

FACTS SHEET – October 2002

Employment & Termination

Industrial Relations is an area which is easily cast aside by the small business owner - until it is too late. The following is a simple, but not exhaustive, list of common issues which ought to be considered.

Awards and Contracts

Even though enterprise bargaining is the key to industrial reform, the employer must still determine responsibilities as outlined in a state or federal award or agreement that covers their industry.

If there does not exist an award specific to your industry, then employment contracts should be entered into to ensure clarity exists as to the terms and conditions of employment. For example, the contract should state the position, basis of employment, period of probation, remuneration, leave entitlements, wage review details, notice to terminate etc.

Employment Performance

It is paramount that documentation exists to identify the duties that the employee is required to complete as well as your expectation of performance. A job description is not only a means of identifying expectations, it also extends to monitoring employment performance. This way the employee knows exactly what is required of them.

If there is a problem, a statement should be provided to the employee indicating what the employee has done or failed to do. It is essential that the employee be given the opportunity to defend themselves against the allegations made.

Consider implementing an induction checklist of employment when hiring. This checklist could include:

- Has the award been reviewed? / Has the employee signed an employment agreement?
- Has the employee been advised of the conditions of employment and the responsibilities of the position?
- Has the employee been shown around the office / factory so as to familiarise them with the work environment and introduced to their workmates?
- Has the employee been given the opportunity to ask questions of what is expected of them before they commence their work?
- Has the above been documented and co-signed by the employee?

Termination

The fear with termination is the threat by the employee of unfair dismissal. However, the threat can be minimised by ensuring that the award or contract has been followed, the employee's performance has been monitored and recorded and that the employee has been given the opportunity to mend their ways before any action is taken.

Condoned Behaviour

If such a monitoring of employees is not in place, then failing to act when an employee's conduct or performance is unsatisfactory may be taken as condoning the action of the employee!

This may make the dismissal of that employee at a latter date difficult if it was for the same reason.

Consider a Probationary Period

It is recommended to adopt this procedure in the employment of any staff member. It will allow you to properly assess the performance of that employee without fully committing to their services. Look to the award to see if it mentions such a period. If there is no award then the contract should state the period. Remember, the period must be reasonable, that is, a time to allow you to properly assess their performance, to allow the employee in turn to assess the firm.

Important: *The information contained in this Facts Sheet is not advice. Many of the comments in this Facts Sheet are general in nature and anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation and the information's applicability to their particular circumstances. Also please note that changes to legislation may occur quickly.*

For more information, or if you would like assistance, please contact Farmilo & Co.

Tel (02) 9630 6744
Fax (02) 9890 5862
Email farmilo@ros.com.au