

June 2014 Essential Update

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This month's update has a focus on **development of staff – why it's an investment and how to make it work**

Included in this month's update:

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- **Did You Know?** – “Go Potty” – an innovative team-builder
- **Legal Latest** – Dismissals; disadvantages; lying; and resignations

Helpful Hint

Training and development for staff

Few would argue the importance of training and development in any workplace, big or small. Imagine a workplace without it in any shape or form. Employees would never grow into their potential, would never learn from their mistakes, and would never fit with the changing needs of any 21st century workplace.

Consider a head chef in a restaurant. The chef needs strong skills in food preparation, people management and business in general, in order to do the job well. When the head chef resigns, the owners of the restaurant have two options: hire externally, or promote from within. Hiring externally has a great deal of uncertainty attached to it, and so the costs and risks involved are much greater – particularly at such a high level. If the owners were to employ someone at a lower level in the kitchen and promote them as and when required, the risk involved is much less, and gives potential for succession, loyalty, retention, continuity of knowledge and teamwork.

However, while there's less risk involved, internal promotions involve taking the time both to understand what skills need to be developed and to decide the best way to take your staff members on their developmental journey. Individual development plans are one of the most effective ways of doing this as they formalise the training needs, align development with company goals, and are an easy way to track progress.

Development plans are most common with leadership or management level positions, but can be for anyone. And they can utilise various different types of training: apprenticeships; use of an ITO; mentoring; leadership programmes; targeted training courses.

So, in the restaurant example above, the owners might have recognised potential in their sous chef, but he might have lacked some of the necessary skills to be head chef in the kitchen. Putting together an individual development plan to focus on any particular weaknesses that would otherwise stop the sous chef being a great head chef creates a great solution to the owners' needs and also a sense of empowerment and achievement for the sous chef.

So, training and development is essential in any workplace, but its effectiveness is increased when it's targeted to a particular business need, and to an employee's desired career path. *For advice on putting together training and development plans for your business, get in touch with us and we can work together on helping your business reach its people goals.*

For more information

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- **New Health and Safety regulations**
- **Payment for Annual Leave – many employers either underpay or under-accrue. Do you get it right?**
- **MBIE Report on law change effectiveness**
- **Alternate Days in Lieu**
- **Social networks – how useful are they as a recruitment tool?**

Mike's Whereabouts

Ashburton: July 2nd, 3rd, 9th, 16th, 22nd, 30th

Westport: Still to finalise

Did you Know?

I came across this amazing idea for team building last week. It struck me as being a great opportunity for team building or bonding, using an activity that pretty much anyone at all can participate in at what must be a reasonable cost. It's called “Go Potty” and involves putting designs on pottery – check them out: www.gopotty.co.nz

Legal Latest

Procedural Requirements for Fair Dismissal

From time to time it is worth a reminder on this – and a recent case where a Board dismissed a CEO without adhering to any of the four key principles cost them lost wages and \$12,000. The four principles are:

- Properly investigate concerns
- Fully raise the concerns with the employee before deciding
- Provide the Employee with reasonable opportunity to respond
- Honestly consider explanations before dismissing

And it is worth remembering that a Board is an employer and must follow the same fair process as any other manager.

What constitutes a “Disadvantage” & a valid grievance

In a recent case Mr Thomas claimed 4 disadvantages – all of which were thrown out! So here are some examples of things that could be valid disadvantages:

- If a company does not reimburse reasonable expenses;
- Tardiness by a company that causes loss to an employee;
- Not paying an agreed salary/bonus;
- Advertising an employee’s position without his knowledge.

However there is no disadvantage if:

- The employer responds in a timely manner once made aware of the problem;
- The employee does not make the employer aware of his concern (in good faith)

Lying can be serious misconduct

In a recent case at the Appeal Court they confirmed that “an employer may seek to rely on the untruthfulness of an employee in his or her responses to other allegations of misconduct ... provided that a fair process is followed with proper opportunity for the employee to respond to the allegations”. So where there is strong evidence that an employee has blatantly lied to avoid discipline, that lying can be serious misconduct. You must give them a chance to explain themselves, though, because the Court was clear that “honest but mistaken recollection” is not lying.

Accepting resignations

OK – so not every time someone resigns can you just accept it and be seen as reasonable! In a recent case involving the Department of Corrections, they were accused of unreasonably accepting a resignation. The employee claimed they had felt forced to resign and sought to withdraw it (after lodging a PG). The Department was able to show they had recognised a possible “heat of the moment” resignation and allowed her time to reconsider and access to EAP, which she turned down. So the Court upheld their process.

It is worth being very careful every time an employee resigns in a huff or saying they “have no choice”. Those are red flags for potential PGs and should be challenged.

Essential Essentials

Believe it - Employees are a potential goldmine in terms of their ability to provide sustained competitive advantage. However, that goldmine can turn into a money pit if your employees aren’t productive and engaged. So, practically, how do you get the most out of your employees? One part of the answer is to support Employees to develop and grow by way of a ‘*Development Plan*’.

Think of a Development Plan as an ongoing conversation exploring ways in which an Employee should/can develop – for their own benefit **and** that of the company.

The saying ‘start as you mean to go on’ is an oldie but a goodie and as soon as your new employee has had a chance to understand what is expected of them in their role, you should put a Development Plan in place. Although they link to Performance Appraisals you don’t have to wait for a review.

How do *Development Plans* work in practice? There are two basic rules:

1. Development plans are a shared responsibility. The Employee ‘owns’ the plan and identifies effective development goals that make the most of his/her strengths and desires for growth; while the Employer ‘facilitates’ the plan - allocates resources and approves training and activities that align with company goals.
2. While plans may take different forms, development goals should always be actionable and measurable. A useful tool to ensure this is to use SMART goals – i.e.: Specific, Measurable, Achievable, Realistic (relevant to current or potential future positions held by the employee), and Time-bound.

Apart from these two basic rules, the rest is really up for negotiation.

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