

Chapter 7 - Management Accounting:

Step 1: Calculate Working Days, Total Hours, and Salary per Hour

1. **Total Working Days in a Year:** 260 days
2. **Total Hours Worked by Each Technician:**
Total Working Hours = 260 days * 8 hours = 2080 hours
3. **Salary per Hour:**
Salary per Hour = Total Salary / Total Hours
= £30,000 / 2080 ≈ £14.42

1. Direct Cost Calculation (Without Overhead)

Using **direct cost** only, calculate the cost for each model:

Direct Cost = Cost of Components + (Technician Time * Salary per Hour)

Calculations:

- **Basic Model:**
 $£200 + (10 * 14.42) = £344.20$
- **Advanced Model:**
 $£300 + (12 * 14.42) = £473.04$
- **Professional Model:**
 $£400 + (15 * 14.42) = £616.30$

2. Overhead Allocation Methods

(a) Uniform Overhead Distribution

1. **Overhead per Sale:**
Overhead per Sale = Total Overhead / Total Expected Sales

Total Expected Sales = 200 (Basic) + 100 (Advanced) + 50 (Professional) = 350 units

Overhead per Sale = 63,500 / 350 = £181.43

2. **Add Overhead per Sale to Direct Cost:**
Total Cost = Direct Cost + Overhead per Sale

Calculations:

- **Basic Model:**
 $344.20 + 181.43 = £525.63$
- **Advanced Model:**
 $473.04 + 181.43 = £654.47$
- **Professional Model:**
 $616.30 + 181.43 = £797.73$

(b) Proportional to Productive Hours Involved

1. New Total Hourly Cost:

New Total Hourly Cost = (Salary / Total Hours) + (Total Overhead / (No. of Technicians * Total Hours))

Total Hours for Technicians = 3 * 2080 = 6240 hours

Overhead per Hour = 63,500 / 6240 = 10.18

New Total Hourly Cost = 14.42 + 10.18 = £24.60

2. Recalculate Direct Cost with New Hourly Rate:

Direct Cost = Cost of Components + (Technician Time * New Total Hourly Cost)

Calculations:

- **Basic Model:**
 $200 + (10 * 24.60) = £446.00$
- **Advanced Model:**
 $300 + (12 * 24.60) = £595.20$
- **Professional Model:**
 $400 + (15 * 24.60) = £769.00$

(c) Proportional to Total Sales

1. Calculate Total Sales for Each Model:

Sales per Model = Direct Cost * Expected Sales

Using direct cost without overhead:

- **Basic Model:**
 $344.20 * 200 = £68,840$
- **Advanced Model:**
 $473.04 * 100 = £47,304$
- **Professional Model:**
 $616.30 * 50 = £30,815$

Total Sales = 68,840 + 47,304 + 30,815 = £146,959

2. Calculate Overhead Proportion Factor:

Proportion Factor = (Total Overhead / Total Sales) + 1

Proportion Factor = (63,500 / 146,959) + 1 ≈ 1.43

3. Final Cost for Each Model:

Multiply the direct cost by the proportion factor:

- **Basic Model:**
 $344.20 * 1.43 = £492.21$
- **Advanced Model:**
 $473.04 * 1.43 = £676.44$

○ Professional Model:

$$616.30 \times 1.43 = \text{£}881.31$$

4. Summary Table for Comparison

Model	Direct Cost (Without Overhead)	Uniform Overhead	Productive Hours Overhead	Proportional to Sales
Basic	£344.20	£525.63	£446.00	£492.21
Advanced	£473.04	£654.47	£595.20	£676.44
Professional	£616.30	£797.73	£769.00	£881.31

Chapter 8 - Time Value of Money:

Q3

Years	Development Cost	Maintenance Cost	Sales & Marketing Expense	Net Sales (Revenue)	Discount Factor
0	10,500	0	10,000	0	1
1	55,125	0	21,000	\$5,000	0.9091
2	0	38,588	22,050	\$10,000	0.8264
3	0	40,517	23,153	\$20,000	0.7513
4	0	42,543	24,310	\$40,000	0.6830

Net Cash Flow = ? Net Cash Flow = Revenue - (Dev. + Maint. + Sales & Marketing exp.)

NPV = ?

Cumulative PV (from Y0 - Y4) = ?

Net Cash Flow:

Year 0: $0 - (10,500 + 0 + 10,000) = -20,500$

Year 1: $5,000 - (55,125 + 0 + 21,000) = -71,125$

Year 2: $10,000 - (0 + 38,588 + 22,050) = -50,638$

Year 3: $20,000 - (0 + 40,517 + 23,153) = -43,670$

Year 4: $40,000 - (0 + 42,543 + 24,310) = -26,853$

PRESENT VALUE (PV): $PV = \text{Cashflow} \times D.F$

Year 0: $-20,500 \times 1 = -20,500$

Year 1: $-71,125 \times 0.9091 = -64,659.7375$

Year 2: $-50,638 \times 0.8264 = -41,847.2432$

Year 3: $-43,670 \times 0.7513 = -32,809.271$

Year 4: $-26,853 \times 0.6830 = -18,340.599$

Cumulative PV will be:

$$Y_0 = -20,500$$

$$Y_1 = -20,500 + (-64,659.7375) = -85,159.7375$$

$$Y_2 = -41,847.2432 + (-85,159.7375) = -127,006.9807$$

$$Y_3 = -32,809.271 + (-127,006.9807) = -159,816.2517$$

$$Y_4 = -18,340.599 + (-159,816.2517) = -178,156.8507$$

NPV: Add All the PV from Y0 to Y4

$$NPV = -20,500 - 64,659.7375 - 41,847.2432 - 32,809.271 - 18,340.599$$

$$NPV = -178,156.8507$$

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CASE STUDY #02

Imagine you're analyzing a company expected to generate cash flows over the next five years. The projected cash flows (in nominal terms, i.e., not adjusted for inflation) are as follows:

- Year 1: \$100,000
- Year 2: \$110,000
- Year 3: \$120,000
- Year 4: \$130,000
- Year 5: \$140,000

Assume an annual inflation rate of 3%. Your discount rate is 8%. Calculate the NPV with and without inflation?

1) WITHOUT INFLATION (NOMINAL CASH FLOWS):

$$PV = \frac{C}{(1+r)^t}$$

C = Cash flow at year t
r = discount rate
t = year

PV₁ at Year 1 = $\frac{100,000}{(1+0.08)^1} = 92,592.59$

PV₂ at Year 2 = $\frac{110,000}{(1+0.08)^2} = 94,307.27$

PV₃ at Year 3 = $\frac{120,000}{(1+0.08)^3} = 95,259.86$

PV₄ at Year 4 = $\frac{130,000}{(1+0.08)^4} = 95,553.88$

PV₅ at Year 5 = $\frac{140,000}{(1+0.08)^5} = 95,281.64$

Nominal NPV = PV₁ + PV₂ + PV₃ + PV₄ + PV₅

Nominal NPV = 472,995.24

2) WITH INFLATION (Real Cash Flows)

$$\text{Real Cash Flow} = \frac{\text{Nominal Cash Flow}}{(1+i)^t}$$

PV₁ at Year 1 = $\frac{92,592.59}{(1+0.03)^1} = 89,895.71$

PV₂ at Year 2 = $\frac{94,307.27}{(1+0.03)^2} = 88,893.64$

PV₃ at Year 3 = $\frac{95,259.86}{(1+0.03)^3} = 87,176.26$

PV₄ at Year 4 = $\frac{95,553.88}{(1+0.03)^4} = 84,898.38$

PV₅ at Year 5 = $\frac{95,281.64}{(1+0.03)^5} = 82,190.77$

Adjusted NPV = PV₁ + PV₂ + PV₃ + PV₄ + PV₅

Adjusted NPV = 433,054.76

Case Study 3 Part 2

Problem Statement: Let's analyze a decision to either buy or rent a piece of equipment, say a high-quality camera, using a Discounted Cash Flow (DCF) analysis.

NPV with inflation adjustment at 3% and discount rate 8%

Calculations for buying the Camera

Year	Actual Cash flow	Inflation adjusted Cash flow	Discounted Cash flow
0	-1500	-1500	-1500
1	-100	-97.08	-89.88
2	-100	-94.25	-80.80
3	-100	-91.51	-72.64
4	-100	-88.84	-65.30
5	500	431.30	293.53

$$NPV = -1515.12$$

Calculations for renting the Camera

Year	Actual Cash flow	Inflation adjusted Cash flow	Discounted Cash flow
1	-400	-388.35	-359.58
2	-400	-377.04	-323.25
3	-400	-366.06	-290.59
4	-400	-355.44	-261.26
5	-400	-345.04	-234.82

$$NPV = -1469.5$$

Using the aforementioned calculations, we can deduce that renting the camera will be cheaper than buying it.

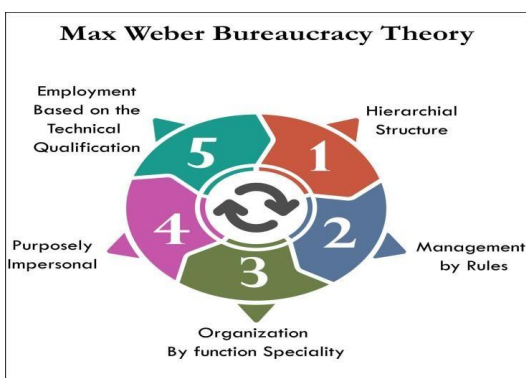
Chapter 9 - Organisational Structure:

1. Organizational Structure and Management Overview

- **Definition:** Examines how organizations are structured, focusing on various models, their advantages, and disadvantages.
- **Purpose:** Structures impact effectiveness, adaptability, and goal alignment.

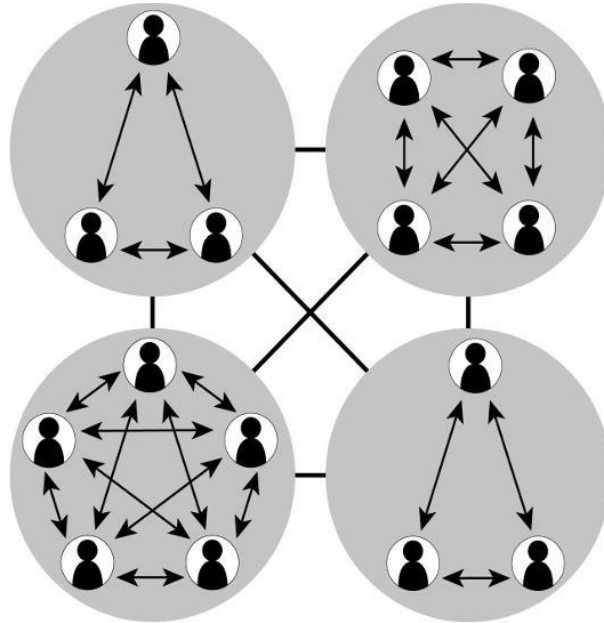
2. Bureaucratic Management Theory by Max Weber

- **Key Points:**
 - **Formal, Rational Systems:** Bureaucracies function with clearly defined rules and procedures.
 - **Specialization and Hierarchy:** Each position has specified roles, creating a structured hierarchy.
 - **Trained Workforce:** Employees are well-prepared to handle their specific roles.
 - **Managerial Dedication and Impartiality:** Management is focused on fairness and rationality.
- **Advantages:**
 - Efficiency in handling large organizations.
 - Rational approach reduces personal bias.
- **Disadvantages:**
 - It can lead to rigidity, limiting flexibility and adaptability.



3. Organic Organizations

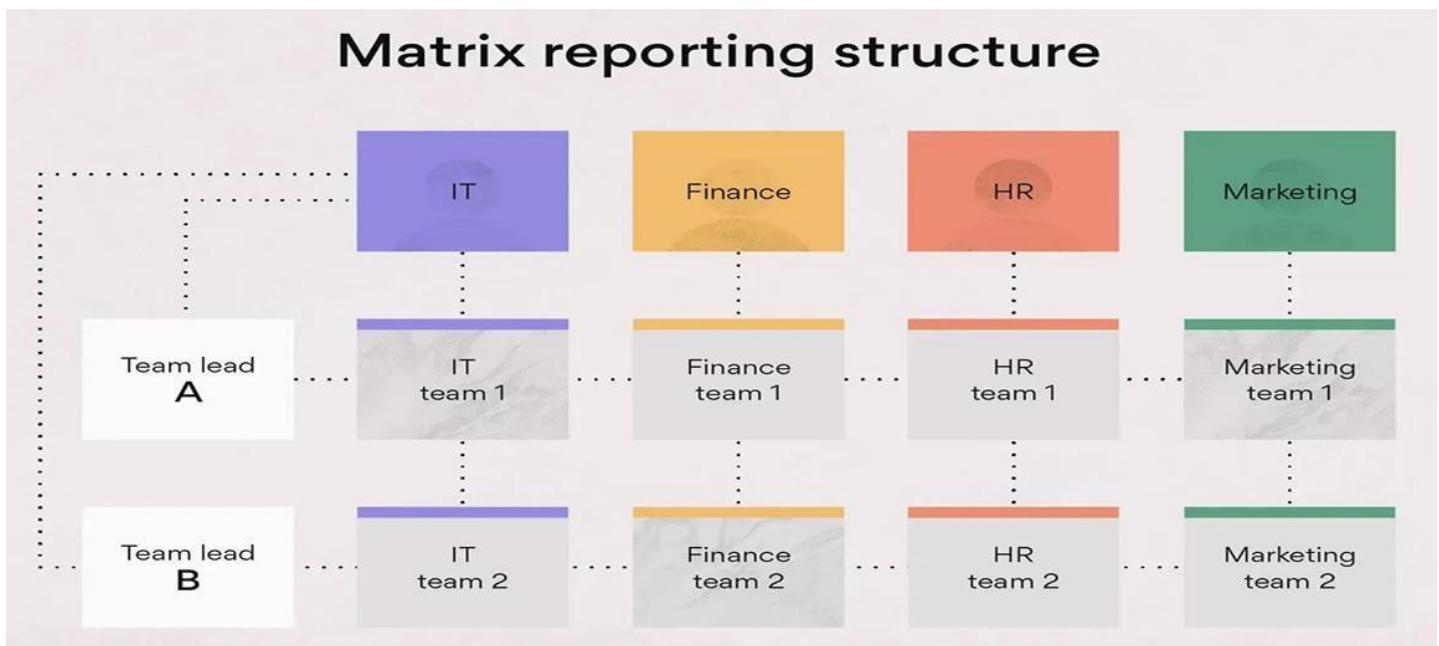
- **Characteristics:**
 - **Low Formality:** Limited rules allow for flexibility and innovation.
 - **Decentralized Decision-Making:** Empowered employees can adapt quickly to changes.
 - **Cross-Functional Teams:** Enhanced collaboration across departments.
- **Ideal Environment:** Suitable for dynamic, fast-paced industries where quick adaptation is necessary.



4. Matrix Management

- **Structure:**
 - **Dual Reporting:** Employees report to both a project manager and a department head.
 - **Open Communication:** Enhances coordination across teams, fostering innovative solutions.
- **Benefits:**
 - Promotes resource sharing across departments.
 - Efficient for companies launching frequent projects.
- **Challenges:**
 - Potential for role conflict due to dual reporting.

- o Complexity in management.



5. Structuring Principles

- Organizational tasks can be grouped through various structural principles:
 - o **Structure by Function:** Departments like marketing, finance, etc., focus on specific operational areas.
 - o **Structure by Geography:** Regions operate as distinct entities, accommodating local variations.
 - o **Structure by Product Line:** Teams organized around specific products, enabling focus on product-specific needs.
 - o **Structure by Market Sector:** Organized by customer segments, focusing on market demands.
 - o **Structure by Technology:** Aligns teams with technological needs, aiding in specialized technical support.

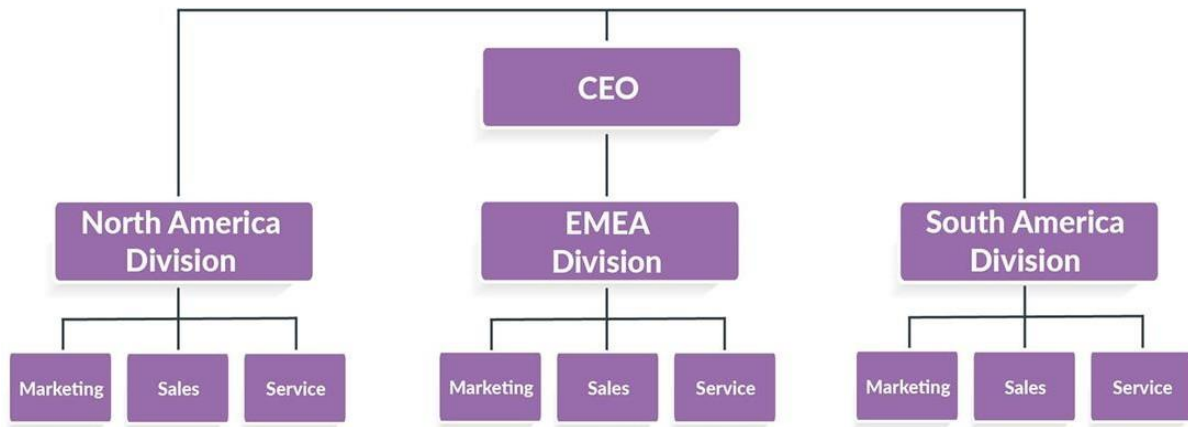
5.1. Structure by Function

- **Concept:** Segregates organizations into specialized departments.
- **Advantages:**
 - o Allows employees to focus on their areas of expertise.
 - o Suitable for larger, growing organizations.
- **Examples:** Procter & Gamble, Ford initially adopted this model.



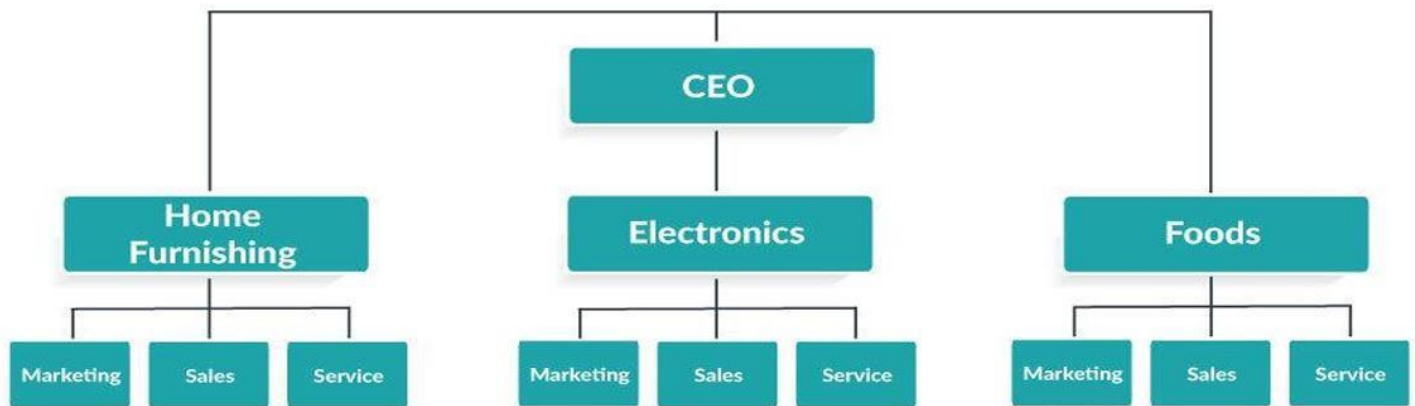
5.2. Geographical Organizational Structure

- **Setup:** Organizes operations based on geographic regions.
- **Advantages:**
 - o Addresses regional preferences and market demands.
 - o Decentralizes decision-making to adapt to local needs effectively.



5.3. Product-Based Organizational Structure

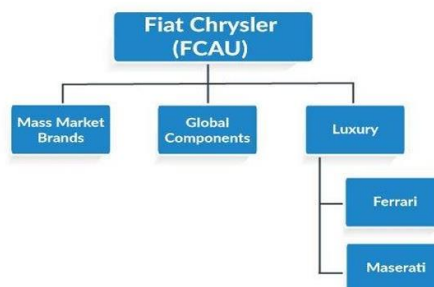
- **Description:** Division around specific products or product lines.
- **Benefits:**
 - Allows teams to specialize based on product needs.
 - Ideal for companies with varied product lines, addressing each product's unique requirements.



5.4. Structure by Market Sector

- **Concept:** Centers the organization around customer needs and market trends.
- **Advantages:**
 - Focus on customer satisfaction and adaptability to market changes.
- **Ideal for:** Businesses with distinct market segments and specific customer preferences.

Fiat Chrysler (before Maserati spinoff)

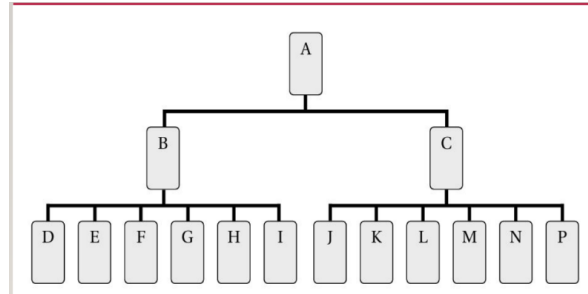
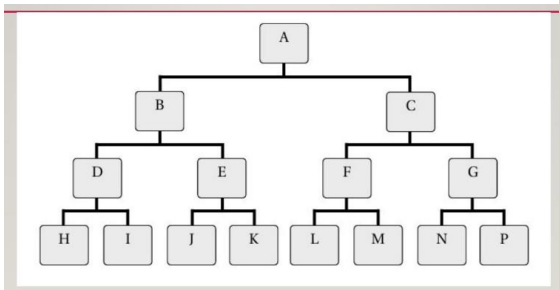


5.5. Depth of Structure

- **Definition:** Refers to the number of hierarchical layers within an organization.

- **Considerations:**

- **Span of control:** Determines the number of people reporting to a manager.
- The depth impacts communication and decision-making efficiency.



5.6. Centralization vs. Decentralization

- **Centralization:**

- **Decision-Making:** Concentrated at the top levels.
- **Control:** More consistent and uniform decisions.

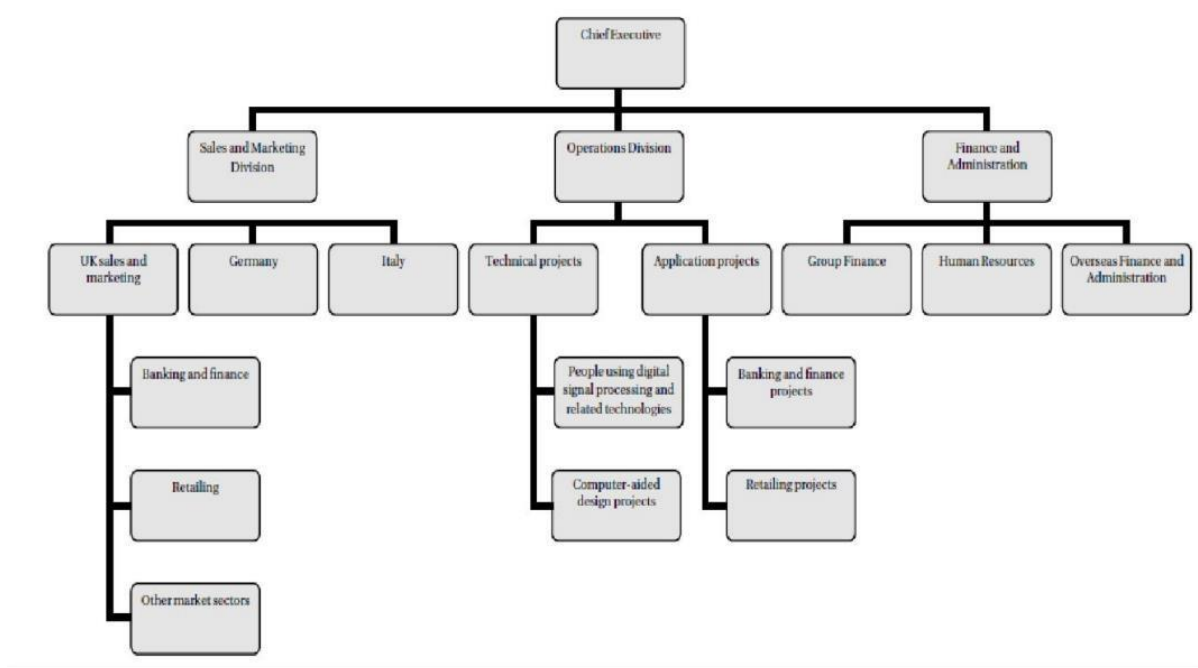
- **Decentralization:**

- **Delegation:** Authority spread across all levels.
- **Employee Empowerment:** Increases responsibility at lower levels.

- **Application:** Balance depends on organizational size, complexity, and goals.

5.7. Practical Implementation of Structure

- **Blended Approach:** Many organizations utilize a combination of structures to leverage the strengths of each model.
- **Example:** A software development house may integrate functional, project-based, and decentralized elements.



Chapter 10 – Human Resource Issues:

1. Human Resources (HR) Issues and the Legal Context

- **HR Roles:** Beyond traditional functions like recruitment, onboarding, and payroll, HR professionals are required to understand current HR laws and regulations.
- **Employment Laws:** Regulate essential aspects such as hiring, firing, workplace safety, compensation, and confidentiality to prevent discrimination and harassment.
- **Legal Compliance:** Compliance with state and federal laws is crucial for HR. Organizations are responsible for adapting policies to new legal requirements and ensuring these policies are well-communicated across all levels.

1.1 Federal Legal Issues in HR Management

- **National Labor Relations Act (1935):** Grants workers the right to unionize and prohibits unfair labor practices by employers.
- **Equal Pay Act (1963):** Ensures gender pay equality for the same role.
- **Civil Rights Act (1964):** Prohibits employment discrimination based on race, religion, gender, and other protected categories.
- **Occupational Safety and Health Act (1970):** Mandates safe working conditions free of hazards.

1.2 HR Compliance and Key Issues

- **Employee Time Tracking:** Federal Labor Standards Act (FLSA) requires accurate time tracking, including start/end times and total hours.
- **Privacy:** HR must secure sensitive employee data, including personal information and company strategy data, ensuring compliance with data protection laws.
- **Employee Benefits:** HR must adhere to federal laws regarding salaries, benefits, overtime pay, and retirement income security.
- **Workplace Discrimination:** Anti-discrimination laws protect against biases based on race, gender, orientation, disability, etc. Employees may file lawsuits if discrimination occurs.
- **Harassment:** Anti-harassment policies should be established, with training for managers to detect and address harassment claims.
- **Workplace Safety:** HR ensures a safe environment through risk assessments, incident documentation, and promoting a safety culture.

1.3 Common HR Lawsuits

- Breaches of contract or pay discrepancies, discrimination, wrongful termination, personal injuries, unpaid overtime, and harassment cases are common legal issues HR faces.

1.4 Case Study Solutions

1.4.1 Case Study 1 - Age Discrimination: Paine v. IKEA Holdings

- **Overview:** A 48-year-old IKEA employee filed an age discrimination lawsuit, alleging he was overlooked for promotions in favor of younger employees.
- **Implications:** Highlights the need for employers to avoid age bias in promotions and training.
- **HR Solution:** Implement objective, performance-based criteria for promotion to ensure fair opportunities regardless of age.
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1.4.2 Case Study 2 - #MeToo: Minarsky v. Susquehanna County

- **Overview:** Secretary Sheri Minarsky delayed reporting harassment due to perceived inaction by others. The court ruled her delay was reasonable.
- **Implications:** This case underscores the need for employers to foster an environment where harassment claims are taken seriously and handled promptly.

- **HR Solution:** Regularly reinforce harassment policies and create safe reporting channels for all employees.

1.5 Exercise Solutions

1.5.1 Exercise 1: "The Bickering Coworkers"

- **Scenario:** Bob and Ed, two employees, are disruptive, causing colleagues to feel unsafe.
- **Solution:**
 - **Initial Private Meetings:** Conduct separate meetings with each to understand underlying issues.
 - **Mediation:** Facilitate a joint mediation session to address and resolve conflicts constructively.
 - **Policy Reinforcement:** Remind all staff about the organization's code of conduct and consequences for disruptive behavior.
 - **Follow-Up:** Monitor interactions and provide support to ensure improved workplace harmony.

1.5.2 Exercise 2: Disruptive Behavior

- **Scenario:** An employee's senior coworker is verbally abusive, manipulative, and disruptive.
- **Solution:**
 - **Documentation:** Encourage the reporting employee to document specific incidents for reference.
 - **HR Intervention:** HR should discuss these concerns with the supervisor and involve a mediator if needed.
 - **Training and Development:** Introduce respectful communication workshops and train managers to handle conflicts proactively.
 - **EAP Involvement:** Encourage affected employees to use the Employee Assistance Program for support.

2. Recruitment and Selection: Key HR Functions

- **Recruitment:** Attracting potential candidates to apply for open positions.
- **Selection:** Screening and evaluating candidates to choose the best fit for the role.

Methods of Selection

- **Resume Screening:** Initial assessment of candidate qualifications.
- **Phone Screening:** Verifying interest and basic qualifications.
- **Interview:** In-depth assessment of skills and fitness.
- **Group Interview:** Multiple candidates or interviewers to observe interpersonal dynamics.
- **Panel Interview:** Involves multiple interviewers to get diverse perspectives.
- **Skills Assessment:** Practical test of job-specific skills.
- **Personality Assessment:** Evaluates personality traits relevant to job performance.
- **Mock Assignment/Job Audition:** Candidates perform tasks typical of the role.

Nepotism and Cronyism

- Nepotism and cronyism involve hiring friends or family members. While often criticized, they can be effective when hiring trusted individuals with proven performance.

Case Study: Nike's Recruitment Process

- **Challenge:** Managing 800 CVs per month with only 4 recruiters, Nike's EMEA HQ faced tracking and data privacy issues.
- **Solution:**
 - Streamlined processes for tracking applications and personal data protection.

- Implemented clear policies for applicant response times and data handling to enhance the candidate experience and protect applicant information.

3. Training and Development

- **Importance:** Training is crucial for employee growth, productivity, and enhancing overall company performance.

Types of Training

- **Technical Training:** Job-specific technical skills; e.g., CRM training.
- **Quality Training:** Focuses on identifying and preventing poor quality (e.g., ISO standards).
- **Skills Training:** Teaches essential job skills, such as machinery operation.
- **Soft Skills Training:** Enhances communication, teamwork, and leadership.
- **Safety Training:** Teaches safe practices to prevent workplace accidents.

Real-Life Training Programs

- **Amazon:** Offers a 30-day onboarding program and the "Career Choice Program" covering 95% of employee tuition for courses in high-demand fields.
- **Etsy:** Uses "Etsy School" to allow employees to teach and learn various skills, fostering critical thinking and leadership.

4. Compensation Policies and Job Evaluation

- **Compensation:** Includes both monetary (salary, wages) and non-monetary (benefits, stock options) rewards.

Types of Equity in Compensation:

- **Internal Equity:** Fair pay across similar roles within the organization.
- **External Equity:** Compensation is competitive with similar roles in the industry.
- **Perceived Equity:** How employees feel about the fairness of their pay.

Examples of Compensation Challenges

- **Executive Compensation:** Balancing high compensation with shareholder satisfaction.
- **Rewarding Specialized Jobs:** Difficult to set fair pay without industry benchmarks.
- **Salary Growth:** In candidate-driven markets, managing pay raises for current employees to remain competitive.

Case Studies in Compensation

- **Google:** Innovates in employee benefits.
- **Netflix:** Customizes compensation packages.
- **Amazon:** Uses performance-based compensation.

5. Job Evaluation

- **Definition:** Assesses job value to set fair compensation, aiding in salary, bonus, and pay grade decisions.
- **Steps to Implement Job Evaluation:**
 - **Define Criteria:** Skill level, effort, responsibility, and working conditions.
 - **Rating Scale:** Develop a consistent scale (e.g., 1-5) for evaluation.
 - **Job Comparison:** Ensure ratings are comparable to similar roles within the organization.

6. Performance Appraisal Methods

- **Purpose:** Evaluates an employee's performance for potential development and rewards.

Modern Appraisal Techniques

- **Management by Objectives (MBO):** Sets goals collaboratively and reviews progress periodically.
- **360-Degree Feedback:** Collects input from managers, peers, and customers to provide well-rounded feedback.

- **Psychological Appraisals:** Analyzes potential rather than past performance, evaluating skills like leadership and interpersonal abilities.

7. Redundancy, Dismissal, and Grievance Procedures

- **Role of HR:** Ensures that redundancies and dismissals follow proper procedures to avoid legal action and protect the organization's reputation.

Redundancy

- **Definition:** Employment termination due to the role becoming unnecessary, not due to employee performance.
- **Types:**
 - **Voluntary Redundancy:** Employees opt to leave, often with severance packages.
 - ♣ **Pros:** Reduces negative morale impact; employees feel in control.
 - ♣ **Cons:** Costly and risks losing skilled employees.
 - **Involuntary Redundancy:** Employer-driven termination.
 - ♣ **Risks:** Can damage morale and increase legal exposure if not managed well.

Dismissal in the Workplace

- **Fair Dismissal:**
 - **Reasons:** Capability issues, conduct, redundancy, statutory illegality, or other substantial reasons.
 - **Process:** Requires fair warnings, opportunities for improvement, and fair hearing.
- **Unfair Dismissal:**
 - **Definition:** Dismissal without just cause or without following proper process.
 - **Consequences:** Legal claims and reputational damage.

Legal Framework

- **Redundancy Law:**
 - **Employee Rights:** Entitlement to redundancy pay, notice, and consultation periods.
 - **Employer Obligations:** Must follow a fair selection process and explore alternatives.
- **Dismissal Law:**
 - **Fair Dismissal:** Must align with the legal grounds for termination.
 - **Wrongful Dismissal:** Breach of employment contract terms during dismissal.

8. Managing Redundancy and Dismissal

- **Redundancy Management:**
 - **Effective Communication:** Clear and consistent messaging is key.
 - **Alternatives:** Consider reduced hours or retraining before proceeding with redundancies.
 - **Support:** Provide outplacement services to assist employees in finding new opportunities.
- **Dismissal Management:**
 - **Disciplinary Policy:** A clear, documented policy for handling dismissals.
 - **Grievance Handling:** Allow employees the right to appeal and work toward amicable resolutions.

What is a Grievance?

- **Definition:** A formal complaint by an employee regarding workplace policy violations or unfair treatment.
- **Unionized Workplaces:** Grievances often relate to collective bargaining agreement violations.
- **Nonunionized Workplaces:** Grievances may relate to misinterpreted company policies.

9. Case Studies and Solutions

- **Case Study: Unfair Dismissal – Anderson v. Thiess Pty Ltd [2014]**

- **Overview:** Mr. Anderson was dismissed for sending an offensive email. Despite policy prohibitions, damages were awarded to Anderson due to procedural failures by Thiess.
 - **Lessons:**
 - ♣ Importance of issuing formal warnings and documenting incidents.
 - ♣ Employees should be given opportunities to improve before termination.
 - **HR Solution:** Always follow formal termination policies, including adequate warnings and counseling.
- **Case Study: Termination – Patient Vital Signs**
 - **Overview:** An employee skipped a required vital check, risking patient safety.
 - **HR Solution:**
 - Conduct a performance review, highlighting the importance of job responsibilities.
 - Offer retraining if appropriate but repeat incidents may justify termination for gross negligence.
- **Case Study: Jo's Misconduct – Supermarket Theft**
 - **Scenario:** Jo was dismissed for theft but claims unfair treatment.
 - **HR Solution:**
 - Ensure a fair process by considering past conduct and clear communication on appeal rights.
 - Jo may have grounds to take her case to an employment tribunal if procedural fairness was lacking.
- **Case Study: Discrimination and Retaliation – Check-Cashing Store**
 - **Scenario:** Employee dismissed after requesting accommodation for a back injury and refusing to deceive customers.
 - **HR Solution:**
 - Address workplace discrimination by providing accommodations for disabilities.
 - Train management on fair treatment and legal obligations regarding discrimination and retaliation.
 - **Case Study: Discrimination – Aleema's Unfair Treatment**
 - **Scenario:** Aleema, a dispatcher, faced discrimination and was dismissed after confronting her employer.
 - **HR Solution:**
 - Advocate for Aleema's right to a fair and discrimination-free workplace.
 - The union should assist her in filing a complaint with HR and, if necessary, escalate to relevant authorities.

10. Job Design and Improvement Techniques

Job Specialization: In bureaucratic structures, highly specialized roles can lead to dissatisfaction and high turnover.

Methods to Improve Job Satisfaction

Job Rotation: Employees switch tasks periodically to build resilience and adaptability.

- **Example:** In an accounts department, rotating roles weekly improves skills and reduces monotony.

Job Enlargement: Adding similar-level tasks to broaden scope and engagement.

- **Example:** Account clerks handle multiple tasks, building familiarity with processes and client relationships.

Job Enrichment: Increasing responsibility and control to boost engagement.

- **Example:** Encouraging clerks to handle simple queries independently builds confidence and accountability.

Chapter 11 – Anti-discrimination Legislation:

1. Introduction to Anti-Discrimination Legislation

- **Legislative Efforts:** Over the past 50 years, laws have been established to prevent discrimination, aiming to promote equality, particularly in employment, housing, and financial access.
- **Challenges:** Even effective legislation requires societal shifts in attitude, which takes time.
- **Role of Information Systems Engineers:**
 - Must understand anti-discrimination laws to manage teams fairly and avoid discriminatory practices.
 - Consider accessibility for disabled individuals when designing information systems.

2. What is Discrimination?

- **Definition:** Treating individuals or groups less favorably due to personal characteristics.
- **Prohibited Grounds:** Laws in Europe, the USA, and other regions prohibit discrimination based on:
 - **Sex**
 - **Race, Color, Ethnic Origin, or Nationality**
 - **Disability**
 - **Sexual Orientation**
 - **Religion**
 - **Age**

3. Types of Discrimination

- **Direct Discrimination:** Occurs when someone is treated unfairly due to specific characteristics.
 - **Examples:**
 - ♣ A woman is paid less than a man for the same job.
 - ♣ A doctor refuses a Chinese patient but accepts an English one.
 - ♣ A job ad specifies “mature woman” or “strong young man,” limiting applicants by gender or age.
- **Indirect Discrimination:** Imposing a seemingly neutral condition that disproportionately impacts a specific group.
 - **Examples:**
 - ♣ **Height Requirement:** If a job

requires applicants to be 180 cm tall, it excludes many women.

♣ **Religious Observance:**

Requiring all employees to work on Saturdays could unfairly impact Jewish employees who observe the Sabbath.

4. Discrimination by Specific Characteristics

• **Gender Discrimination**

- **Historical Context:** In the 1960s, women often faced salary disparities, limited job security post-marriage, and restricted access to senior positions or specific professions.
- **Modern Efforts:** Laws now protect against such practices, but awareness is essential to prevent lingering biases.

• **Racial Discrimination**

- **Direct Discrimination:** Treating individuals unfavorably due to race.
 - ♣ **Example:** After an argument, a Black employee is given a stricter warning than a White colleague due to racial bias.
- **Discrimination by Association:** Unfavorable treatment due to association with someone of another race.
 - ♣ **Example:** A White British employee loses a work opportunity because their partner is Indian.

- **Discrimination by Perception:** Assumptions about someone's race leading to unfair treatment.
 - ♣ **Example:** An applicant is rejected because their name sounds foreign, though they are of Anglo-French origin.

5. Disability Discrimination

- **Direct Disability Discrimination:** Unfair treatment due to a person's actual or perceived disability or their association with a disabled individual.
 - **Examples:**
 - ♣ **Direct:** A job offer is withdrawn when the employer learns of the applicant's disability.
 - ♣ **Association:** An employee is dismissed after taking time off for their disabled child's medical needs.
 - ♣ **Perception:** An employee is treated poorly due to rumors about having a mental health condition.
- **Indirect Disability Discrimination:** When a policy leads to a disadvantage for disabled individuals.
 - **Example:** An employer refuses to modify a rigid break policy, impacting an employee with diabetes who needs additional breaks.

6. Victimization

- **Definition:** Treating someone unfavorably due to their involvement in a discrimination complaint.
- **Examples:**
 - An employee who supported a colleague's discrimination complaint is excluded from meetings or labeled a "troublemaker."
- **Protection:** Laws safeguard employees from victimization, regardless of their involvement in the complaint.

7. Discrimination Arising from Disability

- **Definition:** Discrimination based on something that results from a disability, not the disability itself.
- **Examples:**
 - Needing frequent time off for medical appointments.
 - Behavioral changes due to medication.
 - Regular breaks or accommodation, such as an assistance dog.
- **Legal Standards:** Unfavorable treatment due to disability consequences is prohibited, even without direct comparison to other employees.
- **Objective Justification:** In cases where a disability prevents essential job duties, employers may lawfully discriminate if no reasonable adjustment allows job performance.

Example:

- **Mae's Case:** Mae has cancer and requires time off for treatment. Her employer follows standard absence procedures, giving her a warning that impacts her promotion eligibility. This is potentially unlawful as her absences should be recorded separately due to her medical condition.

8. Case Study: Starbucks Dyslexia Case

- **Background:** Starbucks employee Meseret Kumulchew, diagnosed with dyslexia, mistakenly entered incorrect data, leading to accusations of fraud.
- **Outcome:**
 - **Tribunal Findings:** Starbucks failed to make reasonable adjustments for Meseret's dyslexia, and her treatment constituted disability discrimination and victimization.

- **Implications:** Companies must provide reasonable accommodations and ensure equality training to prevent discrimination due to learning disabilities.

9. Discrimination on Grounds of Race: Richemont Case

- **Background:** Cheryl Spragg, a Black employee at Richemont (UK), faced surveillance, bullying, and barriers to promotion due to her race.
- **Details:**
 - Cheryl was denied promotion multiple times, with company preferences favoring White Europeans.
 - Bullying incidents, such as colleagues avoiding her in shared spaces, led to a hostile work environment.
- **Outcome:**
 - Cheryl won her case, highlighting the need for transparent hiring, proper record-keeping, and anti-discrimination policies within companies.

10. Gender-Based Discrimination: Female Deckhand Hours Cut

- **Background:** A woman deckhand faced reduced work hours and career setbacks, while male colleagues retained their schedules despite a business downturn.
- **Resolution:**
 - Conciliation led to the company paying compensation and committing to anti-discrimination training.
- **Implications:** Gender-based work distribution must be fair and job opportunities should be allocated equitably.

11. Discrimination on Grounds of Religion

- **Definition:** Treating individuals differently due to their religious beliefs, practices, or lack thereof.
- **Examples:**
 - **Driver's License Photo Requirement:** The tribunal upheld the need for photos on driver's licenses, dismissing religious objections due to identification requirements.
 - **St. Vincent De Paul Case:** A Christian woman was dismissed from a Catholic organization due to her non-Catholic beliefs. The tribunal ruled this as direct discrimination, awarding her damages.
 - **Job Interview Questions:** A job applicant faced inappropriate questions about his religion and cultural needs. The employer later apologized and offered compensation.

12. Age-Based Discrimination

- **Definition:** Discrimination based on age, often affecting older or younger individuals.
- **Examples:**
 - **Redundancy Choices:** Selecting employees for redundancy or forcing retirement due to age.
 - **Service Denial:** Refusing service to families with young children to avoid disturbance.
- **Case Example:**
 - **Dismissed for Not "Fitting the Image":** A woman alleged age-related dismissal due to her manager's desire for a younger image. She received compensation and an apology following conciliation.

Older Worker Management Issues

- **Scenario:** A 68-year-old employee faced comments suggesting he should "go on the pension" and was accused of being slow. This inappropriate treatment led to a settlement with compensation and an apology.

7. Cultural Sensitivity in Advertising

- **Dolce & Gabbana Example:** While not detailed here, Dolce & Gabbana faced backlash over ads that portrayed racial stereotypes, leading to global criticism. This underscores the importance of cultural awareness in branding and public relations.