opinions and keep the conflict within reasonable bounds so that the conflict does not destroy the enterprise. |
| Unions: | Unions are viewed as the legitimate representatives of employee interests at work with the right to manage, and the responsibility to seek compromise. |
| Industrial Conflict | Industrial conflict is inevitable and a legitimate consequence of the variety of interests in the workplace. |

Unitarism

| Aspect | Characteristic |
|---------------------|--|
| General Philosophy | Every workplace is an integrated and harmonious entity that exists for a common purpose. |
| Role of Management | The role of the management is to provide strong leadership and good communication. |
| Role of Employees | The role of employees is to be loyal to the organisation and its management in recognition of their common objective. |
| Unions | Unions are seen to compete for the loyalty and commitment of employees. |
| Industrial Conflict | Conflict is not inherent in the workplace and is seen to be the result of faulty communication or the work of agitators or the failure of employers to grasp the commonality of interests. |

Radicalism

| Aspect | Characteristic |
|--------------------|--|
| General Philosophy | There is a fundamental and inherent conflict of interests between workers and employers. A conflict that derives from the unequal distribution of income and wealth in a capitalist society. |
| Power | Those who own the means of production have the power superiority over those who sell their labour for wages. |
| Role of the State | The state plays an integral role in protecting the interests of those who own the means of production. |
| Unions | The vulnerability of employees as individuals leads them to form workers collectives and unions to challenge the control of management and the distribution of national product. |

In unitarist, there are no different goals or conflicts, so the role of the state is not focused. So while the state is not seen to be necessary as the employees and management have one common goal in the workplace, the state may be called upon in case of trade unions disrupting the goal or harmony of the workplace.

Patterns of State Intervention

1. The State and the Employment Regulation
2. The Corporatist State (Accord) – The agreement between business and trade unions.
3. The Receding State – The parties come to their own agreements.

Trade Unions

Trade Unions as a Process – A continuous association of wage earners for the purpose of maintaining or improving the conditions of working lives. Employees pay membership fees to get organised in a group, based on the principle in numbers there is strength. In case of conflicting interests, the weight is balanced. Trade unions organise collectively as a group.

Trade Unions as a Party – United voice is for a range of different workers and STA is for retail workers and some areas of fast food.

Role of Trade Unions

The role of unions is to unite people into groups that seek to raise wages determined by market forces. The collective voice/institutional response aims to draw on exit and voice argument. It