



HSC BUSINESS STUDIES SUMMARY NOTES FOR THE HSC EXAMS



**WRITTEN BY A STUDENT WHO
OBTAINED A BAND 6 IN THE SUBJECT**

TOPIC 4: HUMAN RESOURCES

Students learn to:

Examine contemporary business issues to:

Discuss the influence of government on the process of determining employment contracts

Explain how businesses exhibit corporate social responsibility in the management of human resources

Analyse the causes of two workplace disputes and the strategies used to resolve them

Examine the advantages of a diverse, culturally competent workforce for a global business

Investigate aspects of business using hypothetical situations and actual business case studies to:

Explain the interdependence between human resources and other key business functions

Compare the process of negotiating enterprise/collective agreements with the negotiation of individual contracts

Discuss the advantages and disadvantages of outsourcing in the global market

Evaluate the effectiveness of human resource management for one business and recommend appropriate alternative strategies

Students learn about:

Role of human resource management

Strategic role of human resources

Human resources refer to the management of total relationship between an employer and employee in order to achieve the strategic goals of the business.

- A strategic approach that incorporates all aspects of managing the employer-employee relationship in the workplace
- Includes functions such as recruitment, equal opportunity, training, development, separation and how they align to achieve business goals.
- HR sees an employee as an asset rather than a cost
- Encourages open communication and goal orientation
- Staff costs are generally 60% of operational costs so businesses examine ways to improve competitiveness
- Governments are also assisting to make businesses more competitive by making a more flexible legal framework for HRM.

Strategic approaches include:

- Seeing an effective workforce as a way of adding value to all areas of their business performance
- Focusing on the use of specific HRM strategies to retain, reward and motivate effective and skilled employees to achieve the business's objectives

Major strategic challenges in the future for HR include:

- Developing and retaining talented staff
- Improving leadership development
- Managing ageing workforce
- The increase role of technology
- Ethics and corporate social responsibility
- Increased contracting out (outsourcing) of employment

Strategic role:

- Derived from strategic plan which provides the HR manager to determine long-term employment needs
- Skills audit for long-term goals Plan for training and development or qualification and skills for external individuals
- Retain the existing employees to ensure work is consistent with employer expectation
- Develop appropriate performance review measures to examine the effectiveness and efficiency of their employees. Must be realistic, mindful of staff skills and adopt benchmarks like competitors

Interdependence with other key business functions

- The role of HRM in their role of achieving business goals are not apparent but are like the managers of any other functional area, with the same responsibilities.
- Effective HR policy within an organisation is linked to profitability gains, share price increases and higher incidence of long-term survival.
- Link between **HR and marketing** is apparent in stronger relationships between business and customers
 - Business is able to determine the skills required for employees to produce the desired product and sell it
- Link between **HR and operations**, the businesses that invest in relationship between them and employees are more likely to see a better performance.
 - Level of service experienced by the customer is more likely to be positive
 - Works closely with HR to ensure the business has recruited staff with the relevant skills and experience necessary to produce a product (good or service) HR will monitor the performance of employees in production of goods and services and train and develop them
- Link between **HR and Finance**, budgets are established towards training and development, workplace education. HR needs to work within these budgets to provide for employee needs
- Effort to improve opportunities for employee training and development and/or rewards has a positive correlation with employee productivity in the operations process

Specialist HRM are responsible for:

- HR planning and job design
- Acquisition: Recruitment, selection and placement
- Development: Induction, training, career development and performance appraisal
- Maintenance of staff: wellbeing, legal responsibilities and communication
- Performance management and rewards
- Separation
- Managing diversity, including the implementation of gender equity and anti-discrimination legislation

Specialists are now more involved in:

- Negotiations with unions, establishing and negotiating agreements and preparing for tribunals
- Involves awareness of global trends and labour market issues, industrial relations policies, risk management strategies and high-level organisational and HR auditing
- Developing a strategic human resources plan
- Translated into operational plans for implementation

Specialists are also increasingly outsourced to consultants.

Outsourcing

Globalisation and rapid technological change have led to increased pressure to be competitive.

- Fostered the development of new organisational structures, with the growth of contracting out or outsourcing business functions
- Involves the use of third-party specialist businesses such as recruitment firms
- Aims to take advantage of the specialist skills provided by the specialist and to achieve a reduction in labour costs
- Used to obtain a superior service, better functional quality and a lower cost service than would be provided internally
- Outsourcing and offshoring may significantly reduce costs for some businesses

Human resource functions

Allows firms to focus more on their core business as they grow whilst experts in HR assist by planning for growth, development and management of staff.

May be used to review business practices and implement strategies to transform the business using 'independent' consultants with no internal agenda.

Human resource functions commonly outsourced	Human resource areas commonly outsourced for review or development
Recruitment Induction Leadership training Mediation Outplacement Payroll	Human resources information systems (HRIS) Change management Training needs evaluation Compensation (wages and salaries) systems Performance management systems Succession planning High performance coaching Employee surveys Written policies and programs Training and development Benchmarking

Using contractors – domestic, global

Contractors are primarily used by most businesses to create cost savings or to access greater expertise and capabilities to improve competitiveness.

- Can be obtained for most business functions, but are particularly used for processing functions
 - Repetitive and easily measured, making it easy for a business to determine the cost savings and productivity gains
- Generally recommended for non-core functions, allowing staff to focus on the broader aspects of managing a firm.

There are also risks which increase as the proportion of a firm's activities are outsourced. This includes:

- Cost overruns
- Loss of quality
- Difficulty coordinating activities
- Difficulty monitoring quality and performance in outsourced activities

Businesses should set clear and legally binding terms, timeframes and conditions in a contractor agreement to avoid conflict and expensive litigation further down the track.

- Includes confirming responsibility for superannuation, insurance and workers compensation

Form of outsourcing	Features
Labour hire/employment agency	<ul style="list-style-type: none">• Workers are employees provided to the host company.• Superannuation, insurance and workers' compensation are managed by the labour hire company.
Labour hire/employment agencies/dependent contractors	<ul style="list-style-type: none">• Workers are dependent contractors. Labour hire company may act as a broker.• They do not have control over their working procedures. They are prevented from subcontracting their work and from working for multiple clients.
Independent contractors	<ul style="list-style-type: none">• They operate their own business and set the terms and conditions of employment.• They are engaged by a client under a commercial contract to perform the services without having the legal status of an employee.• Most independent contractors make their own superannuation, insurance and workers' compensation arrangements.
Outsourced suppliers	<ul style="list-style-type: none">• They supply goods and services to a range of businesses.• They are owner managers who supervise their own employees.• They control their own work procedures and can work for multiple clients.• They manage superannuation, insurance and workers' compensation arrangements for their employees.

Domestic subcontracting

Avoids the need to employ additional 'in-house' staff, with all the overhead expenses involved.

- Allows firms to focus their resources on essential business activities, leaving the detailed support or compliance – related activities to experts, such as payroll management or order fulfilment
- This is attractive for small to medium-sized businesses lacking the capacity to undertake internal auditing, compliance updates, research or manage some functions at the professional 'best practice' level of larger firms.
- Best practice is the world-wide accepted method / process
- This has the potential to improve the quality and productivity of a business's service without the resource scale normally required to achieve this level.

Global subcontracting

Businesses under pressure from global competition and global recessions turned to offshore contractors to reduce costs. Outsourcing used as a step-forward to operating in a new market overseas.

Outsourcing may take two forms:

- Process outsourcing
 - Dominant form of outsourcing of repetitive, easily measured and documented work
 - E.g. Recruitment, multi-country payroll management, customer complaints etc.
- Project outsourcing
 - Most commonly found in areas such as human resources, marketing, design, IT and research.
 - Involves much greater use of intellectual property and strategic outsourcing involves much greater use of IT and strategic business knowledge
 - Operates on a longer time frame
 - More difficult to measure
 - Quality cannot be fully anticipated, carrying more risk

Global outsourcing carries some risks:

- Difficulty controlling the quality and reliability of service
- Cultural differences such as language or accent issues, which will impact customer service
- Security issues such as opportunities for sharing of confidential company information and client poaching
- Lack of remedies for breach of contract or other legal matters under foreign legal systems
- The (often) high labour turnover particularly experienced in all call centres
- Well-qualified employees may be replaced by less qualified staff, causing the quality of the service to decline

If the function can be clearly identified, measured, managed and supported by a binding legal framework then it may be more suited to outsourcing.

Three types of global outsourcing:

- Polycentric
- Ethnocentric
- Geocentric

KEY INFLUENCES

Stakeholders – Employers, employees, employer associations, unions, government organisations, society

Employers

Employers are those who exercise control over employees

- Responsibility for the payment of wages and salaries and have the power to dismiss employees
- Handles HR issues on a daily basis
 - Including developing programs
- Employer responsibility is increasing as recent legislation encourages them to negotiate agreements and resolve disputes at their workplace
- Employers have gained more power to make agreements relevant to the individual workplace or enterprise
- Not all employers engage in full confrontation with unions and employees
 - Cost of confrontation may be very high, with prolonged industrial disputes

Employees

Employees are workers under the control of an employer

- This includes the workplace location, the way that the work is to be performed and the extent to which supervision will be exercised
- Modern employers demand more challenging, interest work, involvement in decision-making processes and autonomy at their workplace.
- Employees no longer trust one business to look after their needs
 - 'Churning' occurs where employees move from one job to another in different organisations
 - Occurs in service industries

Employer Associations

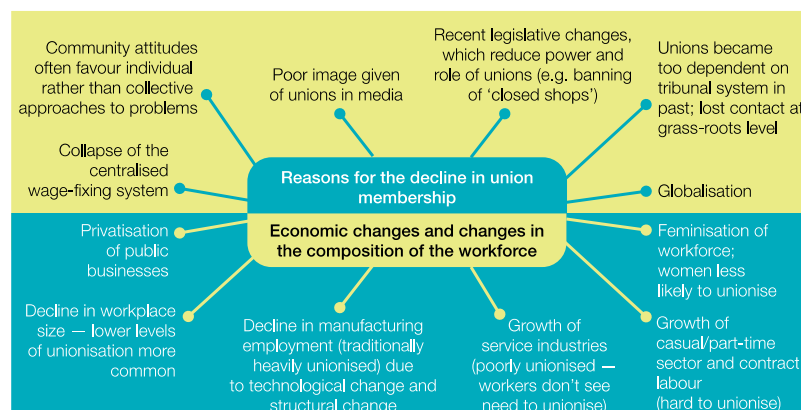
Originally created by employers as a counter-party to unions, to represent employers in the making of awards through the conciliation and arbitration system.

- Assists employers in formulating policies and processed **log of claims** serviced on their members by unions.
- Acts on behalf of employers in collective bargaining sessions and before industrial tribunal, courts, commissions and committees.
- Provides advice on matters such as awards, unfair dismissals and discrimination
- Make submissions to safety net wage cases
- Negotiate agreements
- Lobby governments and other organisations with views and interests of employer, industries and trade
- Represents employers on a broader range of issues beyond HR and industrial relations matters
- E.g. Australian Medical Association, Meat and Livestock Australia, Australian Chamber of Commerce and Industry

Unions

Trade unions are organisations formed by employees in an industry, trade or occupation to improve wages and the working conditions of their members

- System for resolving industrial disputes gave unions a powerful role in HR and provided them with an official bargaining position in the making of agreements
- Unions won major improvements in terms and conditions of employment
- Currently under global pressures as membership declines to historically low levels
- Unions are expanding range of services and becoming more active in recruiting to regain membership numbers
- Services also include free or discounted legal services, superannuation schemes, cheap home loans, training programs etc.



Government organisations

Governments are important stakeholders in the HRM process, significantly affecting industrial relations system as a result of their key roles:

- Legislator
 - Elected representatives pass laws in parliaments that provide legal framework for industrial relations
 - Also led to the growth of judicial system and the institutions and processes used by employers and employees to conduct bargaining and resolve disputes
- Employer
 - Federal and state governments employ 1/3rd of Australian workers
 - Regarded as the pacesetters in terms of responsible industrial relations policies
 - Introduced practices such as maternity leave, flexitime and affirmative action for women
- Responsible economic manager
 - Ensure non-inflationary, stable economic growth and a high standard of living for Australian
 - Conflict between government and economic goals impact industrial relations
- Administrator of government policies on industrial relations
 - Government are able to implement the legislation they enact
 - Achieved through publishing information and guidelines providing advice to the government
 - Investigating breaches of legislation
- Representative of Australia in the international arena in foreign affairs, trade and international labour matters
 - Australia is a member of the International Labour Organisation
 - Government generally implements legislation based on the treaties and conventions it signs with international organisations
 - Social justice legislation E.g. discrimination and human rights

Governments are trying to have a bigger role in Industrial relations through External Affairs and Corporations powers.

- Fair Work Act
 - To create a national system to simplify industrial relations so employers were not forced to negotiate under multiple jurisdictions
 - To reduce business costs through creating greater certainty and efficiency in dealing with industrial matters

Statutes

Laws made by federal and state parliaments. E.g. Laws relating to employment conditions.

- Awards the Commonwealth government limited powers to make laws about industrial issues, known as residual powers
- Provides framework for awards and agreements, resolution of disputes and requires employers to:
 - Meet WHS requirements
 - Maintain workers compensation
 - Superannuation

Society

- General assembly of United Nations passed the UDHR in 1948, recognising the importance of work to people's lives.

Legal – The current legal framework

The employment contract – common law (rights and obligations of employers and employees, minimum employment standards, minimum wage rates, awards, enterprise agreements, other employment contracts)

Common Law

Employer obligation and rights

- Providing work
- Payment of income and expenses
- Rights that employees will carry out work with care and responsibility, especially in respect to work health and safety
- Notified according to agreement / award of an employee's intention to take leave entitlements
- Receiving formal advice of a workers intention to leave the business in accordance to the award / agreement
- Meeting requirements of industrial relations legislation
 - Providing a workplace and work practices such as equity policies and promotion that are free from discrimination

Minimum employment standards

Fair work Act (2009)

- The Australian Federal government has introduced a new industrial relations system by the introduction of the Fair Work Act (2009)
- This Act was introduced in July 1, 2009
- It replaces the previous government's Work Choices
- The Act continues to move to a national industrial relation system and include 90% of workers
- Only employees working for state governments will not be covered
- These employees will remain on state awards
- The Act seeks to create a fair balance between employers and employees by abolishing Australian Workplace Agreements (AWAs)
- AWAs were individual contracts between employers and employees
- These AWAs, it is claimed, created a power imbalance between employer and employee relationships
- Work Choices was often labelled 'Bosses' Choices' by critics of the former system

- The Act relies on collective bargaining at the enterprise level
- This is where the employees in a workplace seek an enterprise (common) agreement with the employer, which covers all employees

Key changes:

- Australian Workplace Agreements (AWAs) will no longer be allowed
- A system of national Modern Awards is introduced
- Unfair dismissal rules will now apply to SME with over 10 employees
- A body called Fair Work Australia (FWA) replaces all the previous agencies dealing with industrial relations issues, such as the Australian Industrial Relations Commission (AIRC) and the Fair Pay Commission (FPC)
- FWA will be headed by an independent commissioner
 - It will be the government's 'one stop shop', which aims to simplify the complex processes under Work Choices

Powers of Fair Work Australia

- FWA will have the power to:
 - Vary awards
 - Determine minimum wages
 - Approve agreements
 - Rule on unfair dismissal
 - Ensure good faith bargaining
 - Rule on industrial actions
 - Mediate on industrial disputes

Safety Nets

- The Act retains this centralised aspect of industrial relations which maintains and extends a safety net for all employees that cannot be bargained away
- A safety net is a set of minimum wages and conditions for all employees
- A Minimum Wage Panel in Fair Work Australia will make annual wage determinations
- There will be two types of safety nets:
 - The 10 Basic Safety Net conditions
 - The Modern Awards with 10 additional employment matters

- FWA increases the scope of the Safety Net from 5 basic conditions under Work Choices to 10 basic conditions. These are:
 - Maximum weekly hours of work
 - The right to request flexible working arrangements
 - Parental leave and related entitlements
 - Annual leave
 - Personal/Carer's leave and compassionate leave
 - Community service leave (Jury duty)
 - Long Service leave
 - Public holidays
 - Notice of termination and redundancy pay
 - Provision of a Fair Work Information Statement, which will detail the rights and entitlements of employees

Minimum wage panel

- Modern Awards will set out minimum wages, which will be set by the Minimum Wage Panel on an annual basis
- The Panel allows organisations and individuals to make submissions to it when determining changes
- This introduces a further centralised component to the industrial relations system
- Some unions are concerned that Modern Awards will make certain workers worse off
- Considerations by the minimum wage panel in making their determinations will include:
 - The performance and competitiveness of the National economy
 - Productivity
 - Business competitiveness and viability
 - Inflation and employment growth
 - Promoting social inclusion through increased workforce participation
 - Relative living standards and the needs of the low-aid
 - The principle of equal remuneration for work of equal or comparable value
 - Providing a comprehensive range of fair minimum wages for junior employees, employees to who training arrangements apply and employees with a disability

Modern Awards

- As well as this, FWA sets out a Modern Awards for industry or occupation based awards
- These awards may include 10 additional minimum employment conditions:
 - Minimum wages
 - Types of employment
 - When work is to be performed
 - Overtime and penalty rates
 - Annual wage and salary arrangements
 - Allowances (Able to claim on tax, spent on business related stuff)
 - Leave related matters
 - Superannuation
 - Procedures for consultation
 - Dispute settlement procedures (Fair Work Ombudsman)

Enterprise Agreements

- Enterprise agreements may be union or non-union agreements
- Enterprise agreements must meet the “Better Off Overall Test”, which ensures each award-covered employee will be better off under the agreement than they would be under the relevant modern award

Union Powers

- Employees will be allowed to be represented by a union
- Unions will have the right of entry into the workplace
- There is a greatly enhanced role for unions

Oversight of workplace relations

- The Office of Fair Work Ombudsman replaces the Workplace Ombudsman
- Fair Work Inspectors will have power to investigate and enforce breaches of the Act on behalf of an employees
- The Federal Court and Federal Magistrates Court will hear matters that arise under the new workplace relations laws

Work health and safety and workers compensation

Work Health and Safety

- Common law supports legislation developed by the states
- Requires employers to provide competent staff and a reasonably safe system of work
- Will improve productivity by reducing the compliance costs and improve quality of work health and safety conditions
- Australian Council of Trade Unions conducts its own surveys in regard to WHS
- Management undertakes regular safety audits, benchmarks their performance and implements comprehensive safety programs

The Work Health and Safety Act 2011 required that:

- Employers must ensure the health, safety and welfare at work of all employees by providing a safe system of work
- Employers must take out workers' compensation insurance by law
- Take steps to ensure that people on site that are not employees are not exposed to risks
- Take reasonable care for the health and safety of others, to cooperate with employers and comply with WHS
- Not to engage in bullying, skylarking or interfering with machinery
- Health and Safety committees must be established if more than 20 employees

- Work Cover NSW inspectors may inspect the workplace
- Work Cover NSW must be notified of any deaths or serious injuries
- Corporations can be fined up to \$550, 000 and \$825,000

Workers Compensation

State legislation covers employees for workers' compensation matters, unless as a Commonwealth Government employee

- Administered by Work Cover NSW, statutory body responsible for achieving safe workplaces, effective return to work and security for injured workers
- Employers must:
 - Take out a policy with a licenced insurer
 - Keep time and wage records, register of injuries, complete accident and internal investigation forms
 - Notify insurers of significant injuries within 48 hours
 - Establish a return to work plan for all injured workers
 - Compensation monies to the person entitled as soon as possible
- Benefits are payable if employees experience total or partial incapacity to perform work
- Lump sum payment and weekly payment to dependants are payable if a worker dies as a result of the injury
- Injured employee can claim compensation, a lump sum payment or sue for common law damages for negligence
- It is paid for:
 - Loss of wages for time off work
 - Medical and rehab expenses, cost of associated travel and modifications to the home or vehicle
 - Permanent impairment or loss of use of a part of the body
 - Pain and suffering if the damage is assessed as being

Antidiscrimination and equal employment opportunity

Anti-Discrimination

- **Discrimination:** occurs when a policy or practice disadvantages a person at work because of personal characteristics
 - Direct and indirect
- Employers must develop and implement anti-discrimination policies and practices
 - E.g. Sex Discrimination Act 1984 (Cth), Anti-Discrimination Act 1977 (NSW), Affirmative Action (EEO for Women) Act 1986 (Cth)
 - Legislation enforced by bodies like Human Rights Commission, Anti-Discrimination Board NSW
 - Employers must comply with legislation and conduct audits to ensure no discrimination
- People who suffer discrimination can take range of actions
 - Internally externally, formally or informally
- Anti-discrimination efforts should begin from very beginning = recruitment stage on merit basis

Equal employment Opportunity

- **Equal Employment Opportunity:** refers to equitable policies and practices in recruitment, selection, training and promotion ^[L]_{SEP}
- **Affirmative Action:** measures taken to eliminate direct and indirect discrimination, and for implementing positive steps to overcome current and historical causes of lack of equal opportunity for women, POSITIVE DISCRIMINATION
 - (affirmative action for women and minority groups)
 - Required all private sector employers and all higher education institutions to implement affirmative action programs for the employment of women and to submit annual reports on their progress.
 - Affirmative Action (Equal Opportunity for Women) Act 1986
- There is significant gender inequity in management roles in Australia = GLASS CEILING
- Flexible working conditions and environment enable employees to balance work and family
 - Australia's national paid parental leave scheme provides support for employees to return to jobs after leave
 - Childcare Subsidy Scheme

- Strategies commonly used to resolve a complaint of discrimination include an apology, counselling, [SEP] official warning, mediation, conciliation or disciplinary action.
- Developing a code of practice and making equal opportunity awareness a criterion in promotion and [SEP] performance appraisal is two of the practical strategies that can be used to improve affirmative [SEP] action and gender equity. [SEP]
- Businesses that do not comply are likely to be named in parliament, and excluded from government [SEP] contracts and industry assistance grants. [SEP]

NOTE: The cost of replacing staff is MORE than retaining them.

Economic

The economic cycle:

- Changes in demand for labour
 - During E.G.: labour shortages means employers compete for workers by giving higher wages, [SEP] union bargaining power increase causing possible inflation
 - During Economic downturn: reduction in workforce due to less demand for g/s
- Downsizing/outourcing
- Structural change
 - Technology
 - Globalisation
 - Policies (e.g. removing protectionism)

Globalisation:

- Creation of work practice efficiencies, especially in relation to time zones of operating countries
- Increase of international competition
- Outsourcing (contracting, subcontracting)
- Global employee contracts + need to train and motivate to retain workers [SEP]
- Cultural awareness training
- Culturally diverse workforce
- **Role of ILO** monitoring of working conditions, guidelines AND **Trade blocs (WTO)** to promote socially responsible and undisputed trade

Technological

- Source of productivity, communication and competition
- Structural changes, loss and creation of jobs
 - Redundancies
- Need for retraining
- Work life balance

Social – changing work patterns, living standards

Sociocultural shifts have drastically altered the typical workforce. Today there are more multicultural women. Furthermore, many employees want to achieve a balance between work and family

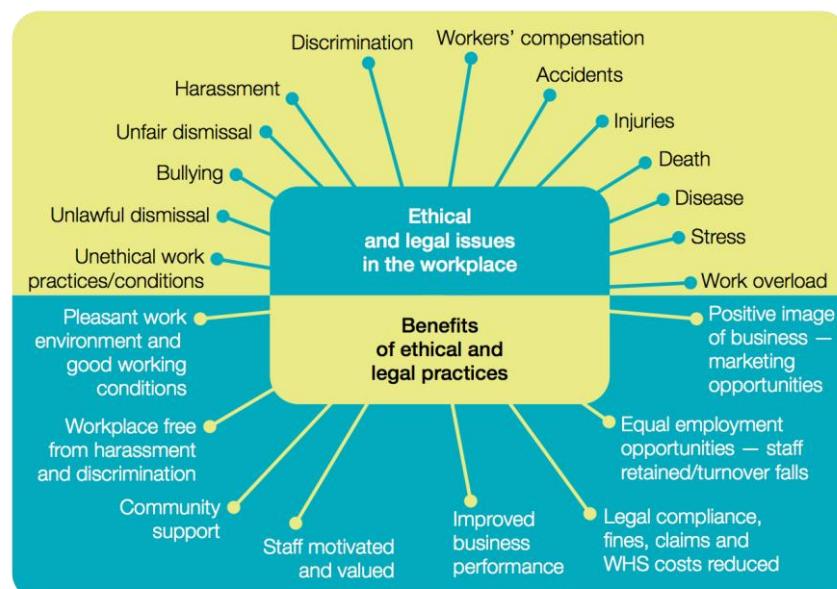
Changing work patterns

- Women now account for a greater proportion of the Australian workforce and are under-represented in positions of power.
- Technological developments have facilitated the considerable decline in employment in Aust. Manufacturing sector
- There are fewer unskilled jobs available within the market.

Living standards

- Less educated people, who lack skills and qualifications, may often be employed in industries with wage rates that are low
- Many would be scared to challenge their employers for fear of losing their jobs

Ethics and corporate social responsibility



Ethics and CSR

- **CSR** – (Corporate Social Responsibility) is the continuing commitment by companies to behave ethically and to contribute to economic development, whilst improving the quality of life of the workforce and their families, as well as the local community and society at large
- Stakeholder apart from shareholders include employees, customers, suppliers, community organisations and local communities
- E.g. of CSR includes:
 - Investing in community projects
 - Supporting research initiatives
 - Adopting environment friendly products
- This enhances the reputation and standing of the business and may be used to promote recruitment of staff for the business

Strategies to promote CSR within the workforce include:

- Promote effective affirmative action and anti-discrimination programs
- Encourage staff to volunteer their time to participate in community-building activities
- Develop initiatives that reduce the business impact upon the environment

PROCESSES OF HUMAN RESOURCE MANAGEMENT

Acquisition

- Analyse the external and internal business environment to determine staffing needs
 - Internal environment = business culture and goals
 - External environment = economic conditions, competition, technology, legal, political and social factors
 - Forecasts for demands and supply must be made
- **Job analysis:** defines what duties must be performed as well as factors such as the time that will be required to complete the job and working conditions required
- **Job design:** duties involved in performing a particular job and how it will interact with other jobs and employees
 - Job analysis and job design needed to meet needs of new positions through staff interviews, performance appraisals etc. → which then develops job specification and descriptions to prepare for applications
- **Recruitment:** involves attracting suitable applicants to apply for a job and right quantity
- **Employee selection:** choosing the right applicant to fill positions
- **Effective recruitment = Placement:** locating the employee in a position that best utilises their skills to meet the needs of the business

Development

- **Induction** is the first part of the development phase in the employment cycle and involves providing the employee with a good introduction to the business
 - Effective induction program is carefully planned to introduce a new employee to the job, their co- workers, the business and its culture
 - Typical topics covered in induction may include the history of the business, its culture, safety and work processes
- **Training** involves learning how to execute a job more effectively. The aim is to increase the person's knowledge and skills
 - A lot of money is devoted, especially given considerations for internal (staff attitudes, finances) and external factors (government programs, support networks and research)
 - Helps achieve competitive advantages
 - E.g. JUST JEANS train their employees to avoid saying 'how can I help you'

- **Organisational structure:** businesses are using flatter structures to improve efficiency and competitiveness by creating more opportunities for employees to innovate and participate in solving biz problems
 - Flatter structure means employees granted with more autonomy and can reduce promotional opportunities. HRM must try and retain workers by:
 - Job enlargement — increasing the breadth of tasks in a job
 - Job rotation (multiskilling) — moving staff from one task to another over a period of time
 - Job enrichment — increasing the responsibilities of a staff member
 - Job sharing — where two people share the same job
 - Self-managing teams — teams in which roles and decisions are determined by their members
 - Mentoring and coaching
- Development focuses on preparing the employee to take on more responsibility
 - e.g. schools implement professional learning courses
- Mentoring and coaching can be used to motivate and develop employees

	Mentoring	Coaching
Focus	Individual life development, preparation for future roles	Performance enhancement by building skills and capabilities, overcoming weaknesses, resolving specific issues
Role	<ul style="list-style-type: none"> • Facilitator, guide, based on sharing advice and experience • Personal relationship, more like a friend 	<ul style="list-style-type: none"> • Specific to employee's work function • Assists employee in setting goals and finding solutions
Function	Provide advice that may assist in improving the way someone manages issues and situations	Share skills, knowledge, styles and techniques that are relevant to employee needs
Time frame	No time frame	Specific time frame
Structure	Unstructured	More structured
Benefits	<ul style="list-style-type: none"> • Individual, through personal growth, potential improvement in performance • May also benefit business • Enhances morale 	<ul style="list-style-type: none"> • Business, through improved teamwork, performance and productivity • May enhance morale

- **Performance appraisal** Is used to evaluate employee performance and identify strengths, weaknesses and opportunities for development to effectively contribute to business's success

Performance appraisal tool	Advantages	Disadvantages
Behaviour observation scales — supervisor observes and records evidence of behaviour and performance over time	<ul style="list-style-type: none"> • Allows ongoing collection of a range of evidence • Can provide feedback easily 	<ul style="list-style-type: none"> • May focus too much on negative elements • May be adversely affected if supervisor not familiar with job • Open to personality clashes
Interview — formal discussion between supervisor and employee	<ul style="list-style-type: none"> • Can be flexible and detailed • Allows for questions and discussion 	<ul style="list-style-type: none"> • As supervisor has reward and promotion power over employee, the employee may struggle to be open in discussion.
Management by objectives — objectives set for the employee, performance rewarded according to results	<ul style="list-style-type: none"> • Rewards achievement • Goal setting can motivate employees to find new and better ways to work. 	<ul style="list-style-type: none"> • Inflexible, does not consider strategies to deal with issues • Open discussion can be limited as supervisor has reward power. • Rating criteria may be set too high or low.

Maintenance

- Maintenance focuses on the processes needed to retain staff and manage their wellbeing at work
- Staff wellbeing maximised through encouraging staff to participate in decision making, and giving employees some control over their work life – a sense of independence
- Recognising employee achievement and providing monetary and non-monetary benefits is aimed at keeping the employee motivated and working productively in the future

How to maintain Staff:

1. Communication and workplace culture

- Effective workplace relationships depend heavily on a business's communications systems. Poor communication is often reflected in workplace conflict and high turnover rates
- HRM is a two-way communication process

2. Employee Participation

- Employee participation (E.g. involvement in decision making) can increase satisfaction and productivity
- Teamwork avenues
- Helps build sense of shared purpose
- E.g. Use of suggestion boxes, regular meetings, discussion customer feedback, surveys
- Note: Value and effectiveness of employee participation depends on the training, knowledge and skills of the employees involved

3. Benefits

- Flexible and family friendly work arrangements
 - Ensuring a good work-life balance = important non-monetary benefit
 - Lack of flexibility = low staff morale, higher turnovers, deterioration in health and wellbeing
 - Family friendly = childcare, maternity/paternity leave
- Fringe benefits
 - Paid training
 - Health insurance
 - Company cars
- But value of these expenses = expensive = incurs Fringe Benefit Tax (FBT)

E.g. Rio Tinto provides their employees benefits such as residential allowances, subsidised medical expenses, commuting reimbursements

Legal Compliance and Corporate Social Responsibility

- All employees are required by law to make sure their HR policies and procedures comply with legislation
- Bullying, sexual harassment, exploitation, intimidation and high workloads = causes workplace stress, toxic environment
 - Undesirable workplace culture
- Non-complying business risk
 - Possible litigation
 - Fines / penalties
 - Poor public image
 - High staff turnover, absenteeism, low morale
 - Reduction in profits
- E.g. David Jones sexual harassment of female employees

Separation

- Termination of employment is the final phase of the employment cycle
- Separation = voluntary or involuntary
 - Voluntary separation through resignation, retirement or accepting redundancy
 - Involuntary separation through form of contract expiry, retrenchment or dismissal
- Notice, leave and superannuation given must comply with legislation and industrial agreements
- Considerations for termination: length of service, standard of performance, future potential etc.
 - Managers should support smooth transitions

Dismissal

- Summary dismissal: instant dismissal applied to employees involved in serious misconduct
- Dismissal can happen based on poor performance or redundancy due to organisational restructuring
- Requires 3 prior written warnings
- FWC to determine reasonable grounds

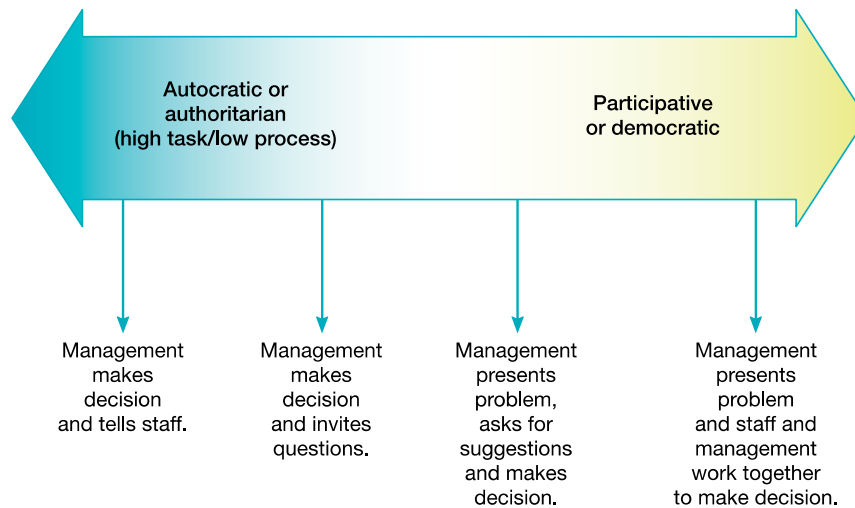
Unfair dismissal

- Unfair dismissal occurs when an employer dismisses an employee on harsh, unreasonable or unjust grounds
- Legal processes of unfair dismissals are expensive so employers must be aware of this

STRATEGIES IN HUMAN RESOURCE MANAGEMENT

Leadership style

Leadership style: Ways that managers communicate with their employees to inspire and motivate them to work together to achieve an organisation's goals:



AUTOCRATIC → PERSUASIVE → CONSULTATIVE →
PARTICIPATIVE → LAISSES – FAIRE

Management styles include:

- Visionary
- Affiliative
- Pace Setting
- Coaching

Autocratic / Authoritarian:

- Works well with unskilled/inexperienced labour where work is highly organised and controlled
 - E.g. Works well in defence force
- Inflexibility = issues of absenteeism and staff turnover
- Employee relations tend to become source of conflict

Participative / Democratic:

- Consultative approach, engagement in decision making
- Fosters transformational leadership
 - i.e. managers have higher expectations = higher levels of engagement
- Workers prided with a greater sense of ownership in final decisions = job satisfaction and productivity
- Capitalises on higher quality output over efficiency
- Facilitates harmonious, positive working relationships
- Encourages innovation
- More behavioural approach in that it addresses the role of motivation, conflict and relationships

For businesses:

- Using a responsive and cooperative leaderships style is more likely to be successful in HRM
- Successful employee relations depend on management style and skills

Job Design – general or specific tasks

Job design: number, kind and variety of tasks that a worker is expected to carry out in the course of performing their job

- **BEFORE (SPECIFIC TASKS):** Scientific approach pertained towards job specialisation = dissatisfaction and inflexible
- **NOW (GENERAL TASKS):** more variety of tasks to be performed with the objective to improve productivity and worker satisfaction, through 4 job design approaches:
 - Job rotation: employees switch, for a period of time from one job to another → allows for variety and greater understanding of biz
 - Job enlargement: employees given more to do → variety + challenge
 - Job enrichment: employees are given more control and independence over how they do their work → more interesting + challenging + motivating
 - Job sharing

Recruitment – internal or external, general or specific skills

Recruitment: is the process of locating and attracting the right quantity and quality of staff to apply for employment vacancies or anticipated vacancies at the right cost → THINK:

The 4 'Rights' that define recruitment:

RIGHT EMPLOYEES with the **RIGHT SKILLS** in the **RIGHT NUMBERS** at the **RIGHT TIME**

- Poor selection results in increased costs and lower productivity
- **Internal Recruitment:** choosing from within the business
 - Employee referrals, promotions etc
 - Business prefer this method → strategy to motivate and reward existing employees
- **External Recruitment:** from outside the business
 - Obtained through traditional businesses or now through social media (LinkedIn)
 - Brings in new ideas
- **General Skills** = broad, versatile
 - Social skills – interpersonal
 - Positive attitude
- **Specific Skills** = specialised, acquired through formal training and education
 - businesses are recruiting globally or outsourcing to overcome skill gaps
 - skilled migration programs
 - E.g. 457 Visa holders

Internal recruitment — advantages	External recruitment — advantages
Motivational for staff, see development opportunity	Wider applicant pool
Builds commitment and loyalty	New ideas, perspectives and skills may produce better solutions to business issues
Business only needs to hire at base level	Get specific skills needed, save on training
Employees know the culture, operations — productivity maintained	Dilutes internal politics
Can lead to a succession of promotion opportunities in line with succession planning	More diversity in employment — equal employment opportunity
Recognises and rewards staff for effort and achievement	Builds organisational 'brand' through publicity
Cheaper than external recruitment, less chance of a failure as staff are observed in operation, strengths and weaknesses are known	Can shape new employee to business
Internal recruitment — disadvantages	External recruitment — disadvantages
Can reinforce negative culture	Risk of unknown staff
Can lead to rivalry for positions	Lost productivity in initial phases of orientation and induction phase
Need established framework for training and merit-based appraisal system	New employee may not fit culture, and may not be accepted by internal rivals
Often attracts a significant number of internal applicants, need to manage unsuccessful applicants who will be demotivated, can lead to poor working relationships	Takes a lot of effort and time
Little value added, no new skills	Risk of legal claims

Training and Development: Current and future skills

Training: aims to develop skills, knowledge and attitudes that lead to better performance

Development: enhancing the skills in line with the changing and future needs or biz

- When choosing nature of training and development evaluations must be made for:
 - supply of the skills
 - demand of the skills
 - changing pattern of employment
- Due to constant skill shortages, businesses need to upskill their worker. Training and development assists with skill development as our economy becomes more service based
- T&D can be undertaken **internally – insourcing** (informal, in-house, on-the-job) or **externally** (formal, tertiary, private training providers)

Benefits of training for EMPLOYEES	Benefits of training for EMPLOYERS
<ul style="list-style-type: none">• Opportunity for promotion and self-improvement• Improved job satisfaction through better job performance• A challenge – the change to learn new things• Adaptability – help cope with changes	<ul style="list-style-type: none">• Higher productivity through better job performance and use of HR• Goals and objectives more effectively met• Reduced costs due to less staff turnover and absenteeism, and fewer errors and accidents• More capable and mobile workforce

Performance management – developmental or administrative

PM addresses both individual and business performance. It aims to improve BOTH business and individual employee performance by **relating the business's performance objectives to the employee's performance objectives**.

- Job design, recruiting the best staff, T&D, rewards = all features of PM
- PM requires regular feedback by all parties, and mutually agreed and beneficial action plans

Performance appraisal involves 5 main objectives:

- Provide feedback from management to employees regarding work performance
- To act as a measurement against which promotion and pay rises can be determined
- To help businesses monitor its employee selection
- To identify employees training and development needs
- To identify new objectives and put a plan in place to improve future performance

Developmental Model:

- Uses data to develop the individuals
- Establishes objectives such as reaching specific targets that are consistent with achieving the business's goals and objectives

Administrative Model:

- Provides information to help plan HR functions such as T&D
- Assesses the progress in meeting strategic goals and identifies areas of improvement

Benefits of Effective Performance Management

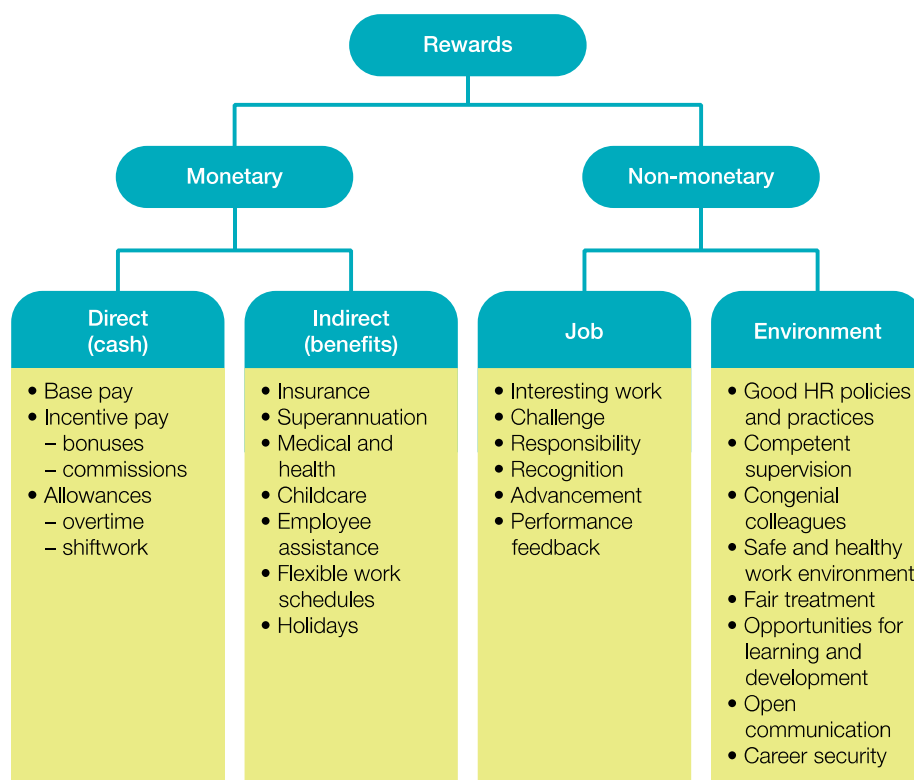
- PM helps create a shared vision of what the business is trying to achieve between employer and employees
- Establishes a link between performance evaluation and employee development = motivated staff = good for the biz

Rewards – monetary and non-monetary, individual or group, performance pay

A well-planned reward system is a key strategy in attracting, motivating and retaining employees. An effective reward system is equitable, clearly communicated, relevant, cost effective, simple to administer and aligned with the business's goals.

Monetary and non-monetary rewards

- A business's sustainable competitive advantage is linked to a remuneration system
- Financial and non-financial benefits in return for work effort



Individual or Group reward

- rewards usually relate to individual performance which can sometimes result in conflict and rivalry is not managed effectively
- increasing use of team-based workplace structure has increased need for cooperation – with difficulties arising in rewarding individual performance
- **gain-sharing plans and group incentive scheme** are used to support team-based structure. Benefit of success being provided of the team.
 - Team based reward system = encourages cooperation BUT can cause ‘free-rider’ situations
- Tools for developing a reward system = matrix (chart of benefits)
- Issues to consider when designing reward system FOR THE BUSINESS:
 - Business strategy and objectives
 - Economic conditions – supply and demand of labour
 - Union power
 - Profitability/viability of the business
- Issues to consider for INDIVIDUALS:
 - **PERFORMANCE PAY** – relates to remuneration that is based on distributing rewards according to individual employee performance.
 - A pay increase = incentive, accountability, development
 - Bonus = one off payment for individual or group. Amounts can vary.
 - Commissions = paid for accomplishing a sale

Global – Costs, skills, supply

- The rapid growth of global outsourcing illustrates potential for firms to develop creative strategies that access lower labour cost, while complying with regulations in overseas countries
- global businesses require human resource managers who are able to deal effectively with cultural diversity
 - Awareness of cultural discrepancies domestically and internationally
- Establishment of **subsidiaries** off-shore can take advantage of the opportunity to reduce production costs and gain access to new markets
 - E.g. Bonds relocation of manufacturing to China
- Australian experiences skill shortages requiring skilled migration programs such as 457 Visas
- Businesses are sometimes attracted by lower labour costs

Workplace disputes

- Conflict is inevitable → industrial action
- For industrial action to be protected, a number of legal requirements must be met prior
- An **industrial dispute**, when there is a disagreement that causes the ceasing of work and exists when:
 - Employees withdraw from work = **strike**
 - A refusal by an employer to allow employees work = **lockout**

Major causes of disputes are related to negotiation of awards and enterprise agreements:

- Remuneration: wages, super etc
- Employment conditions
- Job security issues: retrenchment, downsizing, restructuring, contractors

Other reasons for disputes:

- Health and safety
- Managerial policy
- Union issues
- Political or social protests

Resolution – negotiation, mediation, grievance procedures, involvement of courts and tribunals

The successful resolution of conflict will depend on the management styles and skills of HRM Avenues for dispute resolution:

- **Negotiation** – discussion between parties to reach a solution
- **Mediation** – objective third party to facilitate confidential discussion
- Grievance Procedures – formal, written into an award, variety of stages undertaken going through complaints to supervisor, meeting with management, referrals to FWC
- FWC – power to resolve through conciliation/arbitration
- **Conciliation** – mediation involving a meeting of parties to reach a solution
- **Arbitration** – commissioner makes legally binding decision

The costs and benefits of industrial conflict include:

Type	Costs	Benefits
Financial	<ul style="list-style-type: none">• Loss of production and wages• Business closure	<ul style="list-style-type: none">• Increased productivity after implementation of changes• Improved working conditions
Personal	Stress, insecurities and fear	Work problems resolved
Social	Community anger	New career opportunities
Political	Voter dissatisfaction	Better employment policies
International	Loss of export markets	Workplace reforms improve global competitiveness

Fair Work Commission

Purpose/Role:

- Manage awards and agreements
- Determine annual minimum wage cases
 - Supervise award restructuring

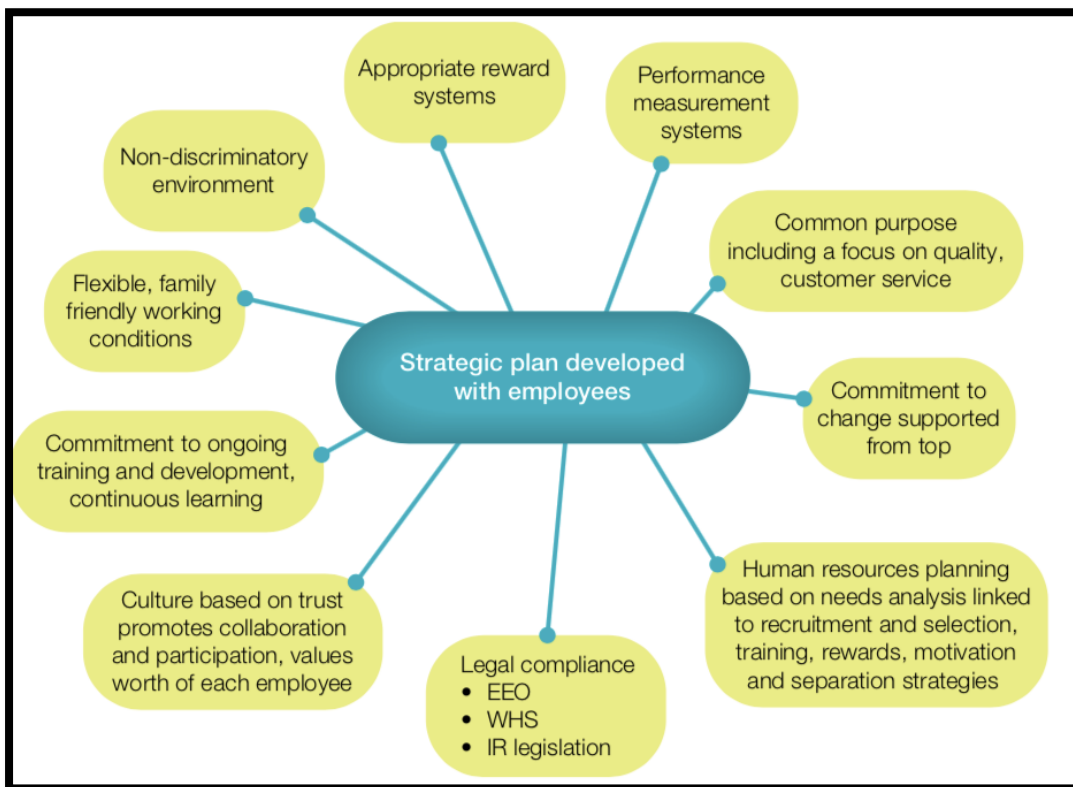
Fair Work Ombudsman

- Independent statutory office
- Authority from Fair Work Act
- Free service to workers and employers
- Role: Promotion of harmonious, productive and cooperative workplace relations

EFFECTIVENESS OF HUMAN RESOURCE MANAGEMENT

The role of the human resource manager:

1. Work with the management team
2. Decide how the employment relationship is best managed (as management issues take up most of managerial time)
3. Be cost effective (as the average labour costs are 60% of operating costs)
4. Achieve the business' goals
5. Contribute to the 'bottom line'
6. Develop strategic plans with employees (key elements shown in diagram below)
7. Evaluate the effectiveness of these strategies



The implementation of strategies to evaluate the effectiveness of HRM determines its success/ inadequacies to be reformed and fixed.

The impact of employment relations practices on the 'bottom line' must be justified if the employment relations function is to be seen as effective.

Indicators

- Financial indicators, e.g. sales/person
- Contribution to production, e.g. output/person
- Level of staff turnover
- Absenteeism
- Industrial disputes
- Accidents
- Employee dissatisfaction

*(for most of these) Low rates = EFFECTIVE
employment relations*

For indicators to be of value, results must be communicated and acted upon → aim for CONTINUOUS IMPROVEMENT, such as through:

- Communication and education of employees about company visions, strategy, expectation
- Planning and setting employee goals
- Linking rewards to performance measures
- Providing feedback

Indicators: performance measures that are used to evaluate effectiveness of human resources. They are also known as key variables.

⇒ E.g. dollar sales achieved per employee per year.

Indicators are used to compare between normal businesses and best practice businesses or to determine strengths and weaknesses.

The following table shows examples of **human resource effectiveness indicators**, which was gathered by human resource audits. ('/' means 'as a proportion of' – acting as a per or a ratio figure)

Functional Area	Indicators
Human resources planning	<ul style="list-style-type: none"> ○ Number of staff/budgeted staff
Recruitment and selection	<ul style="list-style-type: none"> ○ Applicant rejections ○ Acceptance rates for job offers ○ Recruitment costs ○ Vacancies filled within target time
Training and development	<ul style="list-style-type: none"> ○ Training days/hours per employee ○ Training time/budgeted time ○ Cost of training ○ Test outcomes — changes in skills, quality accidents, output, productivity ○ Succession planning rate ○ Promotion rate
Employee rewards and benefits	<ul style="list-style-type: none"> ○ Costs of rewards and benefits ○ Labour turnover rates ○ Absence rates/total hours worked ○ Rewards and benefits compared with other businesses
Industrial relations	<ul style="list-style-type: none"> ○ Grievance records ○ Industrial disputes, work stoppages ○ Time lost through disputes
Work health and safety	<ul style="list-style-type: none"> ○ Accident rates ○ Lost time injury incidence rates ○ Workers' compensation costs and payroll
Performance appraisal	<ul style="list-style-type: none"> ○ Appraisals undertaken ○ Goals achieved/not achieved ○ Disciplinary interviews/people employed ○ Improvements in quality and productivity (turnover rate)
Separation/ Termination	<ul style="list-style-type: none"> ○ Separation rate ○ Dismissal rate ○ Resignation rate ○ Average retirement rate ○ Unfair dismissal claims
General HRM effectiveness	<ul style="list-style-type: none"> ○ Labour costs/sales and gross profit per employee ○ Growth in market share

Corporate culture

Think of ROYAL COMMISSION INTO THE BANKS FOR THEIR POOR CORPORATE CULTURE

- Corporate culture: the value, ideas, expectations and beliefs shared by staff and managers of the business
- Important for business to develop cooperative and effective corporate culture and positive working relationships
- Competent and effective HRM will use business's culture as a force for positive change
 - E.g. UBS Culture of diversity
 - Atlassian – Australian information technology software company based upon team orientation, customer-focus, cooperative work environment, staff awards
⇒ People are a business' most valuable asset, which is why a cooperative and effective corporate culture must be developed.

Basically, a good corporate culture helps create positive working relationships. If employees are not dedicated, trained and motivated, even the best organised plans will never be able to be achieved. Strategies that focus on building trust, direct communication and valuing employee's ideas could create effective workplace relationships

Indicators of poor corporate culture:

1. High staff turnover
2. Poor customer service
3. High levels of absenteeism
4. Accidents
5. Disputes and internal conflict

All of these indicators can be seen in poor business performance, lower sales, lower profits – basically the 'bottom line'.

How to build a great workplace culture:

*Culture of trust —
transparency, impartiality
and equality*

*Collaboration across all levels
and involvement in decision
making*

*Creative perks,
especially health
and training
(e.g. Friday
massage
reward) .*

Fun atmosphere.

*Flexible and
family friendly
practices.*

*High quality
personal
relationships.*

*Pay more than
basic rates and
some share
options.*

*High levels of
training and
mentoring.*

Z

Benchmarking key variables

Benchmarking: process of using indicators as a diagnostic tool to evaluate business performance + HRM policies and practices

- Benchmarking compares business performance against industry standards or **world's best practice** to determine effectiveness of workplace practices
- Ways in which benchmarking can be undertaken:
 - **Informal benchmarking:** discussion with colleagues in other businesses, researching best practices, conferences
 - Strategies such as networking via informal discussions with colleagues in other businesses.
 - Visits to other businesses.
 - Researching best practice online.
 - Attending conferences.
 - **Performance benchmarking:** comparing performance levels of a process or activity with other businesses
 - **Best practice benchmarking:** comparing performance levels with those of ONLY other best practice businesses
 - Modify organisational processes to reflect the best practice business.
 - **Balanced scorecard benchmarking:** comparing the business's performance with its objectives
 - It benchmarks key performance variables.
- Appropriate methods to be chosen based on biz needs as it can be costly and time consuming
- Both quantitative and qualitative variables must be considered
 - Focusing just on costs can neglect the other factors of the triple bottom line

Human Resource Audits

HR Audits: diagnostic tool used to evaluate HR policies and practices, in order to identify problems and develop solutions in an attempt to rectify problems

- Human resource audits can be performed in these ways:
 - Performance of one division or the business itself against another is benchmarked and compared to industry 'best practice' to determine areas of weakness and for improvement.
 - An outside consultant conducts research to analyse problems and suggest solutions.
 - Key performance variables are evaluated by management.
 - A legal compliance analysis may be undertaken to determine areas of variance from laws and company policies. High levels of fines, workers' compensation claims and unfair dismissal claims would indicate this type of audit was required.
 - A management by objectives (MBO) approach can be used to determine areas of poor performance against targets established.

Quantitative data measures: numerical data

Key variables include:

- Variances in labour budgets
 - Increases in labour budgets mean an increase in the cost of business.
 - Most likely due to poor planning of staffing needs, higher absenteeism, overtime, increase in wage rates.
- Time lost/ cost of injuries and sickness
 - Health and safety requirements are being breached as a result of poor training.
 - Higher insurance premiums.
 - Risk of fines and claims.
- Comparing performance appraisals with targets
 - Indicates the extent to which the appraisal of staff has been undertaken by managers.
 - Does not provide detailed feedback on the effectiveness.

- Percentage of goals achieved
 - Goals should be determined collaboratively.
 - The return on human investment is a goal.
 - E.g. \$sales/ employee with rising sales being an indicator of improved customer service or employee production.
- Levels of labour turnover
 - Higher levels can indicate workplace problems (e.g. poor workplace culture, poor working relationships, lack of clear job descriptions, lack of opportunity for promotion).
 - Benchmarking of these variables is taken in accordance with standards in quality assurance programs.

Qualitative data measures:

- Making judgements to change behaviour or quality of service based on detailed feedback and research on key issues.
- The sources of such information may include feedback from middle management, surveys and the quality of customer service and leadership. Analysis of industrial disputes may provide information about issues such as health and safety, rewards and benefits and workplace relationships.
- Businesses need to consider both domestic and international trends and management practices when planning strategies.

Changes in staff turnover

Staff turnover: loss of employees who leave the business

⇒ Australia's average staff turnover rate is 12-15% per year.

A high level of staff turnover caused by voluntary separation is indicative of poor employment relations within a business. Employees could be expressing their dissatisfaction by leaving. It is important to determine the reason for the staff leaving, as there are likely to be 'pull' factors outside the business or 'push' factors inside the business.

Exit interviews: used to find out why an employee is leaving the organisation.

⇒ Less than 5% of employees make use of the information gathered from exit interviews.

Absenteeism

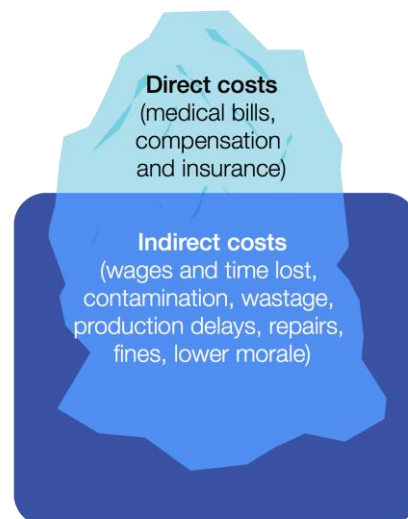
- When an employee fails up to turn up for the work when they were scheduled to do so
- High levels = dissatisfaction or conflict with workplace
- Can be costly, impedes on profits and productivity

Accidents

- Unsafe workplace impacts on the productivity of the business
- Reduction of accident contingent on business complying with WHS laws, consulting staff about improvement and scheduling regular maintenance and audits
- Reducing accidents = reducing costs, improves morale = productivity
- Indicators for WHS
 - Lost Time Injury Frequency Rates (LTIFRs) – fatalities, lost time from work

$$\frac{\text{Number of lost-time injuries} \times 1\,000\,000}{\text{Total hours worked in accounting period}}$$

- Safe Work Australia Rates – Worker's compensation claims
- Costs associated to injuries can be direct AND indirect



Levels of disputation

Industrial disputes happen to enforce a demand, resist a demand or express grievance.
Main forms of industrial action (indicators):

- **Picket lines (aka blockades):** protests that take place outside the workplace to stop the delivery of the goods and the entry of non-union labour into the workplace
- **Work bans:** ban or boycott is a refusal to work over time, handle a product, piece of equipment, process or refusal to work with particular individuals
- **Work-to-rule:** employees refuse to perform any duties that are additional to the work they normally are required to perform
- **Go slow:** working slower than usual = customer dissatisfaction and costs due to backlog of work
- **Sabotage:** vandalism, cyber-attacks and internal theft

Employers need to closely monitor both overt and covert manifestations of industrial disputes to evaluate relationships in the workplace.

- Concealed (covert), unofficial expressions of conflict can be more expensive than open (overt) official industrial disputes

Employers should be concerned if a number of formal grievances are reported, as they are an indicator of poor quality relationships in the workplace and can be very damaging if they attract media attention or move through the legal system.

Worker satisfaction

- Employee satisfaction is a key factor in employee commitment, job performance and staff turnover
- Employee satisfaction is highly contingent on good, effective leadership
 - Transparency of management
 - Promotion is merit based
 - Honest and respectful communication
- Employees who have good relationships with co-workers, enjoy their work and gain opportunities for promotion are more satisfied and stay
- Employee satisfaction can be improved by matching the purpose of the business with skills and cultural fit of employee
- Understanding employee satisfaction can be undertaken through surveys, feedback, online polls etc. to improve management styles
 - Must ensure that these avenues are undertaken confidentially and professionally