

5 WAYS HR CAN STOP YOUR BUSINESS FROM LOSING MONEY





TIME TO LOOK AT EXPENDITURE

With the cost of living rising dramatically, chances are your business needs to look at expenditure too.

Inflation rose to 6.2% in the 12 months to February this year, and that was up from 5.5% in January. It's now at the highest it's been for 30 years, and it doesn't look like it's going to get better any time soon.

So now is the right time for you to look at how your business could make savings and protect future revenue.

Believe it or not, HR can significantly help your business to save money. And no, I'm not talking about firing everyone to save some money!

Instead, I'm talking about the important role that HR can play in stopping your business from losing money unnecessarily, and increasing productivity to help you regain some of that financial balance.

That's why I've created this guide. To outline the 5 ways HR can make sure your business isn't losing money.

Let's get started...

TIME IS MONEY, PEOPLE

You've heard it before, but it's true. Time is money. And if you're

spending your time on the wrong things, you're wasting money. And, of course, your time.

But what do you do when you're running a small business? The jobs still need to get done, and your people each have their own roles to fulfil. Naturally, some of the unaccounted-for jobs fall on your shoulders as the business owner or manager.

Things like approving and logging holiday requests.

Things like managing expenses.

Things like planning appraisals and keeping track of and updating employee records and documents.

They're all things that need to be done in a business. But aren't they just repetitive and long-winded? Aren't they laborious? And it feels even more so when you realise that, actually, you don't have to be doing these things yourself.

You could try outsourcing many of these functions. But that still takes up a lot of your time. Looking for the right person or people that you can trust to do it properly. Making sure communication stays open, and, of course, ensuring everyone in the business knows the right person to deal with the right function.

But there's another alternative that makes the entire process far easier. There's an abundance of HR software available to you that means you can simply take care of all of this. One that we particularly like is Breathe. Breathe can automate so many of those tedious HR tasks that take up too much of your time. And, better still, it's a really low-cost way of getting things done.

That means that your time is freed up to work on the things that are more important when it comes to growing your business and its revenue.

WHAT - OR WHO - IS MISSING?

On average, a typical employee will take 6.4 sick days each year. The cost of that to you is £568, per employee, per year. And that quickly adds up.

Of course, most often, your people will have genuine reasons for taking

unplanned time off. No one is immune from illness. And you certainly don't want to encourage a culture of presenteeism in your business, where people feel the need to come to work even when they should be resting or recovering.

However, there will also be a percentage of absence that could be avoided, for a number of reasons. Primarily, absence due to poor mental health and wellbeing falls into this category.

A massive 40% of work-related sickness is caused by stress. And a further 12.7% is attributed to mental health issues. And, while that demonstrates that there is a lot more that UK businesses could be doing to help support their people, it also presents you with an excellent opportunity to help support your staff and reduce unplanned absence in your company.

There are other factors that lead to employee absence too. Sometimes you may start to spot patterns in behaviour from certain members of your team. For example, you may notice that someone always calls in sick on a Monday after having big weekend plans. Or you may see that someone else calls in sick each time they're scheduled to work with a particular colleague.

These are just a couple of examples that demonstrate why you should be tracking and monitoring absence. It can help you spot trends amongst particular employees, but even across entire teams.

Analysis of absence data can help you to identify issues and gives you an indication of where a problem may arise or stem from.

Not only can this help you to reduce absence in your business, but it can also help you to create a happier, more cohesive team.

GOOD IN A CRISIS

Just as placing a good focus on HR helped lead the way throughout the pandemic, it's also helping to lead the way through the current people crisis, too.

You're likely aware of 'The Great Resignation', and understand that more people are looking to change jobs this year, despite the economy.

Your people look to you as the business owner or manager to guide them through difficult times. If they see colleagues jumping ship, they need explanation, or at least to understand that you've recognised an issue and are working on ways to make improvements and address any issues that have come to light.

They will need reassurance that if they're to stay with the business, they have good reason to do so.

They want to know that they're important to your business.

That's why it's vital that you stay calm in a crisis and have the right guidance and direction to alleviate any concerns, without causing additional problems or breaking employment laws.

The way that you deal with all of this can have a huge impact on your finances. It's not cheap to recruit new staff and, if you find yourself short of people, your productivity will plummet too.

Mistakes cost businesses dearly, so while you're creating a healthy, happy environment for your people, you must also follow employment law to the letter. And make sure that every action you take is working in the best interests of both the business and its people.

At this point, I feel it's important (or hopefully unnecessary) to remind you just how much time, money and stress an employment tribunal can be.

The average cost of an employment tribunal to an employer is £8,500. The maximum basic award for an unfair dismissal claim is £16,320.

Compensatory awards can be up to 52 weeks' wages, or £89,493 (whichever is lowest).

And there is no maximum award for a successful discrimination claim.

Employees can also make a claim for injuries to emotional wellbeing, which range from £27,400 to £45,600.

Of course, you also have to consider the cost of legal representation, loss of time, and equally importantly, the cost to your business' reputation.



IF THEY DON'T LOVE YOU, THEY'LL LEAVE YOU

A happy, healthy employee is a motivated and productive employee. That means it's in everyone's best interest to place a great focus on health and wellbeing in your workplace.

This may include things like encouraging your people to stay active and make healthy choices. For example, you may provide healthy snacks or offer subsidised gym memberships as an incentive to your people.

But it's also important that you pay close attention to stress factors, making adequate time to speak to employees about their roles, what's going well and anything they may be finding challenging.

You and your managers should be looking out for telltale signs that someone is struggling with their mental health. It's really important that the matter is approached delicately and with understanding. That may mean that you need to invest in mental health awareness training for your management team, so that they have all the necessary tools to deal with this kind of situation in the correct way.

You should also take a look at your business' reputation and culture if you want to keep your current people engaged and committed to your company.

Is it a good place to work? Are you known for your inclusivity? Do you have a team that loves working for you, or is it just a job? Have you made a commitment to continually develop your people to help them

reach their professional goals?

Basically, do you need to reassess what you are doing to keep your people happy?

Things like flexible working arrangements or additional support with childcare, for example, could go a very long way to nurturing a relationship with more commitment and loyalty within your team.

Today, people care about more than just what they're being paid (although this is still a very important consideration!). They want to work for a business that aligns with their own ethics and values, and one that offers perks that make a difference to their lives.

Striking the right balance when it comes to looking after your people while creating a strong brand identity for your business could be the key to engaging your people and retaining them for a long time.

It might sound like a lot of work (and expense), but placing the right focus on this could ultimately save your company a lot of time and money. Don't be tempted to skip this step if you're serious about saving money and growing your business.

COMPLIANCE WITH THE LAW

Oh, employment law. It's such a minefield. It's constantly changing and, unless it's your day job, it can be tricky to keep up with what's going on.

And while this change isn't a bad thing - the laws are there to help keep both your business and your people protected - it does have the potential to make things difficult for you. Primarily if you fail to comply with any aspect, you could find yourself in hot water!

It's vital that you ensure you have all of the right documentation in place, both for your business and for your people.

That means things like a company handbook, contracts of employment for everyone, and importantly, policies on everything that is relevant to your business.

A lot of companies fall down when they experience an issue, only to find they have no formal policy in place to enforce their ruling.

Also, as discussed earlier in this guide, the risk of winding up in an employment tribunal is extremely high if you're not compliant with employment laws. And the cost of that to you has the potential to be astronomical!

If you take just one thing away from this guide, it should be to get your documents in order. Now.

You don't need to do it all yourself, either. There are lots of businesses - like mine! - that can help to make it a very simple process. And it won't break the bank,

If you do already have your handbooks, contracts and policies written, it's worthwhile to check when they were last updated. It can be just as dangerous to maintain old policies as it is to not have a policy in the first place.

You also need to ensure that everyone have a copy of, or access to everything they should have, too.

A LITTLE MORE SUPPORT

It's easy to talk about all of these great things that you should be doing to save your business time, but if you don't have an in-house HR team, or even person, surely actioning all of these points is going to cost you even more money - and time. Right?

Well, yes, in a sense, you will need to make a bit of an investment to get things to where you need and want them to be in your business.

But as a successful business owner or manager, you should already realise the importance of spending a little money today to make a huge saving tomorrow. And that's exactly what this can do for your business.

My recommendation would be to find an expert outsourced HR professional who can take care of all of this for you, without you having to find a load of additional time (and develop new skills) to do it all yourself.

The idea is to help you save time and money, which means you shouldn't be doing it by yourself.

But by outsourcing it to an HR support company, you'll have the peace

of mind that everything is being dealt with in exactly the right way, at the right time. Better still, it doesn't have to cost you a fortune either.

When you choose an external HR company to take care of your HR for you, you effectively benefit from the support of a whole team at less than the cost of one additional employee. You can't beat that!

But, also, you partner with an expert that you can rely on to get things right and keep your business protected.

If it's something that you'd like to explore at the moment, we'd love to talk to you about how our HR plan may be able to help you. Just give us a call to arrange a conversation.

NEED SOME EXPERT HR ADVICE?

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