**Learning Outcomes:**

1. Understand, analyse and critically evaluate the importance of organisational-level employment relations processes that support organisational performance, including the design and implementation of policies and practices in the areas of: employee engagement; diversity management; employee communication, involvement and participation; negotiation and bargaining; conflict resolution; and change management and management control.
2. Understand, analyse and critically evaluate the importance of employment relations procedures that help mitigate organisational risk, including the design and implementation of policies and practices in the areas of discipline, grievance, dismissal and redundancy.
3. Understand, analyse and critically evaluate the integration of employment relations processes and how they impact on policy, practice and organisational outcomes such as performance and employee engagement.

**Assessment brief/activity**

Founded almost 100 years ago, Peddie’s is a family run book retailer that last year reported a gross profit of £7.8m.  A private limited company, Peddie’s traded for many years from one large store in central London (now known as the flagship store).  In recent years it has started an expansion programme, initially in London (a further four branches) but this has now extended to include Bath and Manchester.  With a positive cash flow and healthy reserves Peddie’s is well placed to expand further and continues to explore opportunities to open new branches.  Peddie’s has around 150 employees with 15 based in Manchester and 15 based in Bath.  Operating processes were established in the flagship store and have been implemented in other stores as employees from the flagship store moved to other branches as they opened. Almost all store management positions are filled through internal promotion ensuring that the culture of the flagship store is replicated in each branch.   Head Office staff which includes operations management, finance, marketing and HR are based in offices in the flagship store.

The reward package and terms and conditions for all employees are at or just above market rate for the sector and locations in which they are based.  Until recently booksellers received an hourly rate that was higher than the National Minimum Wage. However booksellers now receive the National Living Wage (regardless of age) and 28 days holiday (pro rota for part-timers).  Booksellers used to feel that their rate of pay was good and reflected the specialist stock knowledge required to offer good customer service.  They are disappointed that it was not increased when the NLW was introduced.  Full-time employees work 40 hours a week and statutory rates are paid for sickness absence and other types of leave such as maternity, paternity and adoption.  There are no bonuses but staff discount of 30% is given on all staff purchases.  In return for these terms and conditions high standards of customer service are expected. These high standards are of great importance to Peddie’s as this a key differentiator from its competitors.

The HR function is fairly small with a newly appointed HR advisor and an HR administrator.  Typically involved in transactional activities, this small department originally dealt with all recruitment and selection for the flagship store along with sickness absence, discipline and grievance and appraisals.  The HR advisor has quickly become aware that the limited HR processes that were put in place to manage one store may not be suitable for multi-site operations.  She is particularly concerned about a number of areas and has sought your advice.  You agree to help and to provide a report that covers the following areas of concern:

* Dissatisfaction with pay that is no longer higher than statutory minimums.
* The Manchester store, although very successful in the first three months of trading (October to December) has not lived up to expectations in the following quarter. It trades in a shopping centre and must comply with opening hours of 9:00am to 8:00pm Monday to Saturday and 11:00am to 5:00pm on Sundays. The operating costs must be cut which will mean reducing headcount. She wonders if you know of any creative solutions for the equitable handling of redundancy. The majority of employees were new to the company when the branch opened but a couple of employees transferred from other branches.
* Sickness absence is also quite high in the Manchester store. Two members of staff have not had any time off sick in the five months since the store opened but all other members of staff have with total sickness ranging from four days to 35 days. Co-workers are starting to feel disgruntled at having to provide sickness cover on their days off. This is paid at the standard rate of pay or can be taken as time in lieu in the future. Staff are also finding that it has become difficult to take breaks as this leaves colleagues, who have become friends, short staffed.
* Communication at all levels within the flagship store is largely face-to-face whereas the other branches receive email updates via the branch manager. In the flagship store the owners of the business are visible and ‘floor walk’ at least once a week. One of the employees from the Bath store recently attended an interview for a position at the flagship store and it became apparent that he did not know about a range of organisational matters such as latest financial results and a new marketing campaign that were common knowledge in the flagship store.
* Furthermore, employees at the Manchester and Bath stores feel that they do not have a voice. For example, operational decisions are being made about the stores by family members based in London who do not understand that the market for books is different in their location. As a result, some titles are stocked in quantities that cannot be sold whereas other titles sell out before replacement stock arrives.
* Following the trial of a staff uniform at the Bath branch, the owners have decided that the uniform will be introduced in all branches. The 15 employees at the Bath branch have been required to wear a uniform and a staff badge since opening one year ago. The employees at the flagship store are particularly unhappy about this as they feel it is not necessary and takes away their choice to wear clothes that they like and instead have to wear a shirt that they feel is unflattering and uncomfortable to wear (too hot in summer and too cold in winter). The owners are quite surprised that there is resistance to wearing a uniform and cannot understand why anyone would object to this decision.

Write a report of 3000 words which you:

1. Critically analyse the key employment relations issues that need to be addressed in the short and long term.
2. Produce recommendations to address the issues that you have identified. You should use research evidence and your knowledge of organisational practice to support your recommendations. Consideration should also be given to possible implementation issues and/or tensions.