This chapter discusses how employment relations affect all business organizations and why it is especially important to identify the status of individuals engaged in employment. It begins by considering the regulation of the employment relationship and identifies the tests to establish the employment status of individuals, as well as the reasons behind the significance of the distinction between an employee and independent contractor. The three common law tests that have been used to determine employee status—control, integration, and mixed or economic reality—are identified, and how it is most appropriate, in applying the tests, to begin with those established in *Montgomery v Johnson Underwood*, and then proceed to the final question in *Ready Mixed Concrete*. The chapter also identifies the terms implied into contracts of employment and the obligations these place on the involved parties.