

Resolving Disputes

At Pizza Hut there are occasionally disputes between employers and employees, these disagreements are often about the way employees are treated at work. The disagreements usually involve work conditions, pay, and discrimination when applying for a job or an employee being made redundant. Employers and Employees at Pizza Hut have devised methods to help resolve these disputes.

Here at Pizza Hut we have a dispute where a female member of staff feels she was been overlooked on several occasions for promotion because of her gender. An internal method of resolving this dispute would be to follow a grievance procedure. A grievance procedure is a fair way for employees to raise concerns/complaints. They are solved by managers at Pizza Hut sitting down with the employee and trying to resolve the problem between them.

The procedure at Pizza Hut has three standard steps; firstly the complaint needs to be written down and the grievance procedure should explain how and to whom the employee should make a complaint, at Pizza Hut the complaint in letter form is sent to the Line manager. The second stage involves the Line manager inviting the employee to a meeting to discuss the issue of unfair treatment of the female employee. A meeting is needed to ensure the grievance is dealt with in a fair and unbiased way. The female employee should make every effort to attend the meeting and in certain cases should be allowed to take a companion. The Line manager at Pizza Hut should give her enough time to prepare for the meeting and arrange it at a convenient time. After the meeting the line manager should inform the employee of the conclusion reached about her grievance. The Line manager must also advise the employee as what do to is she wants to appeal against the decision if she is dissatisfied with it. The employee can also make an appeal if she feels the meeting was seriously flawed. The final step of the grievance procedure is the appeal if the employee is unhappy with the decision reached by the line manager at the meeting. The appeal at Pizza Hut is heard by higher management, such as the Human resources Manager of the location. The employee should inform the Line manager if she does want to take the procedure further and appeal, in response the Line manager should invite the employee for an "appeal meeting". Again the employee must take every effort to attend the meeting and is allowed a companion. Once the appeal meeting is over, the Human resources manager at Pizza Hut must inform the employee of the final decision. This appeal meeting can take place after the disciplinary procedure or dismissal of the employee takes place

An employee at Pizza Hut is thought to be stealing bulk ingredients from the kitchen canteen as well as money from the cash registers from the Chelmsford full service Branch. To resolve this problem Pizza Hut would

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need to carry out the Disciplinary procedure. The purpose of disciplinary procedures at Pizza Hut is to enable that both employee and employers to know where they stand. Each step and action under the procedure is to be taken promptly without any unreasonable delay. Pizza Hut follows the standard disciplinary procedure which involves three steps towards the dismissal of the employee.

Step 1 gives the statement of grounds for action and an invitation addressed to the employee to attend a meeting from Pizza Hut's management team. Firstly the management will write out the employees' alleged conduct of stealing bulk ingredients and cash which can lead to him taking disciplinary action against the employee. The management will send a copy of the statement to the employee and invite them to attend a meeting to discuss the problem. The meeting with the line manager is held before any action is taken place against the employee. Again the employee must make every effort to attend. After the meeting is over the Pizza Huts' Line manager must inform the employee of the decision reached about their behaviour.

The employee is also entitled to take action against if they are dissatisfied with the decision reached by the Line manager. They can do this by appealing, if the employee does wish to appeal then the Line manager must invite them to another meeting. Once the meeting is over then the Line manager must inform the employee of his final decision. This meeting can also take place even after the disciplinary action has taken place. If the accused employee is still unhappy with the decision about their bad behaviour, they may decide to join a Trade Union. A Trade Union is an organization of workers who join together to further their own interests at work. Trade Unions can negotiate with the Line Manager and management team at Pizza Hut on behalf of the accused employee. ACAS provides a wide range of services to employees and employers; it can also become involved in individual cases, where it investigates unfair disciplinary action, or unfair dismissal. If ACAS fails to find a solution the final resort is an employment tribunal, which is similar to court and hears complaints about unfair dismissal, and redundancy. Employment Tribunals reach a conclusion and if the employee wins the case then the line manager at Pizza Hut must pay them compensation for taking disciplinary action.

At Pizza Hut employees want a 6% increase in pay to keep them in line with inflation. However Pizza Hut is only able to offer the employees 2.5% pay rise.

This can lead to a dispute between the employers and employee's and therefore needs to be resolved as soon as possible.

Inflation means an increase in the average price level over a year. e.g. on average prices may increase by 4% during 2006. If prices increase by 4% it also means that money can buy 4% fewer goods than in the previous year. Therefore inflation leads to a fall in how much money can buy. Inflation is measured in the UK by the Retail Price Index (RPI) which measures the

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change in prices of over 600 goods and services. These goods and services form a “representative basket”, in other words they are supposed to represent what the average family buys each week.

There are various causes of Inflation; these include Demand-pull inflation which is when too many people try to buy too few products which results in price increases. The demand for products grows faster than the underlying supply, and therefore it results in ‘too much money chasing too few goods’. Something has to give and the prices are pushed up causing inflation. Cost Push Inflation is another factor of inflation, it occurs when a business responds to rising production costs, by raising prices in order to maintain their profit margins. The main reasons why costs rise are the rising costs of imported raw materials, these can be caused by inflation in countries that are heavily dependent on exports or a fall in the value of the pound in the foreign exchange markets which increases the UK price of imported inputs. Rising labour costs - caused by wage increases which exceed any advance in productivity. Higher indirect taxes imposed by the government can lead to cost-push inflation. For example a rise in the rate of excise duty on alcohol and cigarettes, an increase in fuel duties or perhaps a rise in the standard rate of Value Added Tax or an extension to the range of products to which VAT is applied. All these excess taxes could lead to a business increasing its prices of goods to try and fund the taxes.

The final reason for a cause of inflation is, the Government spending more than it receives from taxes so it prints more money to increase the money supply. This is known as the Monetary Policy.

Pizza Hut is only able to offer a 2.5% pay rise to the employees and not 6% because they as a company are affected by Inflation, as well as the employees. Inflation means that the costs of Pizza Hut will rise as the amount they have to pay for goods will go up and therefore to try and compensate for the rising prices Pizza Hut must cut back on production and employee wages. Due to Inflation Pizza Hut’s sales are likely to fall as consumers will not want to buy as many products because the prices of goods have gone up. As a result of Pizza Hut will not make as much revenue and cannot afford to pay the employees with a 6% pay rise because they need the money for survival.

Exports will also fall as UK prices rise in comparison to other countries prices, and the UK will have to rely on imports from abroad as they are cheaper. This can be damaging for the economy as well as Large Trans National Corporations in the U.K such as Pizza Hut. They will need to spend more of their revenue and retained profit on imported goods and which is an extra cost to Pizza Hut and means they do not have the finances to pay employees with higher wages as the increasing prices of raw materials are more essential for Pizza Hut during inflation than the employee satisfaction.

Budgeting in Pizza Hut can become a problem as they may become unsure about what will happen to their costs. Inflation can also cause a disruption of Pizza Hut’s planning because they become uncertain about

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the future which makes it difficult to produce cash flow forecasts and may reduce the level of Investment. This is why Pizza Hut cannot afford to give its employees a 6% pay rise because they are unaware of their profits and revenue in the upcoming months and need to keep their costs low to ensure they do not make a loss. These costs can be kept low by lowering or keeping wages for employees stable.

If employees are unhappy with their level of pay and feel that Pizza Hut has not dealt with their grievance reasonably then they may choose to join a trade union. Trade Unions can be used by employees to negotiate with the Pizza Hut's management team on their behalf. The Trade Union that represents Pizza Hut employees can try to come to an agreement with the managers about a pay rise for the employees. Industrial action maybe taken by the union if they do not receive an acceptable settlement from the employers at Pizza Hut, for example they might call a strike, or take action short of a strike - where workers take actions such as go slow which means they are carry on working but at a minimum pace as poossible so Pizza Hut's production slows down, this way employees are taking action within legal limits and can avoid disiplinary action. The threat of a strike will mean Pizza Hut would lose out on profits as they would have to shut down for a short period of time. They will be at a risk of losing customers, so the managerswill have to come to some of an agreement with their employers to save the reputation of Pizza Hut. If the dispute remains unsettled there are a number of external organizations that can be called on to help resolve the issue. A.C.A.S is an Advisory, Conciliation and Arbitration Service and provides a wide range of services to employees and employers. The employees at Pizza Hut which are unhappy with the pay rise being offered to them can rely on ACAS to make a decision. ACAS listens to both sides of the arguments before reaching a conclusion, so is a very fair and unbiased external method of resolving disputes. There are various sections of ACAS, Arbitration is where employers and employees each explain their cases to ACAS, ACAS then judges which is strongest and makes a final decision which both sides have to agree on. Meditation is where ACAS makes a decision but leaves it to the employees and managers to discuss a settlement

The final step the Pizza Hut employees can take is to take the case to an employment tribunal. If the dispute has not been resolved even with the help of ACAS, then the employment tribunal will settle the legal dispute between employers and managers of Pizza Hut about a 6% pay rise. The employment tribunal are similar to a court but less formal and have the power to put forward an agreement to the issue to which the employers and employees must agree on.

In conclusion there are a number of steps an employee can take if they feel the managers at Pizza Hut are being unreasonable, but I think the best method to resolve this dispute would be through ACAS. Although ACAS is meant to be involved in serious disputes, I think Pizza Hut employees would need external help if they are to reach a settlement with the managers. As Pizza Hut is such a large global brand, a strike by employees

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backed by trade unions would not leave a huge impact on the company and the managers would dismiss the problem quickly but on the other hand ACAS is an organization encouraging people to work together effectively to help resolve disagreements.