

Managing the Employment Relationship



Pergumon

Institute of Leadership & Management



Institute of Leadership & Management

superseries

Managing the Employment Relationship

FIFTH EDITION

Published for the Institute of Leadership & Management





AMSTERDAM • BOSTON • HEIDELBERG • LONDON • NEW YORK • OXFORD PARIS • SAN DIEGO • SAN FRANCISCO • SINGAPORE • SYDNEY • TOKYO Pergamon Flexible Learning is an imprint of Elsevier Pergamon Flexible Learning is an imprint of Elsevier Linacre House, Jordan Hill, Oxford OX2 8DP, UK 30 Corporate Drive, Suite 400, Burlington, MA 01803, USA

First edition 1986 Second edition 1991 Third edition 1997 Fourth edition 2003 Fifth edition 2007

Copyright © 1986, 1991, 1997, 2003, 2007 ILM. Published by Elsevier Ltd. All rights reserved

Editor: David Pardey

Based on material in previous editions of this work

The views expressed in this work are those of the authors and do not necessarily reflect those of the Institute of Leadership & Management or of the publisher

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means electronic, mechanical, photocopying, recording or otherwise without the prior written permission of the publisher

Permissions may be sought directly from Elsevier's Science & Technology Rights Department in Oxford, UK: phone (+44) (0) 1865 843830; fax (+44) (0) 1865 853333; email: permissions@ elsevier.com. Alternatively you can submit your request online by visiting the Elsevier website at http://elsevier.com/locate/permissions, and selecting Obtaining permission to use Elsevier material

Notice

No responsibility is assumed by the publisher for any injury and/or damage to persons or property as a matter of products liability, negligence or otherwise, or from any use or operation of any methods, products, instructions or ideas contained in the material herein

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloguing in Publication Data

A catalogue record for this book is available from the Library of Congress

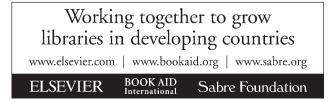
ISBN 978-0-08-046443-5

For information on all Pergamon Flexible Learning publications visit our website at http://books.elsevier.com

Institute of Leadership & Management Registered Office I Giltspur Street London ECIA 9DD Telephone: 020 7294 2470 www.i-I-m.com ILM is part of the City & Guilds Group

Typeset by Charon Tec Ltd (A Macmillan Company), Chennai, India www.charontec.com Printed and bound in Great Britain

07 08 09 10 11 10 9 8 7 6 5 4 3 2 1



Contents

•

Series preface Unit specificati		vii ix
Workbook	introduction	xi
I	ILM Super Series study links	xi
2	Links to ILM qualifications	xi
3	Links to S/NVQs in management	xi
4	Workbook objectives	xii
5	Activity planner	xiv
Session A	Managing diversity	I.
I	Introduction	I
2	Diversity and equality	2
3	The importance of equality at work	3
4	Inequality and unfairness at work	4
5	Has inequality occurred? – a checklist	6
6	Summary	12

Session B The law relating to equality at work I3

I.	Introduction	13
2	Scope of the anti-discrimination laws	16
3	United Kingdom statute law	19
4	Other legislation affecting unfair discrimination	22
5	A detailed look at the main UK legislation	27
6	Illegal discrimination in detail	31
7	Summary	41

Contents

Session	C	Pursuing real equality in the workplace	43
	Ι	Introduction	43
	2	Who is liable?	44
	3	Procedures for ensuring equality	46
	4	Commitment to equality	53
	5	Pursuing real equality	59
	6	Summary	65
Session	D	Employment policies	67
	Ι	Introduction	67
	2	Communicating employment policies	68
	3	The contract of employment	71
	4	Employment Tribunals	72
	5	Grievance and disciplinary procedures	72
	,		

Sessi

I	Introduction	67
2	Communicating employment policies	68
3	The contract of employment	71
4	Employment Tribunals	72
5	Grievance and disciplinary procedures	72
6	Dealing with recognized trades unions	76
7	Employment records	77
8	Summary	80

Session E The consequences of illegal discrimination

81

I	Introduction	81
2	Types of liability for illegal discrimination	84
3	The financial consequences	87
4	The legal process – Employment Tribunals	88
5	Employment practices and procedures	96
6	Summary	102

Session F Discipline

103

	-	
Ι	Introduction	103
2	The purpose of discipline	103
3	Rules	105
4	Dealing with offences	107
5	Following the procedures	111
6	Finding out the facts	118
7	The counselling session	123
8	Taking action	127
9	Summary	140

Performance checks [4] I Quick quiz [4] 2 Workbook assessment [45]

3 Work-based assignment 147

Reflect and review

149

Ι	Reflect and review	149
2	Action plan	154
3	Extensions	156
4	Answers to self-assessment questions	162
5	Answers to activities	168
6	Answers to the quick quiz	171
7	Certificate	174

This page intentionally left blank

Whether you are a tutor/trainer or studying management development to further your career, Super Series provides an exciting and flexible resource to help you to achieve your goals. The fifth edition is completely new and up-to-date, and has been structured to perfectly match the Institute of Leadership & Management (ILM)'s new unit-based qualifications for first line managers. It also harmonizes with the 2004 national occupational standards in management and leadership, providing an invaluable resource for S/NVQs at Level 3 in Management.

Super Series is equally valuable for anyone tutoring or studying any management programmes at this level, whether leading to a qualification or not. Individual workbooks also support short programmes, which may be recognized by ILM as Endorsed or Development Awards, or provide the ideal way to undertake CPD activities.

For learners, coping with all the pressures of today's world, Super Series offers you the flexibility to study at your own pace to fit around your professional and other commitments. You don't need a PC or to attend classes at a specific time – choose when and where to study to suit yourself! And you will always have the complete workbook as a quick reference just when you need it.

For tutors/trainers, Super Series provides an invaluable guide to what needs to be covered, and in what depth. It also allows learners who miss occasional sessions to 'catch up' by dipping into the series.

Super Series provides unrivalled support for all those involved in first line management and supervision.

This page intentionally left blank

Unit specification

Title:	Mana	aging	the employment relationship	Unit Ref:	M3.16
Level:	3				
Credit value:	I				
Learning outc	omes	Assessment criteria			
The learner will		The learner can (in an organization with which the learner is familiar)			
I. Understand diversity in the workplace		1.1 1.2 1.3 1.4	Identify the main provisions of statutory requirements for the employment relationship, discrimination at work and fair employment Identify the organization's employment policies and procedures that could guide the first line manager in managing diversity in the workplace Explain the importance of diversity in the workplace Explain the consequences of non compliance with diversity policies for own work area and for the organization		
2. Know how to maintain disc in the workp	ipline	2.1 2.2 2.3 2.4	Identify the organization's employment that could guide the first line manage issues Describe how you could monitor dis Briefly describe the legal aspects of the Review own ability to maintain discip	r in dealing with cipline in the w he disciplinary p	n disciplinary orkplace process

This page intentionally left blank

Workbook introduction

I ILM Super Series study links

This workbook addresses the issues of *Managing the Employment Relationship*. Should you wish to extend your study to other Super Series workbooks covering related or different subject areas, you will find a comprehensive list at the back of this book.

• 2 Links to ILM qualifications

This workbook relates to the learning outcomes of Unit M3.16 Managing the employment relationship from the ILM Level 3 Award, Certificate and Diploma in First Line Management.

J Links to S/NVQs in management

This workbook relates to the following Unit of the Management Standards which are used in S/NVQs in Management, as well as a range of other S/NVQs:

BII. Promote diversity in your area of responsibility

4 Workbook objectives

The United Kingdom has always had a population distinguished by its diversity. From prehistoric times invaders have settled here, bringing with them new skills, customs and religious beliefs. Although at the time the incomers were seen as a threat, their arrival was, in fact, beneficial to society as a whole.

Human beings come in a diversity of shapes, sizes, abilities and other characteristics, many of which they have no control over.

However, wherever there is diversity, i.e. where people are different from each other, there is a risk of inequality.

Nowadays just about everyone would agree that equality is a good idea, but too often, it seems, the same groups of people tend to miss out on advantages and opportunities.

As a first line manager, you are responsible for making sure that you make the most of diversity within your team, and that every team member is treated fairly and understands the importance of equality in the workplace.

This workbook discusses the reasons why it is important to protect diversity and avoid inequality and discrimination at work. We will explore methods that you can use to check whether inequality has occurred in your workplace, and find out about the kinds of protection extended to certain groups under the law. It is very important for you, as a manager, to be aware of your responsibilities. Adhering to the law need not be difficult but the penalties for breaking it can be high.

Keeping within the law is one thing, but for a really successful work team a more pro-active approach is usually required. Later parts of this workbook therefore describe the practical steps you can take to develop a culture of equality in your workplace.

Failure to comply with the legislation that protects diversity has serious consequences, both for you and your organization.

For most people, most of the time, no major problems arise, and the formal aspects of management procedures are not the subject of debate. As a first line manager you can contribute to this favourable climate by knowing and implementing your organization's procedures implicitly.

You also need to have an appreciation of the underlying laws that have been developed over many years to provide the minimum standards that every employee, in any working situation, can expect to be applied. The law increasingly influences the way in which employers must frame their policies.

Trades unions came into being in an era when many employers exercised absolute powers over their staff and frequently abused those powers. The unions helped to establish reasonable minimum working conditions for employees. The unions' role has changed over the years, but they still represent the interests of millions of employees in a wide variety of occupations. Dealings with them are an everyday aspect of some first line managers' working lives.

In this workbook, we will look at some aspects of the management policies, procedures and approaches that help to create good working relationships. These are effective for 95% of the time with 95% of employees – and even more in well run organizations.

However, for those employers and employees who cannot, or will not, work within such policies, the law provides a framework that both parties must work within. First line managers need to be aware of that framework and use their skills, training and experience to ensure that the procedures are applied fairly and consistently.

4.1 Objectives

When you have completed this workbook you will be better able to:

- define 'diversity' and explain why it is important to manage diversity at work;
- outline the main legislation relating to fair employment;
- recognize whether the law has been broken;
- understand and implement your organization's employment policies and procedures as a major step towards managing your team fairly and consistently within the law;
- describe the steps you can take to ensure diversity in the workplace;
- describe the consequences of non-compliance for your own work area and organization.
- deal with disciplinary matters in a fair and consistent way within the law.

• 5 Activity planner

The following activities require some planning so you may want to look at these now.

- Activity 25, on page 52, which asks you to consider an occasion when you have been involved in a selection process – you should identify ways in which things could have been done differently in order to more effectively ensure equality.
- Activity 29, on page 59, which asks you to obtain a copy of your organization's policy and procedures relating to diversity and equal opportunities.
- Activity 31, on page 63, which asks you to think about practical steps you can take to ensure that members of your work team are treated fairly.
- Activity 32, on page 68, asks you to obtain a copy of your organization's employee or organization handbook.

$\left[\right]$	

Either Activity 25 or Activity 31 may provide the basis of evidence for your S/NVQ portfolio. All Portfolio Activities and the Work-based assignment are signposted with this icon.

The icon states the elements to which the Portfolio Activities and Work-based assignment relate.

The Work-based assignment, on page 147, will require that you spend time gathering information and talking to colleagues and people in your work team. You might like to start thinking about whom you should approach, and perhaps arrange a time or chat with them.

Session A Managing diversity

I Introduction

Wherever you are in the world, whenever you get a group of people together, you will find that in fact everyone is different – there is diversity. Members of the group may appear to have overwhelmingly similar characteristics, for example all male, all under 20, all European in origin, but if you dig deeper you will find innumerable differences – in physical or mental limitations, sexual orientation, religious beliefs, and so on.

Research has shown that, when people are perceived as being 'different', there is a danger that they can be subject to unequal treatment. Those who have characteristics which other people perceive as 'good' may be treated in a more favourable way than those who have characteristics perceived as 'bad'. One particularly famous piece of research in the USA illustrated this clearly. Researchers carried out an experiment in which a group of college students were required to wear black armbands for a week. Gradually the rest of the student population became less friendly towards them and increasingly discriminated against them without being able to explain why. This research, together with many similar experiments, shows that diversity, i.e. being 'different', carries a risk.

In every organization, and in every work team within that organization, you will find diversity that needs to be managed. It is the first line manager's responsibility to ensure that everyone is treated equally, and that no one is discriminated against because of race, gender, sexual inclination, age, religion, cultural origin, or physical or mental ability.

L

• 2 Diversity and equality

Where there is diversity in your work team you are responsible for ensuring that, whatever their characteristics, everyone is treated with equality. The next step is to have a clear idea of what 'equality' means.

Think about the word for a minute or two, then complete the first Activity.



Try to think of **two** or **three** alternative definitions for the word 'equality'.

Perhaps you've written something like:

'the same opportunities being open to everyone', or 'everybody being treated the same', or 'everyone being on an equal footing'.

All these, and similar definitions, are perfectly good in a general kind of way but we need to be a little more specific.



Below are two statements about equality. Consider them in relation to the workplace specifically.

Equality means everyone must like one another. Equality means everybody is equal. There is a problem with these statements. In the space below note any problems that occur to you as you consider them.

Sadly, each of these definitions is unrealistic and quite impossible to achieve! No manager, however efficient, is able to make people like each other and, for better or worse, we simply are not all equal.

All that equality means is that when there is diversity no one should be treated less favourably than anyone else. So a reasonable definition of inequality would be as follows.

Inequality occurs when a person or group is treated in a less favourable way than another is, or would be, treated in the same sort of situation.

However, there is one important word missing from this definition. Perhaps you have already guessed what it is. In Section 4 of this unit we will be able to define inequality more precisely.

• 3 The importance of equality at work

What sort of difficulties would you face if people felt there was inequality of treatment in your workplace?



From your own experience, jot down two problems you would have to deal with.

Session A

Typically:

- morale might be low and relationships between members of the work team, and their relationship with you, might suffer;
- the best use might not be made of everybody's diverse abilities;
- there might be high rates of sickness, absenteeism and wastage resulting from people's discouragement with the job;
- there might be conflict leading to lost production and possibly even strikes;
- there could be the possibility of legal action against the company;
- it is possible that you would be found personally responsible in law for discrimination in the workplace.

I expect that you thought of other difficulties, but this list is probably enough to help us see the practical and legal reasons why achieving equality in a diverse environment is so important for the team leader.

No one likes to feel that they are suffering the disadvantage of being treated unfavourably.

Equality of treatment and opportunity is important:

- to encourage good relationships in the workplace; and
- to make the best use of everyone's abilities.

• 4 Inequality and unfairness at work

Now let us think more carefully about inequality.

As we have seen, inequality is not about people **being** unequal. It is about being **treated** less favourably than others, so that they suffer some disadvantage as a result. When we talk about unfairness, we mean that people are not getting their rights – justice is not being done.

However, inequality is only **one** kind of unfairness. Even if everyone were to be treated equally at work, so that no inequality existed, **other** forms of unfairness could still exist. So we cannot say that inequality at work simply means that someone is being treated unfairly. Inequality is a special kind of unfairness. There is a difference between being unfair to people and treating someone in an unequal way compared to others. You could be consistently unfair to everyone which would still mean that everyone was being treated equally!

Inequality occurs when a person or group is unjustifiably treated in a less favourable way than another is, or would be, treated in the same sort of situation. This word '**unjustifiably**' is a vital one. After all, however much you may want to treat everyone equally at work, sometimes it is impossible to do so. Often there is some overwhelming reason which prevents you from doing so. Take the following case.



Three young assistants were serving in a butcher's shop. Viv had long and straggling hair. Maria and Karl had short and tidy hair. The manager had repeatedly told Viv that, unless he got his hair cut short, or tied it back neatly while he was in the shop, he could not stay in the job. Viv refused, and finally was dismissed.

The manager had a strong enough justification for his treatment of Viv to make it clear that this was not a case of inequality at work. What do you think the justification was?

You probably, and correctly, put something like: 'hygiene' or 'to ensure that the meat was not exposed to germs' or 'to protect customers from contaminated meat'.

On the face of it, the manager seems to have treated Viv differently from the others, in a way that put Viv at a disadvantage in the end. But his reason for doing so was because of the overwhelming need to ensure good hygiene in a fresh food shop. The manager, incidentally, was able to prove that he had fully explained his reason to Viv, and that no one was ever allowed to serve in the shop who did not meet the defined hygiene standards. This was further proof of the manager's case that his treatment of Viv was justified.

So we can now make the following statements.

- Inequality occurs when a person or group is unjustifiably treated in a less favourable way than another is, or would be, treated in the same sort of situation.
- Some inequalities at work cannot be avoided. The essential thing is that, if they exist, there is a strong justification for them.

There is one more important point to make here.