

Employing Staff

Taking on your first member of staff is one of the most crucial steps that a new, growing business can take. Employing staff, including part time, casual and sub contract labour is heavily regulated. The key is careful preparation, getting things right from the off with effective systems, processes and procedures. An excellent source of help and advice is the ACAS website:

<http://www.acas.org.uk>

There follows a series of suggestions as guidance

Selecting The Right Staff

- Draw up a Job Description for the post, this should define the roles & responsibilities of the post, authority and limits to authority and tasks to be undertaken.
- Include a catch all phrase 'any other legal instruction or activity requested by management' to prevent staff claiming that things are not in their job description so they don't have to do them.
- Use the Job Description to formulate an Applicant Profile. This will define the skills, experience and aptitudes necessary for the post and those that would be an advantage.
- This can then be used to prepare an advert for the job.
- Adverts, interviews and the whole of the staff selection process must be Fair and Non Discriminatory.
- Always take up references.
- Offer the post on a trial period basis.
- New applicants must have the basic skills and experience for the post, but beyond that the right attitude is more important than supplementary skills. Skills can be developed, it is almost impossible to correct bad attitudes.

Getting The Best From Your Staff

- Prepare an induction programme for new staff to make their early days a happy experience..
- Follow up new employees with semi formal interviews at the end of the first week, first month and end of the trial period.
- Well managed staff appraisals are a very powerful tool.
- Staff do best when they know what is expected of them and have a clear idea of how they are performing.
- When authority and responsibility are to be delegated lay down clear rules, agree with the employee what is expected of them, performance targets and how their performance will be measured.

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- Structured training, in house and externally not only improves performance but has a positive effect on staff morale improving staff retention.
- New dynamic businesses are often in a state of constant change. Good change management requires that staff are as involved and informed as possible. Rumour flourishes in the absence of hard information and is rarely positive.
- Businesses, especially new, growing, operations often outgrow their original staff. Sometimes staff who have been left behind by the development of the company can be moved sideways or retained, at other times they have to be let go. Handled sensitively and in accordance with the regulations this poses few problems, handled badly it can damage a business and result in an expensive legal resolution.
- It is good practice to create a procedures manual for the way your business operates. This should be arranged on a function by function basis. It should not be something that all staff need to know by heart but it is useful for the induction of new staff and also as a reference source when staff need guidance.

Employment Law

The regulations which govern the employment of staff within the UK are both complex and are constantly developing. Failure to comply may result in fines and even imprisonment, it is prudent to take good quality advice before employing anyone. Some trade and professional bodies have employment law advice lines

The main areas to be complied with are :-

- Discrimination, the selection of staff must be fair and non discriminatory on grounds of race; sex, marital status, sexual orientation, disability, religion and age..
- Eligibility to work in the UK, it is an offence to employ somebody who is not entitled to be in the UK or to do the work in question.
- Employers liability insurance protects against claims from staff for accidents & sickness while working for you. This is a legal requirement, statutory minimum £5m.
- Care should be taken when using sub-contract, self-employed or freelance workers. HMRC will tend to assume a worker is employed, giving the business the responsibility of collecting tax and NIC. If you fail to deduct PAYE and NIC the business becomes liable for the money owed. There are a set of conditions and questions on the HMRC website, but even correct application of these inferred rules will not guarantee concrete protection for your business. If in doubt, deduct tax and NIC and talk to your accountant.
- If the person is employed for less than 16 hours per week this is counted as “casual labour” and the employer is not responsible for PAYE and NI administration.
- National minimum wage.
- Statutory Sick Pay, payable to staff who cannot work more than 4 days in a row because of sickness are entitled to SSP.
- Collection of PAYE and NIC and maintenance of appropriate records.

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- Health and Safety, you have a statutory duty to protect the Health and Safety of your employees, sub contractors and customers, with heavy penalties for failure to comply. Every business has to conduct a risk assessment by law, this only has to be written down if you have more than 4 staff.
- Simple businesses with little equipment and machinery can conduct their own assessment. Firms with larger numbers of staff or more potential hazards may find it productive to employ a specialist.
- Staff must be kept up to date and involved with the company Health & Safety policy.
- The Working Time Directive sets a maximum average working week of 48 hours, minimum rest breaks, rules for shift workers etc.
- From April 2015, all businesses, no matter how small, must have a staff pension scheme for all staff over 22 years of age and earning more than £10,000 per annum.
- Redundancy Rights, employees with more than 2 years service are entitled to redundancy payments if their job ends.
- Part time workers are entitled to the same basic rights as full time employees.
- Employees have the right to belong to a Trade Union.
- A pregnant employee automatically qualifies for paid maternity leave and may be entitled to additional unpaid leave.
- Working fathers can take up to 2 weeks paid paternity leave following the birth of their baby.
- Adoptive parents may be entitled to paid leave.
- Parents of a child under 6 can request that you consider allowing them the option to work flexibly. You must have clear business reasons for refusal.
- Employees with more than 13 weeks service must be provided with a written statement of employment details, included in this are minimum disciplinary & grievance procedures.
- Dismissal which fails to follow the laid down rules may be automatically deemed to be unfair.
- If you sell or transfer a business as a going concern the employees terms and conditions of employment are protected under the Transfer Of Undertakings Permanent Employees (TUPE) regulations.

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