



Essential guides
for business growth

HR

How to get HR right!

Introduction

As a small business, there may have been a time when you were wearing all the hats.

But as your business grows (fantastic news!), so too does your team, and from that moment, your HR requirements have begun.

From finding the right people to join your business and ensuring you've got the necessary policies in place to keeping your employees happy, productive and thriving at work, there's certainly lots to think about!

To make things even more complicated, many people's work expectations have also changed considerably over the last few years. In this guide, we look at four big topics in the world of HR, as well as some of the challenges small businesses face and how you can overcome them.



PART 1

HR policies

Let's face it, HR policies are not at the top of anybody's favourite subject list - we certainly wouldn't recommend them as a conversation starter at a party.

However, they are **so** important to your business, and without them, your employees (and you) may have nowhere to turn for guidance.

What are HR policies?

Well, HR policies are written statements or rules, providing managers and staff with guidance on a wide range of employment topics and how they should be handled within the business.

Their role is to ensure fairness and consistency, as well as potentially help protect against legal claims. Policies include things like an employment contract, which provides written terms explaining salary, pay frequency, working hours, annual leave entitlements and other rights/responsibilities which must be given to the employee on or before the first day of work - clearly important stuff, right?

What HR policies should my business have?

When thinking about your business' HR policies, consider covering the following:

Attendance and timekeeping

Sometimes monitoring regular attendance is necessary for your business and the nature of its work. If so, consider a policy which defines your business' rules on employee attendance.



Areas to cover within the policy include:

- Work schedule and attendance expectations
- Attendance tracking methods
- Procedures for excused absences
- Procedures for unexcused absences
- How your business deals with tardiness and early departures
- Explanations of disciplinary measures and when they apply

To calculate hours worked for pay and overtime, you must also have a timekeeping policy.

A couple of areas to cover are: time worked, time not worked, how time is to be recorded (e.g. electronic scheduling tools) and how disputes over timekeeping are to be managed/resolved.

Health & safety

If you do not have a separate health & safety department, it normally falls under HR to be responsible for the health & safety policy.

Here you should outline your business' commitment and approach to managing the welfare of staff in the workplace.

Three areas to cover in your policy are the **statement of intent** (your aims and objectives), **roles & responsibilities** (who has specific responsibilities for health & safety) and **your arrangements** (likely the largest part of the policy, detailing how risks are managed).

[Learn more here.](#)

Rest breaks

Clear guidance on rest breaks is needed, e.g. workers over 18 are entitled to three types of breaks:

Rest breaks at work: one uninterrupted 20-minute rest break during their working day if an employee works more than 6 hours. This could be a tea or lunch break. The break doesn't have to be paid.

Daily rest: employees have the right to an 11-hour rest between working days. So, if they finish work at 8pm, they shouldn't start again until 7am the following day.

Weekly rest: employees have a right to an uninterrupted 24 hours without any work each week and an uninterrupted 48 hours each fortnight.

[See Gov.co.uk for more information.](#)

Leave and time off: The contract of employment must specify the contractual entitlement to annual leave and time off. Underpinning the contract, you will need a leave and time-off policy to articulate the process for applying for contractual leave entitlement, plus guidance on additional forms of leave that are available.

Gov.co.uk created a useful A to Z guide to all the various types of leave.

There, you'll find information on everything from maternity and paternity leave to holiday entitlements and sick pay.

[See the A to Z here.](#)

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Anti-discrimination

Under the [Equality Act \(2010\)](#), businesses are required to protect the rights of staff and prevent discrimination.

The goal of your anti-discrimination policy should be to guarantee that human rights are exercised without any discrimination of any kind based on:

- Race
- Sex
- Language
- Religion
- Political opinion
- Social origin
- Property
- Birth
- Disability
- Age
- Marital status
- Family status
- Sexual orientation
- Gender identity
- Health status
- Place of residence

Anti-harassment

I think we can all agree that workplace harassment is something that can't be tolerated, and putting a policy in place goes a long way in ensuring that.

An anti-harassment policy should cover the definitions of harassment, including sexual harassment, as well as harassment related to race, ethnicity, national origin, disability, religion, age, gender, sexual orientation, gender identity, etc.

Within the policy also outline how staff can report incidents, the process for investigation and potential disciplinary actions.

What can HR policies do for my business?

Stephanie Coward, HCM Managing Director at IRIS Software Group, says: "Introducing policies is a fantastic way to empower your staff, outlining what is expected from your team. In order to ensure policies are accepted and achieved, businesses must clearly communicate what the positive outcomes will be and the value of accepting policies and following procedures. Remember, a happier workforce means a happier business."



What HR policies do:

- Ensure your team feels there is trust, fairness and inclusion
- Communicate what is expected
- Ensure compliance
- Improve the speed of decision-making by ensuring that clear guidance is readily available to cover a range of issues
- Improve employee motivation
- Help attract and retain talent
- Help avoid involvement with employment tribunal claims
- Create a more formal approach that will develop as your business grows

Do I legally need HR policies?

Yes to some and technically no to others.

For example, each employee will need an employment contract, and if you have five or more employees, you'll also be required to have a health and safety policy.

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However, while not all policies are required by law, employers may find it helpful to have a policy in place for certain issues

When it comes to deciding what HR policies you should have, this is unique to every business; with growing complexity and uncertainty in the world of work, your HR policies should be based on the unique needs of your employees.

A good starting point may be to ask yourself: how can I create sustainable and successful relationships as a business?



PART 2

Managing employee performance

Did you know a lack of regular feedback can result in high attrition? Giving recognition is a massive motivator, and measuring performance makes it easier to identify top performers or those struggling.

So, managing the performance of your people should be a no-brainer, right?

The more you know about your employees, the more you can help support them to do their best, but for this to work, you need to set clear goals, objectives and expectations.

What does managing performance mean?

Performance management is when you check in with an employee (often done monthly, quarterly or bi-yearly) and review their ongoing workplace performance and development.

It aims to establish objectives, maintain/improve performance in line with your business goals and hold people accountable for their own work.

The three types of performance

According to the CIPD, the professional body for HR and people development, there are three main types of performance you should consider:

Task performance: this is how well an employee carries out the core activities included in their job.

Contextual performance: this is voluntary activity that benefits the business but sits outside of an employee's core role - for example, helping other teams reach their targets or supporting another team member with an ad hoc task.

Adaptive performance: this is how well employees respond to changing job demands. It should include how agile employees are to change and how they help the business react more quickly to market needs.



Objective setting

Objectives often provide employees with powerful motivators, helping improve performance; with this in mind, it's crucial you get your objective setting right.

But where do you start?

Objectives can be expressed as key performance indicators (KPIs), ongoing quality standards or tasks to be completed by specified dates.

Once you've determined how you want to measure an employee's objective, bring them into the process to ensure they're agreeable and committed to their new goals and set timeframes.

Performance and objectives can be measured individually, at a team level or a mixture of both.

Top tip: while employee buy-in is incredibly important, contrary to popular opinion, it's generally better for employees not to set their own goals.



How to manage performance

Now that we've established the various types of performance and how to set objectives, the next step is to sit down individually with employees and conduct performance reviews, which are when you assess their performance and discuss it with them.

A performance review enables you to examine employee skills, capabilities, strengths and weaknesses.

We advise you to use these performance reviews as an opportunity to plan; use the insights to align your workforce skills and aspirations with what your workplace needs now and in the future.

However, it doesn't all have to be so rigid and calculated - use them as an opportunity to celebrate success and uncover blockers.

Top tip: When you share regular feedback with your employees and take their feedback on board, it allows them to feel more job satisfaction and that they are growing as a professional. It also gives your employees the opportunity to voice how they are feeling and stop issues from escalating.

For those who want to offer performance-related-pay (PRP) incentives, such as bonuses, these performance review meetings are where you typically determine if an employee has done enough.

How do I avoid micromanagement?

Research shows micromanagement is among one of the top three reasons employees resign.

Clarifying your employee's role at work is a fantastic way of empowering staff to take control of their own success, but it's important to ensure those regular check-ins don't feel like micromanaging.

Nobody likes to feel like they are constantly being watched or criticised; instead, we want to feel our expertise and skills are trusted.

Whilst there may be instances where you are required to be more hands-on, in most cases, employees need to be given the freedom to deliver the job they've been asked to do – after all, that's why you hired them.

To avoid micromanagement, ensure that you are delegating effectively, setting clear expectations from the start, allowing your employees to perform duties in a way or style that works for them and, most importantly, asking your employees for feedback.

Often, the best course of action is to just clarify with people what they prefer; some employees will want daily check-ins to keep on track, while others are happy with minimal contact.

PART 3

Employee wellbeing

Happy employees = loyal and hardworking employees, so no matter how big or small your team is, wellbeing should be a priority.

Wellbeing at work refers to your employees' mental, physical and emotional health - currently an incredibly hot topic across the UK.

Since the pandemic, many have reevaluated their priorities, and as a result, focusing on wellbeing has become significantly more important to workers across the country.

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If you have remote workers, are you ensuring they still have a social life at work?



Why wellbeing needs to be a priority: how did we get here?

Data shows that “36.8 million working days were lost to work-related ill health, with stress, anxiety and depression accounting for almost 18 million of these.”

That’s a terrifying number, highlighting the need to do something!

It can be difficult to recognise if your employees are struggling, and though things such as absenteeism can be clear indicators, they don’t give you the full picture.

The different domains of wellbeing

To help you identify struggling workers, we’ve broken down the various domains of wellbeing, empowering you with the knowledge needed to provide amazing support.

Health: physical and mental health are clear parts of wellbeing - are your employees taking care of themselves on all levels, and is there anything you can do to support them?

Physical safety also falls under this category - is your working environment safe, trusted and hazard-free?

Work: all aspects of the working day can have a major impact on a person's overall wellbeing; from managers and work demands to change and pay/reward, regularly review these more mundane aspects to ensure they're not causing any unneeded friction.

Values: what does your business represent, and how is it being run? All areas of leadership will trickle down into your people's working day, with factors such as ethics, inclusion and diversity impacting workers.

Social: for those businesses who now have a few employees, what is the social aspect like? We spend so much time at work, so it's vital that working relationships are nurtured and looked after. Additionally, if you have remote workers, are you ensuring they still have a social life at work? While working from home is convenient, it's vital that steps are taken to maintain team spirit (think virtual happy hours, team meet-ups and daily check-ins).

Growth: areas like career aspirations, learning and creativity can be a major motivator for some - get to know your people and make sure you're delivering what they need because if they feel in a rut, wellbeing and engagement can suffer.

Lifestyle: you are what you eat, as the saying goes. Physical activity and eating habits can play a major role in dictating wellbeing. Encourage workers to take breaks throughout the day (and even go for a stroll if they are desk-based). You can also encourage employees to keep moving throughout the day by conducting meetings whilst going for a walk, either on a call or in person. If you're providing lunches or snacks at the workplace, try to include some healthy options and also provide education on a healthy lifestyle.

Finance: we all know that money troubles can cause stress. Fair pay, pensions and even financial support all need to be considered, especially during the current economic crisis.

How can I help my team feel happy at work?

Stephanie Coward, HCM Managing Director, IRIS Software Group, says: "We spend a large amount of our time at work, and so our wellbeing is incredibly important, whether we're working from an office, on-site or remotely.

"Since the pandemic, we've seen a huge shift in people choosing their wellbeing over work which has led to 'The Great Resignation', so it's on employers to ensure that employee wellbeing is a priority if they want to keep their talent.

"But more than that, to recognise that their employees deserve more. Employers need to ensure their employees aren't at risk of burnout, that their workload isn't causing too much stress/anxiety and that they're appreciated and valued within their teams."



To keep your people happy, consider these tips:

- Provide regular feedback, both positive and constructive, so they feel they are growing
- Pay employees fairly and be available and open to discussing any financial pressures they may be under
- Give opportunities where possible for them to develop their career
- Help show the bigger picture of your business and how they are contributing
- Encourage openness around mental health and ensure your employees feel safe to discuss how they're feeling

PART 4

Recruitment

If you've suddenly found yourself with more work than you can cope with, the obvious thing to do is hire someone.

However, getting recruitment right is no easy challenge.

It's not just as simple as filling a role; the recruitment process has so many factors to consider, from defining the role to attracting the right kind of people - and don't forget managing everything from the selection process right through to onboarding your new team members.

What to consider when it comes to recruitment

Defining the role: is this position new, or does it already exist? What is the purpose of the role, and what duties are involved? How will this role fit within the business structure? Answering these questions will not only make the job ad easier to write, but nailing down the best candidates will also be far easier!

Create transparent job ads: to have the right people applying for your jobs, ensure that your ads cover all the necessary information regarding your company and the role. For example, are people working in the office, or is it hybrid? What are the starting and finishing times? Is there overtime? The last thing you want is to invest a load of time and effort into interviewing people only to find out you can't offer what they want.

Advert locations: where are you going to advertise your new jobs? A good starting point is to define who you are trying to attract - if you're looking to recruit Gen Z, TikTok is probably your best option, whereas Gen X will frequent Facebook and LinkedIn. Job boards such as Indeed and Totaljobs also offer a good location for getting your ads in front of as many people as possible.



Attracting applicants: competition is fierce, and if you're battling with a larger business, there will be perks they can offer that you can't. Likewise, you'll be able to offer perks that they can't, so make sure that's clear in your job description.

Managing the selection process: whether you're working with an external recruitment company or managing recruitment yourself, you need to be involved in all parts of the selection process, including reviewing applications, conducting interviews, shortlisting candidates and even offering the role. It can be quite a lengthy process, but the time you dedicate to this now will pay off in the long run.

Additionally, by managing the selection process yourself, if a candidate isn't right and needs rejecting, you can ensure that while the news isn't great for them, the experience remains positive and thoughtful; a good experience is good for employer branding and will mean the candidate will consider your business for future opportunities.

Making the job offer: before making an offer of employment, you will be responsible for checking that applicants have the right to work in the UK and have the appropriate qualifications or credentials. Offers of employment should be made in writing, but be aware that a verbal offer of employment made in an interview is as legally binding as a letter to the candidate.

Onboarding: it's important that you provide new employees with an induction, ensuring they are aware of company policies and integrated within the team as soon as possible. Using software at this stage is a great way to send super-important communications while reducing administration.

[You can find further information on recruitment here.](#)

How do you retain your staff?

Did you know that it's estimated to cost, on average, 6-9 months of an employee's salary to replace them? Shocking! If people leave your business, it could cost you a fortune.

Well, bad news, over recent years, we saw the [Great Resignation wreaking havoc across the UK.](#)

With high staff turnover harming morale, capacity and productivity, as well as the financial impact, retention is now equally important to recruitment (super-secret business tip: it might actually be even more important!).

As many people are reevaluating their priorities or being poached by other companies, it's now more of a challenge than ever to keep your staff.



Don't panic. I repeat, don't panic! Consider these tips for holding onto those all-important employees:

- Acknowledge your employees and their accomplishments
- Ensure employee wellbeing is a priority. See the previous section for a recap!
- Address business-area-specific churn (if people keep quitting in certain teams or roles, find out why)
- Invest in your people - training and development go a long way
- You may already have people who can fill empty roles. Hire and promote from within
- Do research into the market rate and pay your employees fairly
- Ensure your benefits are competitive

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Workers need more than surface-level perks - they need things that will actually benefit them year-round.

Should you let people take the day off for a hangover?

Talking of recruitment, we've seen some radical new benefits appearing recently in an attempt to attract and keep employees, including hangover leave, houseplant bereavement and even break-up leave.

Though these benefits may catch your attention, they probably aren't the best way to find and keep people in the workplace.

Workers need more than surface-level perks - they need things that will actually benefit them year-round.

Some initiatives that have caught people's attention for the right reasons are workcations, cost of living support and eco-initiatives.

In fact, a [recent survey](#) found that 71% of employees and job seekers said that environmentally sustainable companies are more attractive employers, and over two-thirds stated they're more likely to apply for/accept jobs with environmentally and socially responsible businesses.



Conclusion

Whether you have one member of staff or thousands, once you become an employer, you have a duty to your people.

In a busy working environment, it can often be hard - and at times feel counterintuitive - to invest so much time into the softer side of business.

We get it; all these responsibilities and processes are time-consuming, and in many cases, not the reason you got into business.

Technology can help enormously!

All of the themes and examples we have discussed throughout this document can be automated with software to make HR 'a piece of cake', ensuring compliance whilst also enriching your business.

Whether you want to streamline the recruitment process, get better insights into how staff are performing or give people the ability to self-serve parts of HR (saving you even more time!), software can help.

Take out the complexity and reap the benefits of a highly motivated and productive workforce.



Staffology brings together the heart and science of a happy business with intuitive, cloud-based HR and payroll software.

Make your people feel cared for by getting the important details right. Ensure greater productivity by eliminating your daily admin and streamlining core HR processes such as holidays and absence management, reporting, onboarding and engagement.

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