

February - March 2015 Essential Update

Helpful Hint

Are you pro-active in managing your people?

I know – I struggle with this myself – as owners and managers of small to medium sized business, we have it tough. Right now which hat are you wearing – owner, manager, strategist, sales & marketing, production manager or financier? Our days are invariably full to the brim with things that need attention to keep the business humming.

This inevitably leaves very little time for people.

And there's a big danger that we think "As long as they're doing their jobs, they're ok", right? Well, in some cases, this might be true, but not every business is that lucky. A purely reactive philosophy towards managing your people in general will be ineffective and can prove very costly. The old proverb "a stitch in time saves 9" is remarkably apt. Think:

- Does it take less time to teach a new employee how to do a task or to correct them 3 months later when they have been doing it wrong the whole time?
- And is it simpler to change someone's behavior after they behave inappropriately once or leave it until it has festered and destroyed goodwill?
- Do you put oil in your car engine to avoid having to replace the engine?

Being pro-active need not take much time – but it does require organization. Have the right paperwork and systems in place; be disciplined and respond to needs ASAP; and be available to listen. This can save you big dollars – be it large payouts to disgruntled employees; fines from the department of labour for breaches; or lost productivity from disenchanted employees who leave and need replacing. And let's not forget the less clear cost of disengaged workers who feel undervalued.

I'll give you one example. In a recent court case, a manager let an employee go during their 90-day trial as their performance wasn't up to scratch. However it turned out that the employee never knew the company's expectations and had minimal training or supervision. So the courts found in favour of the employee – because the manager did not take the time to get the employee properly set up. If a business can save itself even one personal grievance, it will save a minimum of \$5000. Personal grievances succeed out of a reactive Employer stance to people practices.

With the start of the 2015/16 financial year it's a good time to take a more proactive approach to anything and everything people related in your business. As the owner or manager of an SME, I'll bet you invest a lot of time in attaining customers and keeping them happy – I challenge you to take the same approach to your employees this year! *Want to make use of this idea? Contact us and we can help you plan. See Essential Essentials on the next page.*

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Included in this month's update:

- **Helpful Hint** – Are you Reactive or Pro-active in caring for your people?
- **Essential Essentials** – A new Service!
- **Did You Know?** – CECC Migrant Service
- **Legal Latest** – New law and clarification

For more information

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Essential HR News

Follow our weekly updates

At least once per week we will post a short informative post on the website. You may subscribe to our weekly blogs using the "Subscribe" button on the "Keeping you posted" page, <http://www.essentialhr.co.nz/news/>.

So far this year I have posted on:

- **Extra Large H&S fines**
- **Workplace Stress**
- **Social Media**
- **Costs and Wage Increases**
- **Parental Leave**
- **Penalties for treating Employees as Contractors**
- **Minimum Wage Increases**
- **Zero-hour contracts**
- **Human Rights and Employment**
- **Tougher enforcement of standards**

Mike's Whereabouts

Ashburton: Wednesdays

Darfield: Every 2nd Tuesday from Mar 31

Did you Know?

The Canterbury Employers' Chamber of Commerce runs a **Migrant Employment Programme** funded by Immigration NZ. They match needs with skilled and semi-skilled workers' CVs. They also provide information and resources. Contact Jude on 03-3534161

Legal Latest

Updated Laws

Health and Safety in Employment

The report from the Select Committee is now delayed until the end of May, earliest, so the new law is a while away.

Minimum Wages

From 1 April, increased by \$0.50 with training wage up by \$0.40

Parental Leave

From 1 April, increased to 16 weeks paid parental leave.

Sentencing Act

An amendment means if something goes to Court there is a distinct chance you will be asked to do some restorative justice.

Employment Relations Act

Last year's amendment has now become law, which means you can now negotiate more flexibility in break times. However I think it will be a while before someone reduces them in total.

Latest Cases of interest – clarifying some practical situations

Redundancy from an SME

A case involving Pristine Air in February identified that while the redundancy process was not perfect, a reasonable process takes into account a company's size, resources and financial situation, and a "genuine attempt to consult" was good enough.

Contractor v Employee

A case involving Waste Contractors in February cost them some \$27,000 because they treated someone as a contractor instead of as an employee. Her contract described her as a contractor but included terms that were typical of an employee; she had to follow instructions and co requirements; and she was required to work a regular roster (the legal, control and integration tests).

Contrast with the Kiwipanel case in Oct 2014, where although the "employee" was paid holiday pay, his hours were not set; he had freedom to work or not; he provided his own tools; and paid his own taxes. He was therefore considered a contractor.

Suspension

In a Randwick Meat case in February, the Court indicated that a single serious allegation is enough to meet the threshold to consider suspension justified.

Wilful (and hence serious) misconduct

In the Wakatu Incorporation case, in November, the judge said "wilful" was an intentional and deliberate act in violation of required standards.

I do strongly recommend you get our advice if needing any of the above.

Parental Leave

Here's an Idea!

Vodafone are apparently launching a new initiative that will mean returning mothers will be paid for a full week, but only required to work 30 hours, for a period of 6 months.

Mothers often wish to return part-time initially, and many small businesses can't afford it. But this is creative – what can you do?

Essential Essentials

Our Essential Employee Care Service

Our new service allows owners and managers to take a proactive approach to managing the people in their business without the investment of their time. Essential Employee Care takes care of:

- Day-to-day questions
- Workforce planning (ensuring you identify required strategic recruitment, change management and training and succession management)
- Performance management (both regular reviews and processes for poor performance)
- Employee training and development planning
- Regular remuneration reviews
- Health and Safety reviews and fully tailored programmes
- Employment agreements, internal handbooks and codes of conduct
- Risk management

And to ensure you get the right focus we take you through a preliminary HR check-up at no cost to you to identify the areas of your business you need us to care for.

All this for a fixed monthly fee that depends on the service areas and number of staff.

Choose our Essential Employee Care service and focus on all of the other important hats that you wear in your business, confident that an experienced HR team is looking after your people.

Job Opportunity

I'm sorry to report that Jade is moving on. Anyone interested in an HR Advisory role please check my website.

To unsubscribe from this Update just respond to the email with "Unsubscribe" in the subject line.