

GROWING YOUR BUSINESS

EMPLOYMENT CONSIDERATIONS

If your business is looking to enter a significant period of growth it will need to accommodate its newfound capacity by expanding the amount of people that it employs. Whilst this is a positive step for your business, you will also incur a greater administrative burden in both complying with the law and managing your employees.

Liability Cap

As an employer you are required by statute to provide all of your employees with a 'statement of particulars'. This will need to be provided within the first two months of employment and set out the following key terms of the new employee's employment in the UK:

- the names of both parties;
- the job description and title;
- the day they started working at your company;
- salary, how it is calculated and how often it will be paid;
- working hours;
- holiday entitlement and pay;
- sick pay;
- pension arrangements;
- contract type (permanent, fixed term, part-time, etc.);
- termination notice requirements; and
- where they will be working.

Employment Contracts and Policies

Whilst the statement of particulars sets out the minimum legal requirements, you will almost certainly want to put in place an employment contract as soon as possible to further detail the relationship between your company and the new employee. Typically, employment contracts will contain the full 'statement of particulars' and thereby satisfy this requirement without the need to provide them separately.

However, in an employment contract you may want to provide other practical terms and employee incentives such as a bonus scheme or flexible working to name a couple. Additionally, you may want to consider putting in place two types of employment contract; one for senior employees and another for junior employees.

The company will also need an employee handbook and various workplace policies that work in conjunction with the employment contracts. Specifically, such documents will need to cover key issues such as:

- maternity, paternity and shared leave;
- disciplinary and grievance procedures;
- anti-corruption and bribery;
- holidays;
- sickness;
- health and safety;
- data protection; and
- equal opportunities.

Managing Performance

While the precise responsibilities of positions in your business will differ, the fundamental management skills required are often the same. Managing employees' performance is a continuous process that will involve ensuring that each employee's performance contributes to your company's ambitions. Good performance management helps everyone in the organisation to know:

- what the business is trying to achieve;
- their role in helping the business achieve its goals;
- the skills and competences they need to fulfil their role;
- the standards of performance required;
- how they can develop their performance and contribute to the development of the organisation; and
- when there are performance problems and what to do about them.

Handling problems that may arise

Unexpected issues and problems arise in all workplaces. Staff may have complaints concerning their work, working conditions or colleagues which may need addressing. Alternatively, a team member's conduct or performance may become a problem. It is important that these problems are resolved in a fair and professional manner, before they develop further and become a more serious problem. Initially most matters are best dealt with informally; a private discussion is often all that is required to improve a team member's conduct or performance.

Sometimes the matter may be more serious and disciplinary action may need to be taken if, for example, a formal grievance is raised by a team member. In these circumstances, certain minimum procedures must be followed. This would include an independent and thorough investigation into the allegations raised, and, following that investigation, it may be necessary to hold a disciplinary hearing. Once a fair and reasonable disciplinary sanction has been given to the employee you should also consider any appeal points made by the employee.

As an employer you should familiarise yourself with the ACAS Code of Practice. The Code provides written guidance to employers on dealing with both disciplinary and grievance procedures. Whilst failure to follow the Code will not make you liable to Employment Tribunal proceedings, an Employment Tribunal Judge would take a failure to follow the Code into account when awarding an Employee's compensation in successful cases.

Ensuring that your internal procedures are compliant with the ACAS Code of Practice and UK employment legislation will ensure that the risk of any costly tribunal litigation is avoided.

Best Business Practice

- Ensure that you have substantial and detailed staff handbooks or policies in place.
- Keep up to date with regular sector changes and regulation updates to ensure that every aspect of your business is compliant.
- Ensure that you follow the ACAS Code of Practice when dealing with any grievance and/or disciplinary process.
- Tailor employment contracts to be compatible with any share option agreements that may be in place.
- Ensure that employees receive regular training on how policies benefit their employment.

Get in touch

If you are looking to grow your business and hire new employees in the process or have any employment queries, please contact Millie whose details are below.



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