

September 2013 Essential Update

Contents

Our September 2013 update follows a slightly different format from previous issues. In preparation for our impending office move and our new website we thought it timely to share some recent insights from some of Essential HR's key services.

Performance Management

A good performance management system clearly encourages achievement of defined performance standards and provides benchmarks against which to measure individual performance.

So what sets apart the good from the not so good? One distinguishing feature of a good system is the use of 'SMART' goals. These are goals that are Specific, Measurable, Achievable, Relevant and Time bound.

One client of mine set SMART goals in a recent performance review process which has helped them be specific in identifying problems and provided a basis for reviewing progress going forward.

Change Management

Change is an ever present feature of the business environment, whether it relates to changing legal requirements, business policies or structural changes.

When change affects people's roles within a company, consultation in advance is critical to avoiding potential legal disputes. And you never know when an employee may suggest a variation you like.

Recently an employee of one client argued that changes to structure had been determined without consultation. A PG and a \$ settlement was the natural result...even though the change was necessary and logical. I have also seen a more flexible staffing solution come out of consultation.

For more information

Regarding any newsletter item or for HR Consulting Services

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Welcome

I'd also like to welcome two new employees: Renata Marhevka has started as my PA; and Jade Taylor as an Assistant Advisor.

HR Strategy

HR strategy is all about ensuring you have the right people to deliver future business needs.

It is essential to plan now for recruitment, training and development needs in order to achieve your long term view of where the organisation is going.

I've had a number of clients whose growth has been faster than their staffing and they've found it almost impossible to recruit later!

Individual Employment Agreements (IEA's)

A good employment relationship thrives on clear expectations of both parties. Your employment agreement needs to provide this clarity and all employees must have a written agreement under the law.

However, did you know that for important clauses such as the 90 day trial period to take effect, the agreement **must be signed before** the employee starts work?

In the Stokes Valley Pharmacy case the employee signed the IEA the day after starting work. The court ruled the 90 day clause invalid because the employee was an "existing employee" because of the delay and therefore, it was possible to bring a Personal Grievance. In the absence of this clause, a client is having to follow a full 3 strikes disciplinary process.

Recruitment

Making sure you choose the right person for the job is one of the most important things for any business to get right. If you don't, it can be costly – both in terms of direct costs and lost time.

The most important consideration when recruiting is to 'think first'! Having a clear purpose for the job and a position description before you advertise helps keep you focused. Another don't be fooled by the good actor - conduct robust reference checks!

Recent reference checks have revealed a previous Personal Grievance case; a history of inappropriate behaviour; a need for close monitoring...

Health & Safety

The July Essential Update stressed the importance of having a clear focus on Health & Safety in the workplace. Not only does it keep staff safe and well, but having the correct H&S plan in place will also limit your exposure to the risk of hefty fines.

There are two critical things I find clients need to do: 1. Identify hazards that exist and record them in a Hazard Register and 2. Engage staff in identifying and managing hazards – they are the ones on the frontline and in the best position to do this.

A recent client example highlighted the importance of recording hazards. When a genuine accident did occur, the employer was able to show that they did have a procedure in place and so had no fault.

Where am I?

Ashburton: Sept 18, 24, 26, Oct 8, 10

Westport: Sept 28 (Saturday)

ON LEAVE: Sept 30 – Oct 4

Training & Development/Succession Planning

How do you know your business will succeed even if you lose a key employee?

A strategic focus on training and development will help you ensure that you have more than one person with the right knowledge and skills about important functions in your business.

Recently a client realised the potential cost when a key staff member left at short notice and couldn't transfer critical knowledge before their departure.

Remuneration

Remuneration is about paying a fair wage and motivating employees to perform for the business.

Important factors to consider when setting remuneration include internal and external equity; adequate reward for the skill and experience needed; and whether you can tie a portion to actual performance.

But incentive schemes can bite. One client of mine found they were incentivising sales at the expense of quality!

Policies & Procedures

Policies and procedures translate a company's vision into the rules that govern day to day behaviour. They underpin the employment contract and can be useful for inducting new employees and instilling desired behaviours.

We have found four key elements for effective policies and procedures: they should be up to date; relevant; easy to understand; and consistent with management behaviour.

Customising is therefore essential and we have produced ones with pictures and very practical guidance.