AS BUSINESS

Employer and employee relationships

What is an employer / employee relationship?

When an employer hires a new employee, it is not just about bringing a new member of the workforce into the organisation, it is also about starting a new relationship. Managing these relationships is vital to business success, as strong relationships can lead to greater employee happiness and even increased productivity. The responsibilities that employers have in relation to their employees are generally well known and are set out in both UK and EU legislation.

* Identify **five areas of responsibility** that employees have to comply with in relation to their employees.

**Employer**

**Responsibilities**

**Employment is a two-way relationship**, however, and all too often we do not emphasise the responsibilities that employees undertake in relation to carrying out their jobs. In recent years phrases such as ‘throwing a sickie’ and ‘having a duvet day’ following a heavy night out have become commonplace in our everyday language: such phrases they tell us something about the attitude a significant number of employees have to their relationship with their employee.



Work? No chance!

* Now think of as many responsibilities as you can that an employee has towards their employer. If you have a part time job think of how you should relate to your employer in a positive manner.

**Employee Responsibilities**

* Choose **two** areas of responsibility and analyse why they are important to the effective running of a business.

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Read the article below, written by Erin Schreiner.

**Relationship Basics**

Generally, employer and employee relationships should be mutually respectful. The degree of closeness in these relationships will depend on both the employer and the employee. Some employers opt to keep their employees at a distance and, in doing so, ensure that there is no confusion as to the hierarchy that exists between them. Others elect to become friendlier with their employees, seeing this as a way to increase employee happiness. While neither option is entirely right or wrong, it is wise to avoid getting too close to employees, as doing so can cause the line between employer and employee to become blurred.

**Mutual Reliance**

The employer-employee relationship should be one of mutual reliance. The employer is relying upon employees to perform their jobs and, in doing so, keep the business running smoothly. Conversely, employees are relying upon the employer to pay them and enable them to support themselves, and potentially their family, financially.

**Related Reading:** [The Role of Trust in an Employee-Manager Relationship](http://smallbusiness.chron.com/role-trust-employeemanager-relationship-11614.html)

**Relationship Building**

Just as with all relationships, the employer and employee relationship is one that must develop over time. Employers can promote the building of relationships by speaking candidly with their employees about their lives, asking them about their families and learning about their interests. Similarly, employees can promote the building of this relationship by being open with their employer and sharing information about themselves and their lives.

**Boundaries**

Though the type of employee and employer relationship that is considered appropriate varies from company to company, boundaries exist at almost all companies. Generally, employers should exercise care to ensure that the relationship they develop with one employee isn't notably closer than the relationships they develop with others, as this can lead to concerns regarding favoritism or similar issues of unfairness within the workplace.

It is worth bearing in mind that the majority of people in the UK work for relatively small enterprises. Employees cannot be moved easily to other departments or branches if a conflict of personalities arises: maintaining good relations is very important for the smooth running of a small business. In a small enterprise the absence of a worker, especially a key worker who may be the only individual with a particular set of skills, could severely hamper the efficiency of the business – being a reliable attender is therefore a key responsibility that employees must demonstrate.

* Evaluate the view that good employer/employee relationships are far more important in small enterprises than in large corporations.

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**Related areas of the Specification:**

Explain what is meant by employer/employee relationships.

Explain the duties and rights of employers and employees including
contract of employment, health and safety, minimum wage and
dismissal.

Evaluate the impact of employer/employee relations, conflict and
resolution on a business and its stakeholders.

**Employer/Employee Relations – Solutions**

Identify **five areas of responsibility** that employers have to comply with in relation to their employees.

*Possible responses:*

* To pay workers the minimum wage
* To ensure that men and women receive the same pay when undertaking the same job
* Clearly defining jobs and undertaking risk assessments
* Ensuring a safe work environment
* Providing adequate training and feedback on performance
* Ensuring that staff do not work excessive hours
* Providing areas for rest and relaxation
* Protecting staff from bullying or harassment, either from colleagues or third parties
* Protecting staff from discrimination
* Providing communication channels for employees to raise concerns
* Consulting employees on issues which concern them.

**Now think of as many responsibilities as you can that an employee has towards their employer. If you have a part time job think of how you should relate to your employer in a positive manner**.

*Possible responses:*

* To be punctual
* To carry out a job to the best of one’s ability
* To carry out tasks set by management/follow instructions
* To follow all health and safety instructions and guidelines at all times
* To treat colleagues with respect
* To treat customers and suppliers respectfully
* To be honest in all aspects of carrying out a job
* To attend work whenever fit and well to do so

**Choose two areas of responsibility and analyse why they are important to the effective running of a business.**

**Punctuality** – Failure to arrive at work on time shows a lack of respect for your colleagues, especially when you are working as part of a team. Tasks may be delayed if your input is required and this could cost the organisation money or your colleagues may lose out on bonuses or performance payments. Being persistently late also causes resentment from other staff who make the effort to arrive on time. Such behaviour will need to be dealt with by management, taking up valuable time which could be used more productively.

**Health and Safety** – Businesses are required to apply all relevant Health and Safety legislation or face prosecution. Workers are trained or given guidelines about their responsibilities. Many workers operate in dangerous environments and failing to carry out work in a prescribed manner could endanger not only themselves but also their fellow workers. Compensation claims can be huge and many small businesses would go out of business if confronted with such claims. The public too are entitled to expect workers to comply with H&S regulations. For example, lorry drivers who drive over their allotted hours or use their mobile phones when driving are responsible for the deaths of members of the public every year on UK highways.

**Evaluate the view that good employer/employee relationships are far more important in small enterprises than in large corporations.**

*Possible response:*

In very small enterprises it is likely that the owners of the business and their employees work very closely together and therefore they need to get on well. Each employee is likely to be a ‘key’ worker and any underperformance or absence is likely to have a significant impact on the success of the enterprise. Issues need to be resolved quickly or the whole enterprise could be under threat. For example, if a stylist in a small hairdressing business employing five people decides to take a day off following a disagreement with the owner, then the impact could be very significant. Those customers who were booked in will have to be contacted and appointments postponed. This will not only cause extra work for other colleagues but may result in those customers going elsewhere. Cash flow may be adversely affected and this may impact on the survival of the business over time. In a larger hairdressers cover for an absent stylist may be more readily available and the impact may not be as significant.

This does not mean, however that employee/employer relations are not important in large organisations. Large organisations are generally operated on a departmental basis and personality clashes and disagreements can have a similar impact on staff satisfaction as in a small enterprise. Nonetheless, in large scale organisations, the impact of the absence of a disaffected employee is likely to have less of an impact and is unlikely to threaten the long term survival of a business.

Ensuring that employees are motivated and positive is, however, a major issue in any size of organisation. It is often acknowledged by organisations that ‘people are our key asset’ and the setting up of Human Resource departments confirms this. So many activities carried out by HR are underpinned by the desire to maintain good employer/employee relations, whether this be on a departmental or company-wide basis. In large organisations employees are often represented by a trade union. Although industrial disputes in the 1960’s and 1970’s brought many large organisations to their knees, today strikes are much less common. The power of trade unions has been limited by government legislation; negotiation is a much more likely route when seeking to resolve employer/employee disputes.

It is worth remembering, however, that one of the largest organisations in the UK, the NHS, is being severely impacted by dissatisfied Junior Doctors taking industrial action. Their relations with NHS management and the Department of Health are at a very low ebb and this has resulted in many choosing to work abroad or seek employment elsewhere.

It is probably fair to say that any organisation, whether a small enterprise or a global multinational, needs to regard good employer/employee relations as a priority if they wish to attain long-term success.