



EMPLOYMENT ISSUES UPDATE.

November 2007

Issue No 50

HOW TO REDUCE STAFF TURNOVER

Back in July 2007 the CIPD conducted a survey of staff turnover. Their findings were illuminating. 78% of respondents said that turnover was a problem for them – no surprise there. But very few knew how much it was costing them.

Here is a brief HR Consultant's view of how to take over the Management Accountant's job:

How many hours does it take to: produce a job specification, draft an advertisement, brief the agencies, prepare an interview format, select who to interview, draft letters, conduct interviews, write up interview notes, prepare offer letters and regret letters? Add this up and cost it at twice the cost of the manager's hourly rate (to allow for the costs of employment).

Add to that the cost of placing the advertisement or agency fees, depending on your preferred method.

Most people would stop there, but we would suggest that you factor in:

- The cost of reduced productivity while you have a vacancy
- The cost of a new employee being less than 100% productive in their first few weeks/months
- The impact on the team of being one person down
- The effect on morale of people always coming and going
- The knock-on effect of not meeting the customers' requirements, either through late delivery or poor quality
- The potential loss of key people (maybe to the competition)

So what can you do about it?

- You need to understand why people are leaving, so we suggest that you find out, either through conducting exit interviews or by asking leavers to complete an anonymous form.
- Measure the rate at which people leave, either using a traditional labour turnover analysis or a stability index
- Switch the focus to "retention" rather than "turnover"
- Make managers accountable for retention in their areas
- Find out how you are perceived by your employees and by unsuccessful candidates – what is often described as your "brand". In our experience most companies would not be aware of this. The best way is to conduct an anonymous staff survey.

- Find out how your pay and benefits compare to others in similar sectors in your area. You could do this either by purchasing commercial pay and benefits surveys or conducting one of your own.

It is likely that this will throw up a need to pay attention to at least some of the following:

- Selection methods (do you use structured interviews and objective selection criteria?)
- Training of managers in selection techniques
- Induction of new staff
- Training of new staff
- Employee development programmes
- Communications machinery (team briefings, newsletters etc)
- Management style
- Management training
- Pay and benefits packages
- Job design

Park City can provide assistance in successfully reducing staff turnover. Please call our HR team for further advice on 01206 752100 or email consulting@parkcity.co.uk

David Wallace
HR Consultant

HEALTH & SAFETY MYTH OF THE MONTH

Children were banned from riding at a donkey derby

THE REALITY: The Health and Safety Executive (HSE) recently read they had banned children from riding donkeys in a donkey derby and so had to be replaced with inflatable sheep. This came as a shock to them. In reality the change appears to have been due to the cost of the insurance premium. HSE had no involvement at all. Other donkey derbies took place around the country without any problems.

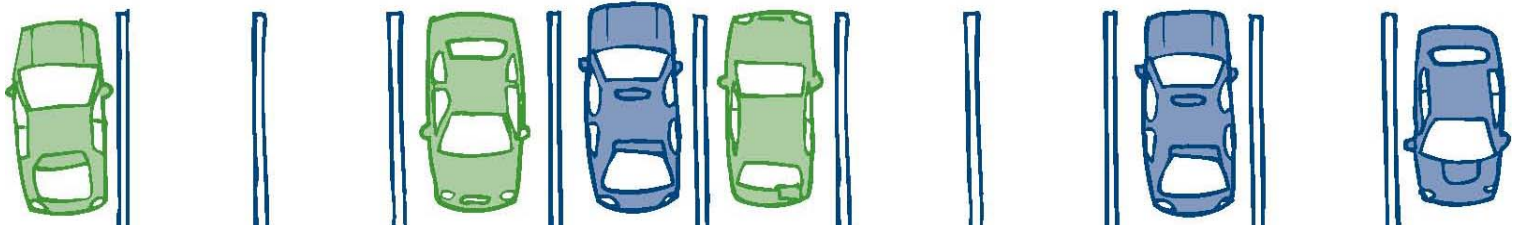


If you're organising a public event, it's wise to look for an insurer who specialises in this kind of policy, talk with them if the standard terms cause difficulty and plan properly so that the risks are responsibly – and sensibly managed.

Source: Health and Safety Executive

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Ever wished you could park your worries?



DISPUTE RESOLUTION

On 21 March 2007 the Government published the outcome of an independent review of the employment dispute resolution system in Great Britain, led by Michael Gibbons. Following this the Government published a consultation document which closed last month.

It is difficult to know how the Government will proceed on this area. Feedback from the consultation so far has suggested that there are varying views across all parties. Some favour regulating the ACAS code with more complex legislation and others want the legislation to be simplified. This leaves a difficult job in deciding how to go forward.

However, until any official change is proposed or implemented, employers should ensure that they are complying with the legislation as it currently stands.

When carrying out any dismissal, employers must ensure, as a minimum, that they follow the 3 step process:

- Stage 1 – Send the employee a letter inviting them to a meeting to discuss the potential dismissal and the grounds for the action.
- Stage 2 – Holding a meeting with the employee before taking any action.
- Stage 3 – Giving the employee the right to appeal.

Employers must also ensure that the employee is given the right to be accompanied by a work colleague or Trade Union representative.

Although the legislation dictates that this is a dismissal procedure, the same steps should also be followed when taking any disciplinary action and issuing a sanction. If a series of warnings later result in a dismissal, any tribunal panel will look at the process followed from the beginning, not just the dismissal itself.

To ensure a fair and reasonable approach, any disciplinary or dismissal taken must comply with Company procedure, the statutory three steps detailed above and the ACAS code of practice.

Park City can provide assistance in successfully managing any employee relations issues. Please call our HR team for further advice on 01206 752100 or email consulting@parkcity.co.uk

Cherry Allen
HR Consultant

CORPORATE MANSLAUGHTER AND HOMICIDE LEGISLATION – IMPORTANT ADVICE

Companies whose gross negligence leads to the death of individuals will now face prosecution for manslaughter under tough new legislation and businesses are being urged to review their health and safety procedures, risk management programmes and insurance cover in the wake of the Corporate Manslaughter and Corporate Homicide Act 2007, which received Royal Assent on 26 July and becomes law from 6 April 2008.

Under the new law, companies, organisations and, for the first time, Government bodies face an unlimited fine if they are found to have caused death due to their gross corporate health and safety failures.

Employees of companies, consumers and other individuals will be offered greater protection against corporate negligence as the new law will focus the minds of those in companies and other organisations by ensuring that they take health and safety obligations seriously.

Failure of an organisation to demonstrate an effective health and safety system and culture within the workplace will be a key factor in any prosecution decisions. Similarly, a strong health and safety culture could be instrumental in the successful defence of a prosecution.

It is imperative that organisations, regardless of their size or nature of their business, review their health and safety, risk management and insurance programmes to ensure that they have reduced the likelihood of a claim in the first instance, and are in a robust position should they need to defend against such a case.

If you need any guidance on the above new legislation, please call our Health & Safety team on 01206 752100 or email consulting@parkcity.co.uk

Ashley Williams
Health & Safety Consultant

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Advice?

For further information on implementing these changes in Employment Law and Health and Safety legislation make a little space for Park City now. Call us today on 01206 752100.

Free Business Health-Check?

Would you like a Human Resources or Health and Safety check free of charge for your business? Call now on 01206 752100.



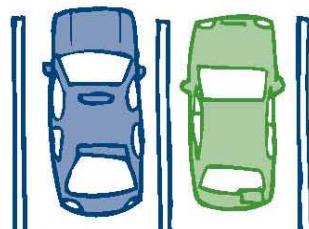
We park your worries. You drive your business.



Park City are experts in all areas of Human Resource Management. For the brochure of your choice, call us now.

- Employment Issues
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IMPORTANT: This document is only intended as a general statement of the new law and does not constitute legal advice. No action should be taken in reliance upon it without our specific legal advice.
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