



Jelf HR for small businesses

How to look after
your staff

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Effectively managing human resources is essential for any business. Not only because of the legal obligations involved in being an employer, but also – and most importantly – because the people working for a business are its best asset, and when they are managed and treated well the business as a whole is more likely to succeed.

But if you own a small business and don't have any in-house HR support, it can feel like a real challenge to deal with that side of managing your staff. You want to keep paper work and lengthy, complex processes to a minimum, while making sure that you always stay in line with employment law. If that's the case then the following guide is ideal for you. Here, we introduce you to all the essentials of HR for small businesses, with brief, straightforward sections covering everything from recruiting new staff to managing performance and dealing with disciplinary matters.

This is by no means an exhaustive guide, but it should provide you with the start you need, as well as plenty of other useful resources to help you manage HR within your company.





1

Recruitment

Your staff are the greatest asset that your business has, so it's important that you put consideration into ensuring that you **hire the best people** for the roles on offer. For this reason, having the right recruitment process in place is vital for the success of your business.

To recruit the right staff, you'll need an advert that will appeal to the people who are best suited to the role, hosted in a place that they will easily be able to find, such as **jobs listing websites like Reed**. You may want to consider using a recruitment agency to help

you find employees, but bear in mind that recruiters **charge for their services**.

You have a legal responsibility to ensure that no discrimination occurs in the recruitment process on the grounds of sex, race, disability, age, sexual orientation, religion or pregnancy. You can read more about the process of hiring your first members of staff and the legal requirements you are obliged to fulfil on the **GOV.uk website**.



2

Write an employment contract

All employees need to have a contract of employment so it's essential that you provide one for any new member of staff. This will **establish exactly** what their role is in the company, their rights and the conditions of their employment. Both you and your employee must stick to the terms of the contract – any deviations from the terms of the contract could result in legal trouble for you or a dismissal for the employee. There are plenty of very useful guides

online on how to write an employment contract, such as **this one from GOV.uk**.

You may also want to put together a staff handbook that employees can refer to at any point during their time with you. **This should cover things like** dress code, the grievance policy in your company (more on that later), and their holiday entitlement.



3

The induction process

After you have hired a new member of staff, you will need to give them an induction to the company and to the role they will be performing. This is important for two reasons. Firstly, you want to ensure that new members of staff feel comfortable in their role. Secondly, a **good induction programme** will be of huge benefit to your business' functioning; an employee who knows what they're doing is much more valuable to your business than one who doesn't, so the earlier they can be trained, the better.

Your induction programme doesn't need to be very formal but it does need to be properly managed, so put some thought into how the process will be structured in your company. If your business is new and you **don't yet have any employees**, you will probably deliver the induction programme yourself, but later down the line it may be a personnel officer, a manager or someone assigned as a 'buddy' to the new member of staff.



4

Paying your staff

It can be a challenge to set consistent pay levels that **reward workers** fairly while running a profitable small business, but it is essential that you do pay all your employees at least the **National Minimum Wage**. All employees are also entitled to an individual written

pay statement, given on or before the date of pay. You must also show fixed pay deductions and the reasons for the deductions, such as tax and national insurance.



5

Retain your staff

It makes **much more sense to retain quality** employees than to be constantly hiring new ones, so it's important that you take care of valuable staff members and give them a reason to stay. The best way to keep your employees with you is to create a fun and friendly work environment and give them opportunities to develop as professionals. That means investing in their training right from their induction and giving them opportunities to gain new skills throughout their time working for you.

It's likely that many of your employees will have ambitions that go beyond working for your business – this is something that you should embrace rather than worry about. Discuss long-term career ambitions with your staff and explore development opportunities within the business. That you care about their future will **make them feel much more loyalty** towards you and make them more likely to stick with you for longer.



6

Manage performance

Every business owner wants their company to do well, and while there are many factors involved in the **success or failure of a business**, the performance of your employees is certainly one of the biggest contributors to the performance of the company overall.

As a business owner, managing the performance of your employees should be a top priority. Any business, large or small, has targets to achieve, but the key to being successful is to ensure that the performance of every individual employee is at its maximum and contributes to the wider goals of the company.

It is important that your employees are aware of the goals of the business and have a good understanding of what their role is in helping the business to achieve those goals. This is something **they should begin** to learn about in their induction to the company, but to encourage them to continue progressing you could set them their own targets or personal development plan, which you would then review together later in the year. You could also incentivise good performance with bonuses, extra days off and the prospect of advancing in the business.



7

Dealing with grievances

Any worker may at some time have concerns with their work, working conditions or relationships with co-workers, and it is important that as a business owner you **make it easy for them** to raise these concerns. You should have your grievances policy written up in a staff handbook, or in any other way that can be easily accessed and understood by any member of staff.

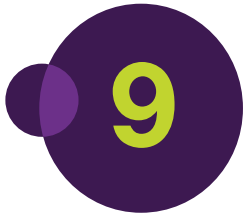
Operate an 'open door policy' so that any member of staff feels comfortable talking to their line manager about a problem they're having. In the first instance, you should try to resolve minor grievances informally, but you will also need to have **a formal grievance** procedure in place for more serious or persistent issues.



Resolving disciplinary issues

As with dealing with grievances, it's usually best to **resolve minor misconduct issues informally** – particularly in small businesses where a quiet word is often enough to improve a worker's conduct or performance. However, in some cases additional training or coaching may be needed or, in more serious or persistent matters, formal action may be required.

If you feel that the problem necessitates formal action, you will need to do this in a way that complies with your own company's guidelines on disciplinary matters as well as general standards of practice for the workplace. You can read more about putting together a fair and effective disciplinary procedure in [this handy pdf guide from Acas](#).



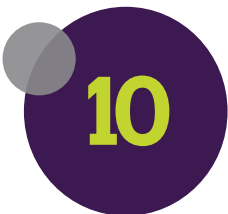
Managing absence

Employees taking the odd day off sick is a common occurrence in most businesses and something that employers **should be understanding about** – after all, everyone is prone to the occasional illness. But high levels of absence can put a strain on a business, cause lost or delayed production and reduce the standard of service provided by an organisation.

Keeping individual attendance records will help you to monitor absence and identify any issues with attendance. **If you do notice** that someone is very frequently absent, discussing it with them informally should be your first port of call. You might find, for

example, that they are having issues with childcare or looking after an ill family member, in which case you may be able to negotiate a more flexible working schedule for them.

It may turn out that your employee has a persistent health problem, in which case they might be entitled to sick pay (SSP). You can read more about SSP on the [HM Revenue and Customs](#) website. If an employee does not provide a reason for their absence and has been warned repeatedly about it, then you may need to make it a formal disciplinary matter.



Keep up to date with current employment legislation

Employment legislation isn't a **fixed thing** – there's a constant stream of proposals and new legislations for small businesses to keep up with. The consequences of misinterpreting or missing new laws can be hugely **detrimental to businesses**, so it's important that you keep up to date with employment law and any legislative changes.

Don't panic though; there are plenty of resources online to help you understand employment law, such as [this government resource](#) for employers. You can also use the [Acas Model Workplace tool](#), a free test which will help you to identify any out-of-date policies in your business.

