

Employers need to be careful of what employees are reading between the lines when they sign on for a new job, **Lauren Ahwan** reports.

For happy staff, it's an offer they can't confuse



Extrastaff managing director Declan Rowan at his King William St office in Adelaide.

Picture: Campbell Brodie

MOST workers believe their boss has promised them something on top of what is written in their employment contract, posing problems for employers, a university lecturer says.

University of South Australia school of management academic researcher Dr Ezaz Ahmed warns bosses the implied conditions, or "psychological contracts", can cause distrust among workers and lower job satisfaction and retention rates if they are not met.

"The more psychological contract breaches we have, the greater the number of dissatisfied employees, which is difficult for employers to manage," he says.

"Almost 70 per cent of employees in any organisation would believe they have been promised (something) which is not part of their written contract.

"It's about implied promises... (and) individual perceptions. For example, employees might think they are going to be promoted after two years, seeing that others are getting promoted after two years."

He says such perceptions are not always easy for bosses to recognise but ignoring them can cost productivity.

Law firm Finlaysons partner Grant Archer says contracts should reflect the agreed employment terms as much as possible.

He says employers must be aware of assumptions made by staff about working conditions.

"Sometimes innocent remarks during an interview can mean more to an employee than an employer realises," he says.

CONTRACTS

Four common conditions included in an employment contract:

- Agreed pay rate.
- Hours of work.
- Leave entitlements.
- Superannuation entitlements.

"Employers must make sure that the cultural elements of the workplace are regularly communicated and understood by employees. Talking to staff, understanding their assumptions and aspirations, then managing them appropriately, is critical.

"This is not the tail wagging the dog. This is investing in management for business outcomes and managing expectations before they become demands in court."

Recruitment firm Extrastaff managing director Declan Rowan says it is important to provide workers with a realistic view of company policies and expectations to avoid misinterpretation.

"Sometimes (company management) focus on the glossier sort of things and not enough on all the other details," he says.

He says during the global financial crisis, for example, he briefed staff on the company's financial position so they understood why salary reviews were delayed.

"I think that helped (avoid staff discontentment)," he says. "I think if we had taken the view that things were bad but we couldn't tell anyone about it probably would have been a much harder situation."