

CIPD Level 7 Advanced Diploma in HR Management

Executive Summary

The purpose of this paper is to look at common employee issues being faced the private limited company named Flagship store. The company was founded 100 years ago and is currently trading Bath and Manchester stores. Due to expansion of store employees from flagship store had to move to other branches. The management is working for promoting similar culture in all stores. Yet issues have risen among branches related to terms and conditions and reward package. Issues related to pay, sickness absence, communication problems, lack of employee voice, redundancy and wearing uniforms are being analyzed in this paper. The paper has conducted qualitative research and collected information from secondary sources of information. The findings and analysis conducted in the research has lead to conclusions. Recommendations for making improvement the store have also been provided.

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Introduction

Businesses may face employee issues and HR managers can help them in maintaining good employee relations for building successful company. At workplace, many issues may come up and these issues may give rise to larger problems. Every organization desires to establish a secure and safe workplace that has a supportive culture and encourages communication. HR manager can plan solutions once they understand the most common issues at workplace. Such plan is aimed at running organization efficiently and makes employees satisfied (Tansel and Gazioğlu, 2014). The knowledge about employee issues at workplace can help in collecting data that can improve employee experience and pose low risk to organization.

Literature Review

Among the most common issues that arise at workplace, wage related issues are quite common. Study conducted by Schreurs, et.al (2015) argued that the pay related issues may involves different kinds of pay and employee issues of underpaid, not receiving the pay and dissatisfaction with pay which is lower than the stator minimums. The disputes over pay particularly National Minimum Wage can arise in organizations that can lead to unsatisfied employees. Employee contract usually mentions details related to what and when of payment. Workers disputes take place over equal pay if men and women are performing same duties yet not receiving equal pay. According to the UK law if an employer is not able to pay minimum wage then it is against the National Minimum Wage (Butler, 2016). The law says that investigation by HMRC (HM revenue and Customs) will be conducted for not paying minimum wage. Employee has the opportunity of reporting the employer. HRMC may send a notice of arrears along with issue of penalty in case of not paying correctly (Lord and Culling, 2016). Employers may be taken to civil court and a maximum fine of £20,000 per worker may be

charged. Moreover, the company owner name may get banned publicly for around 15 years. The study revealed that company may be taken to court if worker feel unfair treatment or feel discriminated.

Another important employee relation issue is related to redundancy. According to Fryer (2018) organizations face several challenges among which reducing employees number is a major problem. In case, the redundancy issue is not handled equitably then employee can claim unfair dismissal. Unfair dismissal claims by employee can result if employer has been unfairly selected for redundancy, has failed to offer some other alternative work solution and have not followed a proper process of consultation. Employees the power of claiming protective award in case employer did not consulted representatives such as trade union in situation of collective redundancy. Variety of reasons can become a cause for redundancy such as cutting the operating costs, whistleblowing and discrimination. If employee is selected for correct reasons to be redundant then he cannot make unfair dismissal claim. Employer should work appropriately in times of redundancy if organization fails to properly provide collective redundancy consultation then employee can complain to Industrial Tribunal that includes trade union or elected representatives of employee (Perritt Jr, 2019). He can also make complain to individual employees that have been dismissed as redundant in case no trade union or representative is working.

The problem of sick absence in organization directly affects the organization as well as employees who are working. Evidence by Scognamiglio (2019) argued that fellow employee providing sickness cover on their off days may feel frustrated. The main concern of absence management policies is often related to short and long term sickness. There major cause of absence is usually minor illness whereas study found that non-genuine sickness absence is a

major issue. The unpredictable absence of staff can be a major challenge for HR of any company and can be costly. The study found that average UK worker is not present almost for seven days in a year that costs an average of £554 to employers as sick pay (Akgeyik, 2014). 87 percent of the organization gather data related to absence yet only 40 percent are able to monitor the cost for it. Absence management strategies can be used by organization support well being of employees and take action if employees are conducting sick pay abuse. Range of methods is available for measuring absence and understanding how employee absence is affecting the business and how it can manage effectively.

Issues of employee relations arise when there is lack of communication. Social relationships may lead to communication issues. Study conducted by Vlasenko (2016) showed that problems of communication in an organization arise due to misinterpretation and misunderstanding among employees and with organization culture. Such problems in communication lead to conflict which can become more challenging for organization. Study focused on analyzing problem of communication within organization and with branches of same company. It has been found that when there is highly distributed network in which employees of company are dispersed across home office and other branches then coordinating communication can become difficult. It is possible that employees of branches might not have the same information as employees of main office. Advanced tools of collaboration are required by organization for integrating multiple locations and keeping remote employees connected in a cost efficient manner (Bucăța and Rizescu, 2017). Study revealed that inefficient inter-branch communications, system integration complexity and other communication issues exist in companies that are dispersed over different locations. Such disconnect among branch locations can lead to generation of many other problems.

Employee might feel discriminated if they think that they are not being heard which can give rise to other problems. According to study conducted by Morrison, (2014) if decision making is only in the hands of management and employees are not being involved in the process then it can affect the operations and sales of the company. Employees have the desire of being heard at strategic level. Study found employee voice as an essential element for a company to remain innovative and productive. Employees should be given the opportunity of effectively communicating concerns and opinions in order to make improvements in the company.

Another employee problem discovered while going collecting secondary information is related to the concern over wearing uniforms. Evidence by Weil (2014) argued that at workplace uniforms are used for distinguishing employees working at different designations. There has been a debate over whether uniforms should be worn or not at workplaces. The study conducted a survey from employees and found that most employee don't like wearing uniforms because they think it takes away the opportunity of expressing themselves at work. Employees are of the view that uniforms are plain and they make the job look uninteresting. Some employees feel that uniforms are unflattering unless there is a high profile job where uniforms are made flattering. The study also revealed that uniforms play important role in organization as they are a mark of identification for customers to recognize employees of a particular company. Moreover, use of uniforms can save money and time as well as give a professional image.

Research Methods

The research being conducted for finding employee relation issues in Flagship store is qualitative. Such research is an interpretive and a naturalistic approach towards subject matter. The researchers of qualitative research can use different method for developing deep understanding about social realities of people and how people act in social world. Qualitative

data can be collected through documents, open-ended questionnaires, and ethnography and participant observation (Silverman, 2016). Qualitative researcher can use a range of methods for gathering empirical data that ranges from interview, cultural records, personal experience and using visual materials. The current research has used literature review as a source of gathering data. Literature review involves analysis of documents that consist of information regarding the problem being researched. Literature review for current research included looking at abstracts, dissertations, articles and research reports. Conducting literature review was appropriate for this research as it is well worth for effort and time. The main aim of literature review was to find data that is related to the topic. It helped in preventing unintentional duplication of some other researcher and provided deep insight related to employee relation issues. Qualitative research collected data from a variety of empirical data and the write findings for the research. The nature of qualitative research is descriptive and narrative and may benefit researcher as it allows examining data which might otherwise be unavailable and allows gaining deep insight. Data was collected from secondary sources of information that provided second-hand information of other researchers. The secondary sources of information explain, interpret and synthesize primary information (Johnston, 2017). It has described, evaluated and analyzed primary information sources. Data for the current research was collected through articles, books and organizational reports. The secondary sources of information were not analyzed directly instead its ideas were used for helping to formulate ideas of the current research.

Findings, Analysis & Discussion

Based on the secondary data collected in this report it can be said that pay dissatisfaction of employees is a major employee relation issue. It can be a major cause for decreased employee morale and poor work quality. Organizations cannot completely eliminate pay dissatisfaction yet

they can work for developing its management strategies (Deeba, et.al, 2015). It has been found that wage payment laws cover the issues if employees are being paid lower than minimum National wage, they are receiving pay infrequently and the manner in which they are being paid. The law also covers deductions in employee wages. Findings of the study indicate that redundancy is a job dismissal that can become an issue if not done properly. It usually occurs when organizations think of reducing the workforce. Based on the findings it can be said that organization in order to avoid problems of redundancy need to fulfill requirements of notice period, redundancy pay, consultation, option of moving to other job or giving time for finding another job. These can help organization in conducting redundancy in a fair manner. Findings suggest that sickness absence is a major issue in organizations particularly non-genuine sick leave that frustrates fellow workers who are required to provide sick cover. Employees have the benefit of paid sick leaves yet if sickness absence is at increased rate then there is probability that it is not genuine.

Findings of the current study indicate that if employees are not given the opportunity of sharing opinions and ideas then this can give rise to issues. It has been found that providing employee voice that is giving employees the chance to communicate their views can help employers in better understand of matters that are affecting the work. This also helps in establishing an open and trusting relationship between people and employers which is lead to organizational success. For organization providing employee voice can contribute towards improved productivity, overall organizational improvement and innovation. On the other hand, it also benefits employees as there is increased job satisfaction, improved opportunities for development and increased influence. Findings of the study suggest that these employee relation issues can be handled with effective application of laws. There is Equality Act 2010 that works for legally

protecting employee from being discriminated at workplace. This Act can help organization in covering major employment relations issues such as leaves, termination and other particular of employment (Hepple, 2014). This Act protects the employee payment and wages rights. Moreover it also covers cases related to unfair dismissal.

It has been analyzed that Flagship store is facing many employee relations issues majority of which are affecting the operations of the store. These problems are being faced in Bath and Manchester store that seem disconnected from the main office. Based on the findings of the study it can be said that issues of sickness absence, employee voice, communication problems, redundancy, dissatisfaction with payment and problems with wearing uniforms at affecting the store operations negatively. The issue of dissatisfaction with payment which is lower than minimum national wage can take the flagship store to court if it is not handled properly. Following the Equality Act the Flagship store should prevent any discrimination in paying all employees with payments that they are satisfied. Although employees get benefits yet still dissatisfaction with payments still remain an important concern. Sickness absence is also a major problem being faced by the Manchester store. Analyzing this problem based on findings it can be said that the store needs to implement policies or introduce a system that detects the false sick leaves taken by employees. The Equality Act has mentioned different policies using which Flagship can perform sickness management. Sales and inventory choice may vary from location to location and culture to culture. It is not necessary that products of main store will suit the appropriate for the purchasers of Manchester store. Thus, if employees are raising voice for making any improvements then main office must consider it. The communication problems between stores are also common that must be dealt by effective sharing of knowledge within and between organization's branches. The store is thinking of conducting redundancy, secondary

data findings suggest that store must do this by meeting requirements of fair dismissal otherwise they may be taken to court. As far as the problem of wearing uniforms is concerned, it can be said that organization may introduce uniforms for building professional image yet employees at flagship store are showing resistance towards this wearing uniforms. This problem can be handled by either conducting a survey from all store employees or clearly communicating employees why uniforms are important to wear for the store.

Conclusions & Recommendations

The Flagship store is facing employee relations issues which are directly affecting the operations of the store in main office as well as in branches. These employee issues consist of dissatisfaction with wages, redundancy, increased sickness absence, miscommunication among branches of the company, not taking employee views into consideration and lack of employee cooperation for wearing uniforms. It can be concluded that the issues related to wages and redundancy if not handled properly may take the store to court as there are laws and policies for handling such situations. The increased sickness absence in Manchester store is affecting daily operations of store as there are fewer employees for covering duties. The Flagship store needs to work for developing sickness management policies in order to sick pay abuse. The lack of communication among the main office and branches has to development of problem which indicates that the store is required to incorporate more effective means of communication so that information across branches is shared effectively. The store does not involves employees in decision making process related to store which is why the store is not able to place appropriate products matching purchaser needs. This is affecting store negatively which is why store needs to discover ways that encourage employee voice. Resistance towards wearing uniforms indicates

disagreement of Flagship store employees. This may require the store to either achieve agreement of employees or to eliminate the idea of wearing uniforms.

For avoiding facing wage violation and decreasing the possibility of employee dissatisfaction it is recommended to utilize self-service timekeeping software which allows employees to track and manage their schedules in effective manner. It can prevent unnecessary overtime and ensure that employees are being pay correctly according to their performance. The store must ensure that employee pay matches minimum national wage. Besides this, the company can introduce rewards and recognition. Employees may feel more satisfied if pay and benefits are provided in balanced manner (Dhayalan and Maran, 2015). The problem of unfair dismissal can be handled by ensuring that the store first prepares for the process of redundancy. The next step should be to fairly select people for redundancy. The selection criteria should be objective and treat every employee equally. The store is recommended to engage in individual consultation and provide notice of redundancy before finally dismissing employee.

In order to avoid issues of sickness absence the store is recommended to develop an absence policy that can help employees to understand rights and responsibilities related to sickness absence. Rules related to sick pay and leave should be made part of employment terms and conditions. The store has to legally fulfill the duty of informing employees regarding sick absence terms and conditions. The policy should include rules for notifying the managers regarding absence such as when fit notes and self-certificate forms are required and the requirement of return to work interviews. Policy should include how adjustments will be made for support employees when returning to work. For short term absence, store is recommended to introduce return-to-work interview for identifying problems, disciplinary procedures effectiveness when absence is unaccepted. Store can include methods for using absence data in

order to trigger pay restrictions and attendance reviews. Long term absence can be managed through involving occupational health professionals and regular reviews of sick employees. This can help store to handle sickness absence.

The problems of communication can be managed through conducting regular meeting with teams in the branch offices and using the phone system services more effectively. The store is recommended to make use of video conferencing for face timing that allows more effective communication. The employees in different locations can be connected through voice to email, three way calling and Follow Me to make workers feel that they working in the same office. The store is recommended to foster a culture of employee voice. This can be done by encouraging feedback and ideas of worker. Store can provide managers an agenda for briefing team that invites employee feedback and questions (Wilkinson, et.al, 2014). Knowledge about employee voice can be gained through conducting surveys from employees by using set of questions about issue being faced. Store is also recommended to evaluate the ideas of employees as they are the one who are in communication with real customers and understand their needs better. The Flagship store can the solve the problem of employee resistance towards the uniforms by clearly communication the importance of uniforms for kind of work they are doing and providing them knowledge about uniform as mark of store identification.

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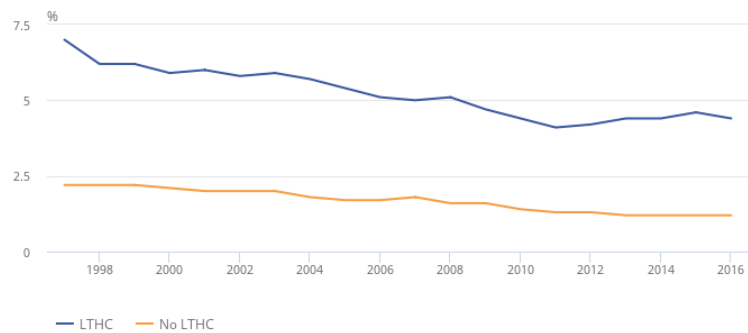
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Appendices

Figure 7. Sickness absence rate: by long-term health condition, UK, 1997 to 2016¹



Source: Labour Force Survey – Office for National Statistics