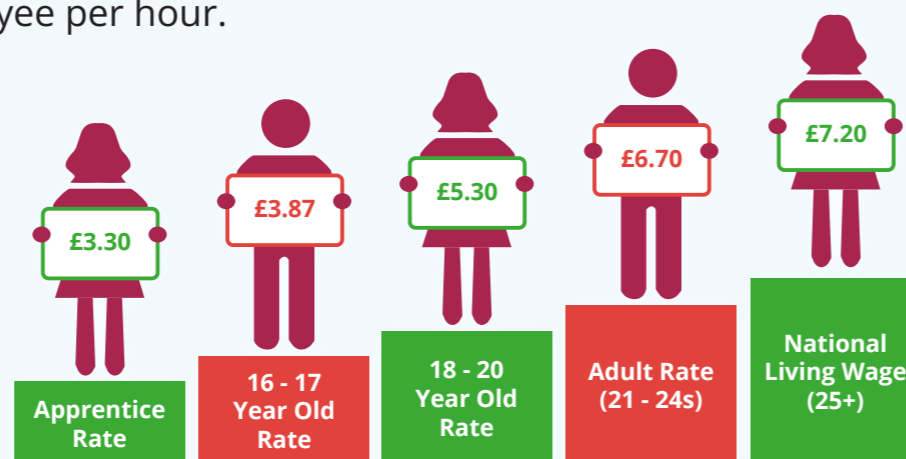


Employer/employee relationships are founded on the contract of employment, which lays out the roles and responsibilities of both employer and employee. Employment law make specific rules that each side are expected to abide by. The relationship is also affected by trade unions who act in the interests of employees.

Minimum Wage

Definition: The minimum amount that an employer can pay their employee per hour.



Equal Opportunities

The Equality Act 2010 legally protects people from discrimination in the workplace and in wider society. It is against the law to discriminate against anyone because of:

- age
- being or becoming a transgender person
- being married or in a civil partnership
- being pregnant or having a child
- disability
- race, including colour, nationality, ethnic or national origin
- religion, belief or lack of religion/belief
- sex
- sexual orientation.

The above are known as 'protected characteristics'.

Any of the following is regarded as discrimination:

- **Direct discrimination** – treating someone with a protected characteristic less favourably than others.
- **Indirect discrimination** – putting rules or arrangements in place that apply to everyone, but that put someone with a protected characteristic at an unfair disadvantage.
- **Harassment** – unwanted behaviour linked to a protected characteristic that violates someone's dignity or creates an offensive environment for them.
- **Victimisation** – treating someone unfairly because they have complained about discrimination or harassment.

In the workplace, the law protects people against discrimination in relation to:

- dismissal and redundancy
- imposition of unfair employment terms and conditions
- pay and benefits
- promotion and transfer opportunities
- recruitment and opportunities for training.

	EMPLOYERS	EMPLOYEES
ADVANTAGES OF THE MINIMUM WAGE TO:	<ul style="list-style-type: none"> • Benefit from more motivated workforce as they are happy to be receiving more money. • More use of zero-hour contracts, where employees only get paid for the hours that they work. • An increase in the min. wage may lead to an increase in the amount of disposable income employees have. This could then be spent in shops and business may see an increase in business. • Reduces the need to negotiate with unions about pay, which could have lead to disputes. 	<ul style="list-style-type: none"> • More disposable income due to the increase in the min. wage. • Benefits particularly those industries that were traditionally lowly paid. • More supply of labour as working becomes more attractive. • Younger people may find it easier to get jobs as it is cheaper to employ younger workers than older ones.
DISADVANTAGES OF THE MINIMUM WAGE TO:	<ul style="list-style-type: none"> • Wage costs would increase with any rise in min. wage, which could impact on the business' profits. Alternatively, businesses may be forced to reduce the number of people they employ in an attempt to cut their wage bills. • As a result, an increase in the min. wage could lead to cost-push inflation and businesses could see the costs of raw materials rise. • May be tempted to employ cheaper, younger workers rather than older workers or, in extreme cases, use illegal workers in an effort to make the wage bills cheaper. 	<ul style="list-style-type: none"> • Older workers may find themselves at a disadvantage if the employer favours employing the cheaper, younger workers. • Loss of job security as the business may look to dispose of employees if their wage bills significantly increase. • This increase in min. wage may not be very substantial, therefore they receive very little benefit of the increase. • Businesses may move production abroad in favour of cheaper labour elsewhere in the world.

Trade Unions

An organisation that represents employees in a particular trade, industry or occupation. Its purpose is to protect and improve its members' terms and conditions of employment.

An individual employee alone has very little power to influence decisions but, by joining together, employees have more chance of having a voice and influence – this is known as collective bargaining.

Trade unions also campaign for laws and policies that will benefit working people.



Activities that trade unions are involved in

- 1. Collective bargaining** – to obtain the best possible terms and conditions of employment for the employees.
- 2. Protecting employees' employment rights** – protect people's legal rights at work, offer information and advice, represent members and offer legal assistance.
- 3. Offering information and legal advice** – unions assist employees who believe they have been unfairly treated, whether through discrimination or unfair dismissal.
- 4. Health and Safety** – investigate the causes of work-place accidents and work-induced ill-health.

Types of Industrial Action

Employee Action:

Actions that are taken by employees to 'encourage' management to comply with their wishes:

- 1. Strike** – withdrawing labour completely.
- 2. Work-to-rule** – only doing tasks that are specifically mentioned in an employee's job description.
- 3. Go-slow** – carrying out all tasks required, but very slowly.
- 4. Overtime ban** – refusing to carry out any overtime, which means that orders might not be completed on time for customers.

Employer Action:

The forms of industrial action that can be taken by employers are:

- 1. Withdrawal of overtime** – if employees are unwilling, for example, to take on new working practices, a firm might withdraw all overtime to 'encourage' employees to agree to the changes.
- 2. Lock-out** – if a business has reason to believe that its workers would deliberately disrupt the smooth working of its operations, the business may lock them out until any grievance has been settled.

	EMPLOYERS	EMPLOYEES
ADVANTAGES OF TRADE UNIONS TO:	<ul style="list-style-type: none"> Communication link between managers and the workforce. It avoids the time-consuming need for individual bargaining. A strong union may encourage managers to take employee needs seriously. 	<ul style="list-style-type: none"> Collective bargaining – negotiation of pay and conditions with employers. Help ensure high standards of health and safety. Local union representatives can help in case of unsafe or unfair practices. Access to free legal advice and support.
DISADVANTAGES OF TRADE UNIONS TO:	<ul style="list-style-type: none"> Employees are more likely to take industrial action. High wages negotiated by trade unions. Employees know their rights. Free legal assistance in cases of unfair dismissal and discrimination. High health and safety requirements. 	<ul style="list-style-type: none"> May call on members to take industrial action. Redundancies necessary due to high wage demands. Health and safety requirements may reduce productivity, lowering piecework wages. It costs money to become a member.

Employment Tribunal

If an employee feels that they are being unfairly treated, they can ask the union representative to help to sort out the difficulty with the employer. If the problem cannot be solved amicably, the matter may go to an employment tribunal (a 'court' that makes sure that employment laws are adhered to properly).

Most cases that go to employment tribunals are about pay, unfair dismissal, redundancy or discrimination at work.

ACAS

ACAS was set up in 1974 as a conciliation and arbitration service that was independent of government control and civil service influence. It is made up of trade union representatives, university professors and members with a business background. It was given the role of improving industrial relations and encouraging reform of collective bargaining procedures.

ACAS provides a wide range of services to employers and employees in business:

- **Industrial disputes** – ACAS can intervene in industrial disputes at the request of either management or unions. Its role is to try and encourage a settlement that all parties may agree to, using procedures that both parties accept.
- **Arbitration** – ACAS recommends a solution to a dispute, which often both parties have previously agreed that they will abide by.
- **Mediation** – ACAS recommends a possible solution to a dispute and leaves the two parties to find a settlement.
- **Advisory work** – ACAS will advise employers and trade unions on a number of issues, such as contracts of employment, industrial relations legislation and payment systems.
- **Codes of practice** – ACAS issues practical guidance on how to improve industrial relations between employers and employees.
- **Individual cases** – ACAS investigates individual cases of unfair discrimination and unfair dismissal.