

Top 5 HR Tips for Small Businesses

By Jane Middleton

It takes lots of effort, dedication and commitment to run a successful business but you are only as good as your people, so effective people management should be a top priority. Please read ahead for our top five HR tips:

1. Know what your legal employment obligations are:

Changes to employment law can take place regularly and small businesses should ensure they keep up to date with these changes. You must ensure that ACAS best practice is followed in order to avoid costly unfair dismissal or discrimination claims (www.acas.gov.uk). In 2010/2011 the average award for a successful unfair dismissal claim was £8,924 (Employment Tribunals and EAT Statistics). As a quick guide the legislative and best practice considerations throughout the employee 'life cycle' are:

- Recruitment and selection (advertising, interviewing and other forms of selection, making the decision and offer, induction)
- Learning and development (providing training and other forms of work-based development)
- Performance management, discipline and grievance (managing under-performance, following best practice procedures appropriately)
- Reward (avoiding discrimination in pay and benefits, etc)
- Termination (managing redundancy, dismissal, 'garden leave', restrictive covenants, etc)

Please see the previous article called "What's going to change in 2012" for the main legislative changes that you should be aware of in 2012.

2. Ease new employees into the workforce

To help your new employees settle in quickly and feel valued it is important to provide an induction during their first few days. The induction should provide new employees with all the tools to enable them to start their job (e.g. introductions to fellow colleagues, tour of office, information on their day to day duties, and provide training).

All employees should receive a written statement of employment particulars within two months of their start date and it is important to give an employee handbook/information pack to all new joiners, which will contain all the relevant information about the company and procedures in place. Involve new employees in meetings from day one to ensure that they feel part of the team.

3. It's not just about the money – ensure employee motivation and engagement

Small businesses should not ignore non-financial rewards as they are a vital tool for retaining and motivating employees. If the work force is not intrinsically motivated to deliver results the organisation could experience lost productivity and a decrease in employee morale which could affect customer satisfaction. Now more than ever, employees need to know that their contributions are valued and have a direct impact on the bottom line of the organisation. Here are a few ways to encourage employee engagement:

- Offering flexible working patterns
- Minimise workplace stress
- Provide clear expectations
- Provide the tools to do the job
- Recognise accomplishments
- Foster a team environment
- Provide training and encourage "Continual Professional Development"

4. Communicate, communicate, communicate:

Communication, though the simplest tool available to all of us, is often used poorly and, if used properly, can play a big role when it comes to harnessing engagement from your team. Managers should interact with employees as often as possible and seek their input. Always be sure to follow up and act on their suggestions and ideas, as

consulting with employees will give them the sense of feeling valued, as well as accessing knowledge that could help your business.

5. Be flexible:

A flexible organisation will better meet the challenges facing it in these uncertain business and economic environments. Flexible working opportunities can benefit everyone - employers, employees and their families. These benefits can be considerable: increased productivity, lower levels of absenteeism, increased loyalty to the organisation, and improved employee wellbeing. Flexibility can reflect the structure of resources, such as having a core team, supported by part time or outsourced staff, as and when the business needs it. Alternatively, you can implement flexible working practices such as part-time working, working from home or job-sharing. The introduction of new technologies will enable small businesses to embrace the concept of flexibility.