

# Chapter 01 Testbank

Student: \_\_\_\_\_

1. Employment relations primarily concerns the study of:
  - A. trends in employment.
  - B. organisations with employees from the same family.
  - C. the employment relationship.
  - D. None of the options given here is correct
  
2. Which of the following descriptions have become associated with the term 'industrial relations'?
  - A. Conflictual and collectivist
  - B. Harmonious
  - C. Sensational and dramatic
  - D. Both conflictual and collectivist, and sensational and dramatic
  
3. According to the institutionalist theoretical tradition, employment relations is best described as:
  - A. the study of new institutions and their impact on relationships at work.
  - B. the study of informal relationships at work.
  - C. the study of formal rules governing employment standards, and the processes by which such rules are determined.
  - D. the study of informal and formal rules regulating the employment relationship, and the social processes that create and enforce these rules.
  
4. The vitality and relevance of industrial relations has been undermined by:
  - A. the traditional preoccupation with the study of trade unions.
  - B. the traditional preoccupation with collective bargaining.
  - C. the decline in union membership and power.
  - D. All of the options given here are correct.
  
5. What are the two main ways to separate the different theoretical approaches to the study of the employment relationship?
  - A. Analytical tools and ideological perspectives
  - B. Analytical tools and theoretical perspectives
  - C. Critical approaches and ideological perspectives
  - D. Critical approaches and theoretical perspectives

6. Identify the key analytical tools and ideological perspectives of the neo-classical economics approach to the employment relationship.
  - A. Class struggle and control within the labour process and the radical ideological perspective
  - B. The organisational leadership and policies required to satisfy the psychological needs to employees and the unitarist ideological perspective
  - C. Rational economic decisions by individuals based on market prices and the egoist ideological perspective
  - D. The rules that regulate the employment relationship and the pluralist ideological perspective
7. Briefly explain the proposed solutions for the decline in the vitality and relevance of industrial relations.
8. While neo-classical economists privilege the 'market transaction' aspects of the employment relationship, what ideological perspective do they take?
9. What is meant by the 'indeterminacy' of the employment relationship?



13. What does the term 'employment relations' mean?

14. When is an employment relationship created?

15. Identify and briefly discuss the two analytically separate steps in the realisation of the employment relationship.

16. Despite the sensational, collectivist and conflictual interpretation of industrial relations, the reality is quite different. Discuss.
17. A production relation in an employment relationship is defined as:
- A. a collective agreement struck between an employee and an employer.
  - B. the ongoing and ever-changing relationship between an employee and an employer in respect of the circumstances under which the work is performed.
  - C. the quota required by the employer for the production of goods or services per unit of employee time.
  - D. an agreement between the employer and the employee about the use of technology within the workplace.
18. What constitutes a market transaction in the context of the employment relationship?
- A. A negotiated agreement between two employees of the same employer
  - B. An expectation by the seller of labour that the purchaser will provide that job into the future
  - C. An agreement between the seller of labour and the purchaser of labour, with a focus on price and conditions
  - D. An agreement between two separate businesses where one will purchase the other
19. There are two main ways to separate the different theoretical approaches to the study of the employment relationship. Provide examples.

20. What is the key underlying rationale of the 'employment relations' approach to understanding the employment relationship?

# Chapter 01 Testbank Key

1. Employment relations primarily concerns the study of:

- A. trends in employment.
- B. organisations with employees from the same family.
- C.** the employment relationship.
- D. None of the options given here is correct

AACSB: Communication  
Bloom's: Knowledge  
Difficulty: Easy

Learning Objective: 1.1 Discuss why the study of employment relations is important  
Topic: The nature of the employment relationship

2. Which of the following descriptions have become associated with the term 'industrial relations'?

- A. Conflictual and collectivist
- B. Harmonious
- C. Sensational and dramatic
- D.** Both conflictual and collectivist, and sensational and dramatic

AACSB: Analytic  
Bloom's: Knowledge  
Difficulty: Easy

Learning Objective: 1.2 Distinguish between the 'commonsense' definition of industrial relations and the 'theoretically informed' definition of employment relations  
Topic: Industrial relations and employment relations

3. According to the institutionalist theoretical tradition, employment relations is best described as:

- A.** the study of new institutions and their impact on relationships at work.
- B. the study of informal relationships at work.
- C. the study of formal rules governing employment standards, and the processes by which such rules are determined.
- D. the study of informal and formal rules regulating the employment relationship, and the social processes that create and enforce these rules.

AACSB: Communication  
Bloom's: Analysis  
Difficulty: Medium

Learning Objective: 1.3 Explain the open-ended and indeterminate nature of the employment relationship  
Topic: The nature of the employment relationship

4. The vitality and relevance of industrial relations has been undermined by:

- A. the traditional preoccupation with the study of trade unions.
- B.** the traditional preoccupation with collective bargaining.
- C. the decline in union membership and power.
- D. All of the options given here are correct.

AACSB: Analytic  
Bloom's: Comprehension  
Difficulty: Hard

Learning Objective: 1.2 Distinguish between the 'commonsense' definition of industrial relations and the 'theoretically informed' definition of employment relations

5. What are the two main ways to separate the different theoretical approaches to the study of the employment relationship?

- A. Analytical tools and ideological perspectives
- B. Analytical tools and theoretical perspectives
- C. Critical approaches and ideological perspectives
- D. Critical approaches and theoretical perspectives

AACSB: Communication

Difficulty: Hard

Learning Objective: 1.2 Distinguish between the 'commonsense' definition of industrial relations and the 'theoretically informed' definition of employment relations

Topic: Industrial relations and employment relations

6. Identify the key analytical tools and ideological perspectives of the neo-classical economics approach to the employment relationship.

- A. Class struggle and control within the labour process and the radical ideological perspective
- B. The organisational leadership and policies required to satisfy the psychological needs to employees and the unitarist ideological perspective
- C. Rational economic decisions by individuals based on market prices and the egoist ideological perspective
- D. The rules that regulate the employment relationship and the pluralist ideological perspective

AACSB: Analytic

Bloom's: Analysis

Difficulty: Medium

Learning Objective: 1.4 Define rules and their role in the employment relationship

Topic: Industrial relations and employment relations

7. Briefly explain the proposed solutions for the decline in the vitality and relevance of industrial relations.

There appears to be considerable agreement over the most appropriate solution among those sympathetic to industrial relations. Most commentators accept that the field of industrial relations should take account of the wider aspects of the employment relationship or, as Kaufman (1993, p. 194) states, the nexus of 'institutions, practices and outcomes associated with the world of work'. In Britain, Blyton and Turnbull (1994, p. 28) noted and supported a focus on all employment relationships, and not merely the ones involving unionised male manual workers in manufacturing. In the Australian context, Lansbury (1995) argued that the subject has been defined too narrowly, partly because of a preoccupation with the distinctiveness of the arbitration system, and recommended that scholars locate their analysis of workplace relations within a wider international context.

AACSB: Communication

Bloom's: Synthesis

Difficulty: Medium

Learning Objective: 1.2 Distinguish between the 'commonsense' definition of industrial relations and the 'theoretically informed' definition of employment relations

Topic: Industrial relations and employment relations

Topic: The nature of the employment relationship



8. While neo-classical economists privilege the ‘market transaction’ aspects of the employment relationship, what ideological perspective do they take?

On the surface, the market focus of neo-classical economics—or what Budd and Bhav (2008, pp. 102–3) call the ‘egoist’ theory of the employment relationship—might appear to be value-free because it leaves employees free to negotiate with their employers individual contracts of employment, which represent mutually agreeable terms and conditions of employment. However, this appearance is actually deeply ideological because it relies on an assumption that ‘workers and employers are equal in terms of economic power, legal expertise protections, and political influence’ (Budd & Bhav 2008, p. 103)—an assumption that rarely occurs in reality. Furthermore, it assumes maximum value will flow from employees acting as individuals, rendering collective organisations (like trade unions) both unnecessary and undesirable. Consequently, the values underlying neoclassical economics are widely considered to favour employers because they generally enjoy greater market, political and legal power than employees.

*AACSB: Analytic  
Bloom's: Analysis  
Difficulty: Medium*

*Learning Objective: 1.4 Define rules and their role in the employment relationship  
Learning Objective: 1.5 Provide examples of employment relations situations and events  
Topic: The distinctiveness of employment relations*

9. What is meant by the ‘indeterminacy’ of the employment relationship?

Indeterminacy refers to the open-endedness of the employment relationship. According to the neo-institutionalist approach, it is this indeterminacy that is the potential source of conflict in the workplace.

*AACSB: Analytic  
Bloom's: Analysis  
Difficulty: Hard*

*Learning Objective: 1.3 Explain the open-ended and indeterminate nature of the employment relationship  
Learning Objective: 1.5 Provide examples of employment relations situations and events  
Topic: The nature of the employment relationship*

10. Identify and briefly discuss the dominant analytical tools and key ideological perspective of the HRM approach to the employment relationship.

The dominant approach within HRM has employed analytical tools associated with psychology and organisational behaviour, combined with an emphasis on strategy and the ‘strategic fit’ between an organisation’s human resource strategy and its broader business strategies. Ideologically, HRM is based on conservative, pro-management values. Employees and employers are assumed to have deep common interests—employees and managers will both benefit from the achievement of organisational goals—provided that managers adopt the appropriate leadership styles and organisational policies.

*AACSB: Reflective thinking  
Bloom's: Analysis  
Difficulty: Medium*

*Learning Objective: 1.4 Define rules and their role in the employment relationship  
Learning Objective: 1.5 Provide examples of employment relations situations and events  
Topic: The distinctiveness of employment relations*

11. Why has the term 'industrial relations' increasingly been replaced with 'employment relations'?

Industrial relations is seen as too closely associated with a narrow concern with unions and collective bargaining rather than more broadly about the interaction of people and organisations at work.

*AACSB: Communication*

*Bloom's: Analysis*

*Difficulty: Easy*

*Learning Objective: 1.2 Distinguish between the 'commonsense' definition of industrial relations and the 'theoretically informed' definition of employment relations*

*Topic: Industrial relations and employment relations*

12. The Marxist approach assumes the ownership and means of production are centred on class relations, but how might this radical ideology influence the employment relationship?

Employees and employers are assumed to have few common interests because the inherent structure of capitalist organisations is so unequal. Anything that benefits the employers will only succeed in better controlling workers and achieving profits and capital accumulation for employers. Independent, collective representation of workers is seen as vital, although trade unions are considered by many Marxists as insufficient because they are limited to negotiating for their members minor improvements in terms and conditions of employment. Revolutionary change led by political parties—thereby creating a more equal society—is required, rather than trade unions in the workplace.

*AACSB: Reflective thinking*

*Bloom's: Evaluation*

*Difficulty: Hard*

*Learning Objective: 1.4 Define rules and their role in the employment relationship*

*Learning Objective: 1.5 Provide examples of employment relations situations and events*

*Topic: Industrial relations and employment relations*

13. What does the term 'employment relations' mean?

Employment relations can be defined very generally as 'the study of the employment relationship'—that is, we are focusing on people at work rather than at home or on the sporting field, or the clinical aspects of being treated for an illness.

*AACSB: Reflective thinking*

*Bloom's: Comprehension*

*Difficulty: Hard*

*Learning Objective: 1.4 Define rules and their role in the employment relationship*

*Learning Objective: 1.5 Provide examples of employment relations situations and events*

*Topic: Industrial relations and employment relations*

14. When is an employment relationship created?

Whenever one person sells his or her labour to another person or organisation and thereby works on behalf of that other person or organisation.

*AACSB: Communication*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 1.3 Explain the open-ended and indeterminate nature of the employment relationship*  
*Learning Objective: 1.5 Provide examples of employment relations situations and events*  
*Topic: The nature of the employment relationship*

15. Identify and briefly discuss the two analytically separate steps in the realisation of the employment relationship.

The two steps are ‘market transaction or exchange’ and the ‘production relationship’. The ‘market transaction’ occurs when an employee agrees to work for the employer and the employer agrees to pay the employee a wage in return for his or her work. The ‘production relationship’ is within the workplace, whereby employers must ensure that employees deliver on their agreements by working as hard as promised or with the promised skills when they enter the workplace. At its most simple, employers not only pay wages but they must also manage employees in such a way to ensure they ‘get their money’s worth’ and the employees ‘get things done’.

*AACSB: Communication*  
*Bloom’s: Analysis*  
*Difficulty: Medium*

*Learning Objective: 1.3 Explain the open-ended and indeterminate nature of the employment relationship*  
*Learning Objective: 1.5 Provide examples of employment relations situations and events*  
*Topic: The distinctiveness of employment relations*

16. Despite the sensational, collectivist and conflictual interpretation of industrial relations, the reality is quite different. Discuss.

The reality is that the vast bulk of industrial relations consists of routine, everyday actions and practices within workplaces rather than the drama of strikes and confrontations taking place in courtrooms or as portrayed in the media. The latter are, in fact, rare events. While collective action by groups of employees seeking to promote and protect their wages and working conditions is an important part of industrial relations, it is by no means the whole story. The absence of a trade union or collective action by employees does not mean that industrial relations will suddenly disappear. Individual employees are constantly negotiating with their fellow workers and supervisors over new patterns of behaviour within the workplace or over compliance with existing rules—the relations between individual employees and managers and within non-union workplaces have long been important topics in the study of industrial relations. Finally, the everyday world of industrial relations is dominated by routine cooperation rather than conflict.

*AACSB: Communication*  
*Bloom’s: Analysis*  
*Difficulty: Hard*

*Learning Objective: 1.2 Distinguish between the ‘commonsense’ definition of industrial relations and the ‘theoretically informed’ definition of employment relations*  
*Topic: Industrial relations and employment relations*

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- A. a collective agreement struck between an employee and an employer.
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*AACSB: Communication*  
*Bloom’s: Knowledge*  
*Difficulty: Easy*

*Learning Objective: 1.3 Explain the open-ended and indeterminate nature of the employment relationship*  
*Topic: The nature of the employment relationship*

18. What constitutes a market transaction in the context of the employment relationship?

- A. A negotiated agreement between two employees of the same employer
- B. An expectation by the seller of labour that the purchaser will provide that job into the future
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*AACSB: Communication*

*Bloom's: Knowledge*

*Difficulty: Easy*

*Learning Objective: 1.3 Explain the open-ended and indeterminate nature of the employment relationship*

*Learning Objective: 1.5 Provide examples of employment relations situations and events*

*Topic: The nature of the employment relationship*

19. There are two main ways to separate the different theoretical approaches to the study of the employment relationship. Provide examples.

In any discussion of employment relations, it is important to recognise first that there are different analytical tools used to determine a specific approach and, second, that there are underlying values associated with each of these different tools. For example, the human resources approach considers the employment relationship with a focus on organisational leadership and policies required to satisfy the psychological needs of employees (analytical approach) and has unitarist values. On the other hand, the neo-classical economic approach is concerned with the rational economic decisions by individuals based on market exchange and this relies heavily on the belief (value) that workers and employers are equal in terms of economic power, legal expertise and protections, and political influence.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 1.4 Define rules and their role in the employment relationship*

*Learning Objective: 1.5 Provide examples of employment relations situations and events*

*Topic: The nature of the employment relationship*

20. What is the key underlying rationale of the 'employment relations' approach to understanding the employment relationship?

Employment relations, the fourth approach, adopts a different set of analytical tools that flow from an 'institutionalist' theoretical tradition (for more detail, see Chapter 2). This assumes that the attitudes and behaviours of employees and employers can best be understood by focusing on the 'rules' that regulate the employment relationship. In other words, rather than assuming that individual employees and employers are driven by rational economic decisions based on market forces (neo-classical economics) or by organisational policies that align the psychological motivations with organisational goals (HRM), employment relations assumes that the attitudes and behaviours of both parties are heavily influenced by social norms and expectations, especially those within the workplace.

*AACSB: Analytic*

*Bloom's: Comprehension*

*Difficulty: Medium*

*Learning Objective: 1.4 Define rules and their role in the employment relationship*

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## Chapter 01 Testbank Summary

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Bloom's: Knowledge	5
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Difficulty: Easy	6
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