

Hiring, managing and rewarding your employees:

A guide for small and growing businesses



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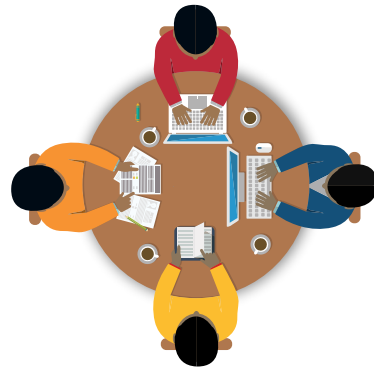
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People Strategy Fundamentals

What is this?

This SME Toolkit has been developed by Microsoft in order to guide small and growing businesses through the key areas needed to hire, manage and motivate employees effectively.

What is People Strategy?

Your business is only as successful as your employees are. A People Strategy helps you manage and nurture your employees in order to get the best out of them, in line with your business goals.

Commonly referred to as Human Resources Management (HRM) or Human Resources (HR), People Strategy deals with how to:

- Attract talented candidates to work at your company
- Create the ideal working environment for you, and your workforce
- Get the best out of your employees
- Comply with legal and contractual employment obligations

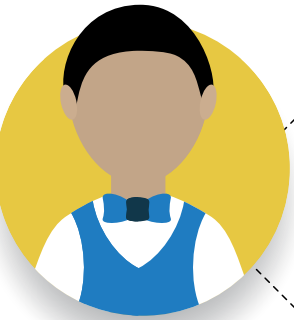
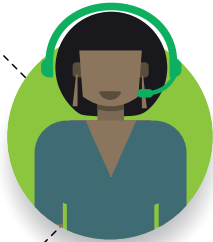
Essentially, People Strategy is employee management with an emphasis on employees as assets of the business. The goal, is to make effective use of employees by reducing risk and maximising return on investment.

The person, or department, responsible for People Strategy will also create, implement and oversee policies governing employee behaviour and the behaviour of the company towards its employees.



At the heart of it, people want to come to work, do a good job, feel like they make a difference and be recognised for their work.

People Strategy can help you achieve this – for your staff and for your business.



Why do I need to implement a People Strategy?

When you think about your business's greatest asset, what comes to mind?

You may consider your fleet of trucks, your state-of-the-art coffee machine, or, perhaps the office building that you decided to buy, rather than rent.

While these items are vital to the running of your business, the truth is that if you don't have committed drivers behind the wheels, expert baristas creating the coffee and motivated, talented staff sitting at their desks, these material possessions are not worth all that much.

In any organisation, people are your most important assets. A comprehensive People Strategy provides you with a roadmap on how best to manage these important assets, as well as to consider the compliance obligations that you have when it comes to your staff.



People – your employees – are the most important assets of your business. How they perform, will determine your success.



[Read More](#) ➔

What are the risks if I don't implement a People Strategy?

Is HR an afterthought?

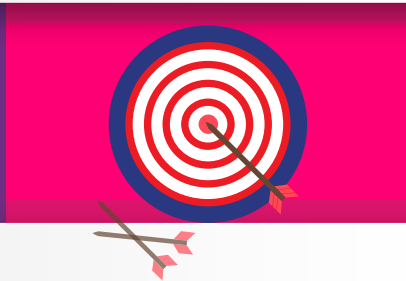
By not planning your People Strategy effectively, you are leaving your business open to potentially damaging risks.

While some of the risks of not having an HR plan in place are tangible, such as legal and safety risks, most of the risks are more difficult to pinpoint, but can be just as damaging.

Lack of employee motivation and productivity, for example, can hinder your business's financial success, as well as harm relationships with your clients.

Below, we have listed some of the key risks of not implementing an adequate People Strategy plan:

Critical Skills Shortages



Not having the right employees in place with the skills you need to compete, innovate and grow, can hamper your business's future. An HR strategy, and staff training plan, ensure that you have skilled professionals working for you at all times.

The skills required of employees in a small business very often differ greatly from those skills required in bigger organisations. Employees are often required to have much broader skills as they multi-task and deliver across a wide variety of needs.

Unethical or Unprofessional Employee Behaviour



While you may assume that your employees will behave ethically and morally when representing your company, this is not always the case.

A People Strategy will communicate what behaviour is expected of your staff, and what is deemed unacceptable. Small business employees are often expected to deliver almost immediately without proper onboarding and training.

Intellectual Property Leaks



If your staff are responsible for, or have access to, sensitive data, HR needs to make sure employees are aware of the confidential nature of the information and what the consequences will be if this is shared with others.

It is important to cover Intellectual Property as part of the contract given to the employee.

Hiring Fraudulent People



A good People Management strategy will include a hiring and screening process, which will enable you to find out if your potential employees have criminal records, bad track records with previous employees and other information that you need to be aware of before hiring.

Avoid falling into the trap of avoiding recruitment agency fees by using your own family and friend networks to recruit. Even if these networks are tapped into, make sure you do proper reference checks. It is said that the first ten employees of any business often determines the culture of that business for the remainder of its lifespan.

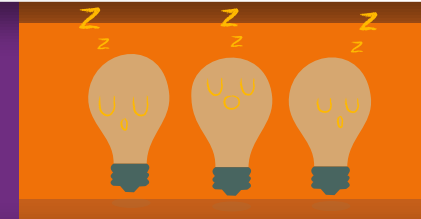
Employee Contract Issues



A contract of employment forms the backbone of the employee-employer relationship. You need to express employment terms and obligations clearly in writing. This includes working hours, annual leave days, sick leave, probation period (if applicable) and notice periods in the case of an employee's resignation, among other relevant points.

It is important to consider a probation period, in countries where these are allowed, as employees are often not able to manage the pressure that comes with working in a small business.

Low Office Morale

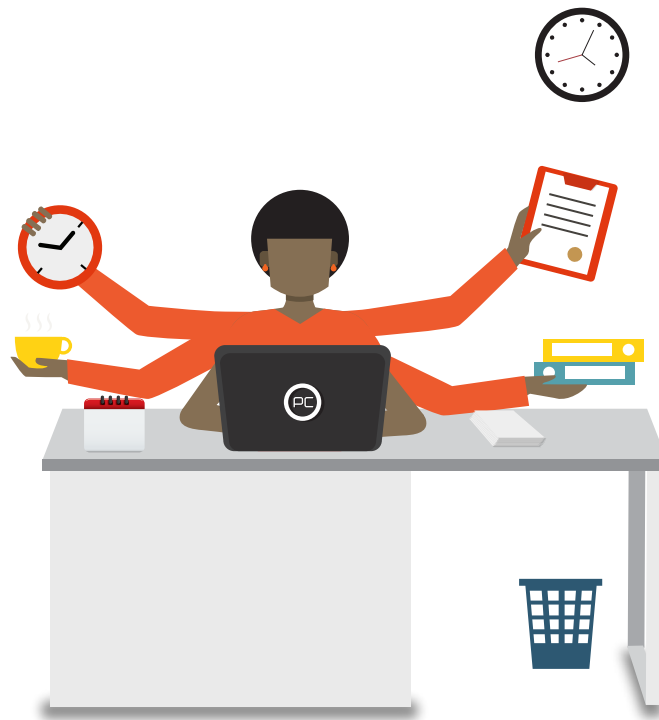


Good HR practice will help you to create a pleasant, nurturing and exciting environment in which your employees can thrive. Without this strategy in place you could have talented employees who do not perform to the best of their abilities, or unsuitable staff members in key positions.

Since small businesses are often made up of virtual teams, it is important to include a strategy around how these teams can effectively collaborate and remain productive while ensuring the upkeep of employee morale.

Can I manage HR myself or do I need a dedicated department/ agency?

Depending on the size of your organisation and the complexity of the legal landscape, you can choose whether to handle People Strategy internally (by an individual or a department), or to outsource this function to an agency.



While organisations might try to cut costs by not having a People Strategy in place, the reality is that even small businesses need an HR approach. And will save a lot of money in the longer term.



While it might seem like an unnecessary cost when you are just starting your business, you will in fact save time – and often money – in the long run, by utilising a People Strategy function from the start.

With this said, it is key that you take a close, honest, look at your own business to assess what is needed from an HR point of view.

You may not need to hire a full HR department; one person could handle the People Strategy duties of a small business. Or, you could consider hiring a part-time HR consultant, or choose to outsource your Strategic People Management to an external firm.

As an employer or manager, it will be your job to ensure that you are managing your staff effectively in line with the People Strategy in place. You will often be faced with the conundrum of finding time to manage people whilst delivering on requirements for clients. If you have skilled employees, your workload as a business owner will be less, so upskilling employees is important.

[Video Resource](#) ➞

How do I ensure my People Strategy meets my broader organisational goals?

Ask yourself this:

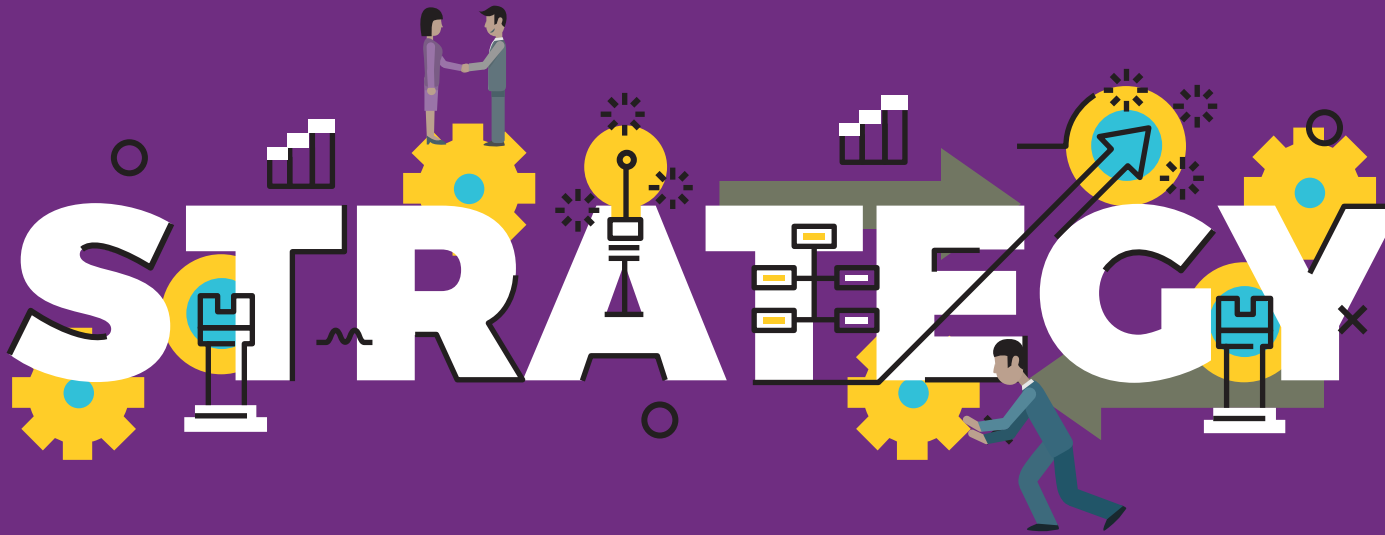
Do you put your customers' or employees' needs first?



If you've answered "My customers' needs, of course!", you might want to rethink your approach...

Many successful companies put their employees' needs first, and their customers' second. The belief is that if you care for your employees, they will in turn look after your customers, resulting in better business results.





The key to any successful People Strategy is to ensure that it aligns with your broader organisational goals.

Your HR strategy should not be an afterthought, but rather an integral part of your business purpose, goals and outcomes.

If your employees clearly understand what your company's vision, mission and goals are, and know how their jobs contribute towards meeting these goals, you will have a far more productive, motivated workforce, who are aligned with the company's purpose.

To meet your business goals, there needs to be cohesion between organisation strategy, group goals and individual goals.

By aligning your People Strategy with the company strategy and putting in place consistent ways of measuring your employees' success and achievements, you will be setting the scene for your workforce and company to be great.



Workforce greatness = Company greatness

02

Hiring employees

WE'RE HIRING

How do I go about hiring employees?

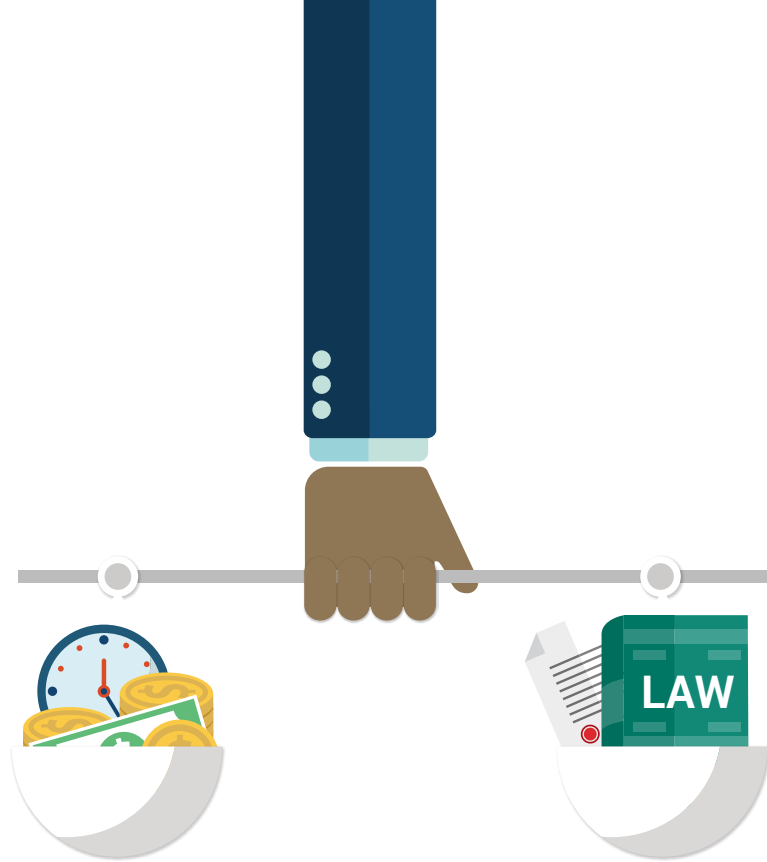
Finding the right person for a job takes time and can be a significant financial investment – especially if you rush the process and end up hiring someone who is: not suitable, or underqualified for the position, or who does not match your company culture.



Before looking externally, consider promoting an existing employee.

These searches are often more productive, save money and improve staff morale when they see there is opportunity for growth within the business.





There are several ways you can go about hiring people. You could do it yourself by placing advertisements or scout for talent at networking and career events, or you could hire a dedicated recruitment agency or consultant to do it for you. This is often the best option if you don't have a Human Resources department.

Every country has its own set of laws when it comes to hiring people. In South Africa, for example, employers are governed by legislation relating to basic conditions of employment, labour relations, skills development, occupational health and safety, and employment equity.

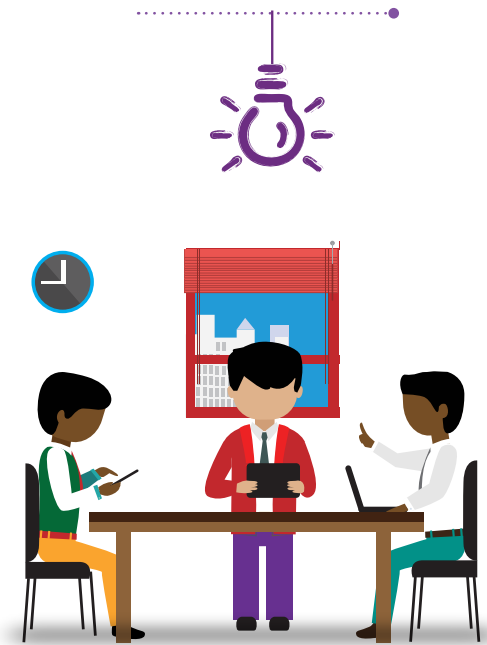


It is essential that you familiarise yourself with the labour/hiring laws applicable in your country

Next, write up a detailed job description for the position you want to fill.
This will be an internal document that will form the basis of your job advertisement.

The description should outline:

- ✓ Skills and past experience requirements
- ✓ Educational requirements
- ✓ Essential duties and responsibilities
- ✓ Organisational chart (who the person will be reporting to and potentially who will report to them)
- ✓ Personality traits, which will determine if the candidate fits your organisation's culture
- ✓ Location, salary range and benefits



Set up an interview team comprising of people from various departments in your organisation, if you have more than one department.

You will get different viewpoints on candidates, and one person might pick up on something that others have missed.

Once you've written and placed your job advertisement, you can start screening applicants from their resume and setting up interviews.

Here are a few things to keep in mind:

- Decide how you will conduct interviews, e.g. over the phone or in person, and who will sit in on the interviews panel.
- Conduct background checks on potential candidates. These could include criminal records, credit reports, educational qualifications, etc (not necessarily legal in every country without the candidate's approval) How will they be able to do this? It may not be clear for SMEs.
- Request references in order to conduct reference checks, to get a sense of the candidate's abilities, work ethic and reliability, as well as to verify previous roles and to confirm employment dates. Make sure you check whether this is legal in your country before starting the process.
- Shortlist no more than three candidates for the position and conduct a second interview with each. Have different people sit in on this interview, and if possible include people who the candidate will not work with, for a different perspective
- Making hiring mistakes can be very costly, so consider including a practical component such as a simulation similar to what they would be doing into to the interview process, in order to assess the capability of the potential new employee.



For a small business, each new hire impacts the company's culture. Remember: Skills can be taught; attitude and personality cannot. Take the time to find the right person to avoid costly bad hires.



CONTRACT

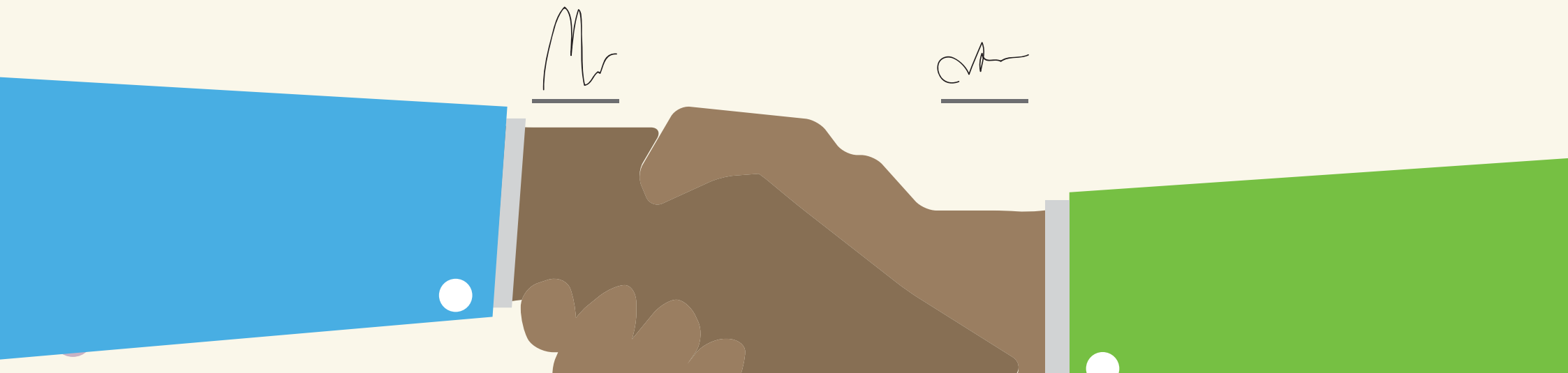
Once you've found the perfect candidate, you'll need to make a formal offer of employment, in writing, via an employment contract.

- Name and address of employee and employer
Place of work (and whether they will be located in a specific location or if they will be "mobile" because they will be on the road most of the time i.e. sales employees)
- Date of employment
- Regular and overtime hours, if applicable
- Salary, benefits and overtime rate, if applicable
- Deductions
- Leave entitlement
- Notice period
- Probation period
- Termination clause
- Percentage of travel (if applicable to role)

Small businesses often hire part time employees or external contractors or consultants, and these contracts will differ to a typical permanent employee contract.



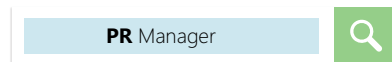
An employment contract, signed by both parties, is a legally binding document



How do I develop and share a job advertisement?

A well-written job advertisement ensures you attract the best candidates for the position.
A poorly-written advertisement can deter great candidates from applying.

A job advert should include:



An appealing title

- Think about what people would type into a search box when looking for a similar position
- E.g. People are more likely to search for 'PR executive' than 'Communications support officer'



Job description

- Pick out the top 4-5 skills that are most essential to the job
- Include day-to-day tasks
- Explain how the role fits into the overall company goals



Key information

- Necessary skills and experience
- Education requirements
- Salary and benefits
- Location of work
- How the candidate should contact you (i.e. phone, email, online form)



Stand out from the rest

- Include the job's excitement and challenges
- Describe a typical day/ week/ month
- Describe your company's culture
- Focus on what the company can do for the candidate



A job advertisement means you're selling your company to potential employees.

Know your audience, address them in a language they understand, and tell them what's great about the position and the company.

Remember, you're talking to people, so use friendly, familiar phrases and address the reader directly.
"You will work closely with the marketing department" sounds warmer than "The ideal candidate will work closely with the marketing department".

Long advertisements detailing every responsibility of the job can overwhelm candidates and deter them from applying. Keep your advertisement short and focus only on important requirements.
This also ensures that only the most qualified candidates will apply.



**A job advert is often the first experience people will have of your business.
Make it a positive one and try to respond to every candidate, even the unsuccessful ones.**

Your hiring strategy should be targeted. If it's not, you'll likely be flooded with applications from unsuitable candidates.

Placing an advertisement in a newspaper will give you access to a broad – but not necessarily the right – audience. Placing advertisements on social media channels, lets you target your advertisement to a very specific audience, increasing the odds of you finding the best candidate.

Social media advertising is also cheaper (or free if you don't promote it) and shows candidates that you're keeping up with digital trends – and most people want to work for digitally enabled companies. It is also easier for people to find job listings on social media using hashtags, and people are encouraged to share posts they feel their networks will be interested in.



**Remember to tailor your advertisement to the platform you're using.
A job advertisement on Twitter will look very different to one on LinkedIn.**

What should I look for in a CV?

High unemployment levels and the fact that online job advertisements are so easily accessible means that you'll probably get a lot of applications and many irrelevant in response unsuitable candidates responding to your job advertisement.

Unfortunately, it will not be possible or feasible to go through every CV in detail. To streamline the process, have a list of skills and experience that are essential to the job ready and, when screening candidates, check which ones tick all the boxes before reading further into the CV or calling them for the initial phone interview.



It takes 8-10 seconds for an applicant to make a good impression on a recruiter through their CV. If you're not getting that impression during this time, move on to the next one.

If a candidate has been unsuccessful, send an email acknowledging receipt of the CV and to explain that the application has been unsuccessful.

Once a CV has passed the 10-second test, it's time to look deeper.

Take note of the following:

- Roles and responsibilities at past jobs and whether these align with the position you are trying to fill
- Skills – these are often more important than a person's job title
- Experience
- Achievements, ideally supported by facts. E.g. 'Increased traffic to company website from 200 visitors to 5,000 in three months'
- Education
- Soft skills such as communication, leadership, problem solving and foreign languages
- Availability of references
- Evidence of career progression showing increasing levels of responsibility
- General logistics, such as location or eligibility to work in the country

Red flags:

- Spelling and grammatical errors suggest that the candidate does not pay attention to detail
- Inconsistent dates or gaps in employment
- Formatting – the CV should be around two pages long, should not be overly cluttered, and should have clear sections and headings
- Unprofessional email address
- A lack of qualifications is often covered up by overplaying skills
- Job-hopping (the candidate does not stay in one job long enough to add value, learn new skills or build loyalty with the employer)



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Identifikasi nematoda

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If you have asked candidates to submit a cover letter along with their CV, this should be tailored to the position, highlighting why the candidate is the best fit for that particular job.

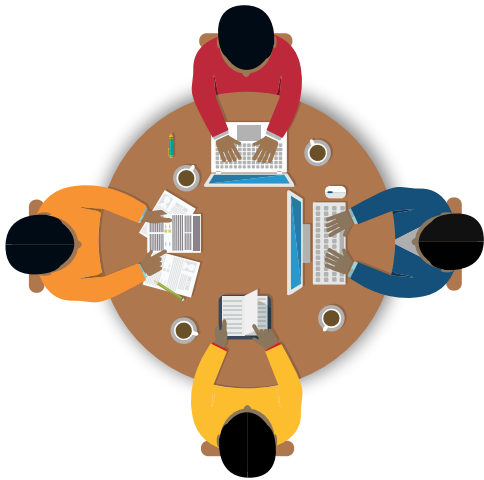
Generic applications show that the applicant did not take the time to understand the position or to research the company.

It's also worth cross-checking a candidate's CV against their LinkedIn profile, if they have one, to check for inconsistencies and recommendations.

Once you have shortlisted candidates and conducted the initial phone interviews, it's a good idea to run all background checks, including police and credit record checks in those countries where it is allowed by law. Reference checks allow you to verify previous roles and employment dates and provide you with insight into a candidate's strengths and weaknesses.

03

How to manage people effectively



Why do I need to do this?

- Get the most out of your staff
- Align employee goals with company goals
- Build a positive company culture
- Retain well skilled personnel
- Attract talented future employees

How do I onboard a new employee?

Have you ever arrived for the first day at a new job, only to find out that the company isn't ready for you?

Your computer hasn't been set up, your colleagues don't know who you are and you can't find the restroom, let alone the boardroom.

If this has happened to you, you will most likely have felt disappointed and a little unwelcome, and perhaps even questioned why you agreed to the job in the first place.



What does ONBOARD mean?

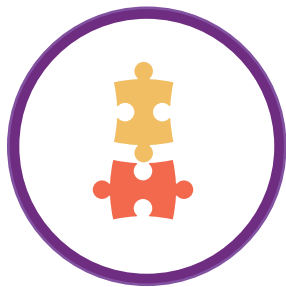
The word 'onboard' might sound like a bit of a strange term in this context, but it is a popular word to describe how to initiate a new staff member to your company.

As the old saying goes, a first impression is a lasting one, and it sets the tone for this employee's experience at your company.

By taking the time to ensure that your new hire feels valued and welcome on his or her first day, and putting in place an onboarding plan, you will be setting the scene for a happy, motivated, engaged staff member.

It all starts with a plan...

By taking the time to ensure that your new hire feels valued and welcome on his or her first day, and putting in place an onboarding plan, you will be setting the scene for a happy, motivated, engaged staff member.



Culture of the organisation



Overview of the business



Core priorities of the role



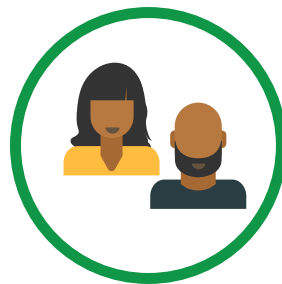
Day-to-day expectations of the employee



Key meetings to be attended



Key individuals to meet



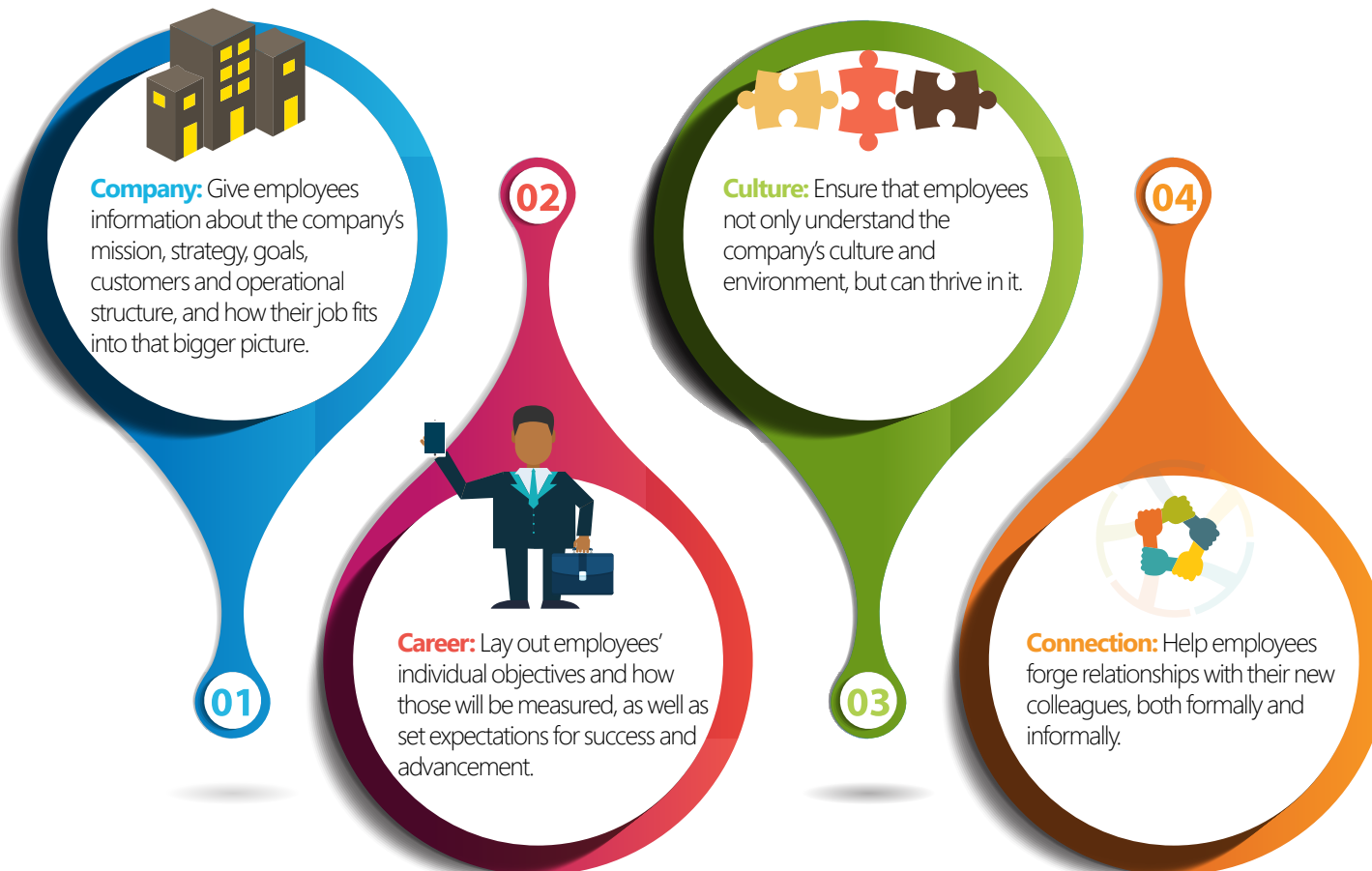
Assign a buddy to support the new team member

.....
This person will provide peer support. It will be a colleague that the new employee can rely on other than their immediate manager
.....

NB: Even if you are a very small start-up with two or three people, this is something you should start from day one and keep as you grow. Every employee likes and needs to feel valued.

The four C's of onboarding your staff

Depending on the size of your organisation and the complexity of the legal landscape, you can choose whether to handle People Strategy internally (by an individual or a department), or to outsource this function to an agency.



Onboarding mistakes to avoid...



Too much too soon

Joining a new company can be daunting, and there will be a lot that a new employee will need to learn and become familiar with. While you may want to get your new hire involved right away, try not to overload them before they are ready.

Assumptions

While the office buzzwords, nuances and procedures are very familiar to you, you cannot assume that your new employee will understand the jargon. Avoid any acronyms and present the procedures and information in a clear way. Allow time for your new employees to digest and absorb the information.

Lack of company communication

Don't surprise your current employees with the arrival of a new person, rather communicate the new person's start date and job role in advance. Before a new employee's first day on the job, all relevant staff members — HR, the person's manager, direct teammates — should be prepared for his or her arrival.

[Read More](#) ➔

How do I monitor employee performance?

Your employees are the lifeblood of your business. Their productivity levels will result in the success, or failure, of your organisation.

As such, monitoring your team's performance is important in order to ensure that they are reaching targets and completing work to an excellent, rather than mediocre, standard.

The way that you monitor your employees will vary according to the job role.

It will be a combination of daily observations and interactions, and clear performance objectives and measurements, which can be formalised through the use of a 'Performance Objective Setting Form'.

You will need to observe your employees at work to take notice of things like attitude, body language and punctuality. If you start to see bad habits forming, like tardiness, missing deadlines, a lack of motivation, you might want to intervene early to see if there is an issue.

Performance Objective Setting is a practical, and very useful way of setting and measuring employee productivity. This ensures that the staff member knows what is expected of them and what goals and targets need to be met.



See page XX for an example of
'Performance Objective Setting Form'





How can I build employee loyalty, commitment and motivation?



Our research continues to show that a well-substantiated relationship exists between employee engagement – the extent to which employees are committed, believe in the values of the company, feel pride in working for their employer, and are motivated to go the extra mile – and business results.”

ISR Global Research Director, Patrick Kulesa



Engaged and motivated employees are loyal employees. You need to drive engagement in order to create a culture of loyalty and willingness to stick around for the long term.

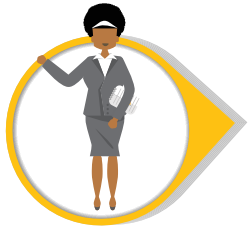
In order for your workforce to be engaged, enthusiastic and loyal, there needs to be a trusting employer-employee relationship in place that is based on honesty, transparency and respect.



Consider This

Columbia University estimates that replacing a lost employee costs 150% of that person's annual salary.

Five steps to better employee engagement



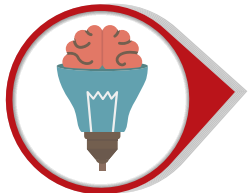
Measure

First, you need to assess and be aware of how engaged your staff members are. If needs be, create surveys with a few scaled questions, or even schedule a meeting with your employee and an HR representative to check-in on how they are feeling at work.



Promote 'helpfulness'

'Helpfulness' in this context means that employees can take pride in delivering outstanding quality, service and value. Employees want to feel like they are making a positive contribution. To promote this, communicate how their tasks fit into the organisation's big picture and recognise positive actions.



Nurture confidence and constant learning

'Employees want to feel confident that they can do their job successfully, that their future is secure and that they are progressing in their own personal life goals. By facilitating learning opportunities, you are upskilling your staff, letting them know that they are valued and are assisting them with personal goals, too.



Team acceptance

For your employees to be truly engaged at work, they need to feel accepted as contributors by their colleagues and part of a strong, loyal team. A more united team, will lead to more engaged workforce, working towards a common purpose.



Respect

As we've mentioned earlier in this toolkit, employees are your company's greatest assets. In order for your employees to feel respected, they need to feel important. Set realistic expectations, value your employee's input and manage them in a way that is fair and consistent.

What are common employee issues and how do I handle these?

It is inevitable that every organisation will have their share of employee issues.

Rather than waiting for problems to arise, be proactive and have policies and systems in place to deal with any concerns.

Some of the common employee problems include frequent absenteeism, a lack of punctuality, missed deadlines, mistreatment of others and policy violations.

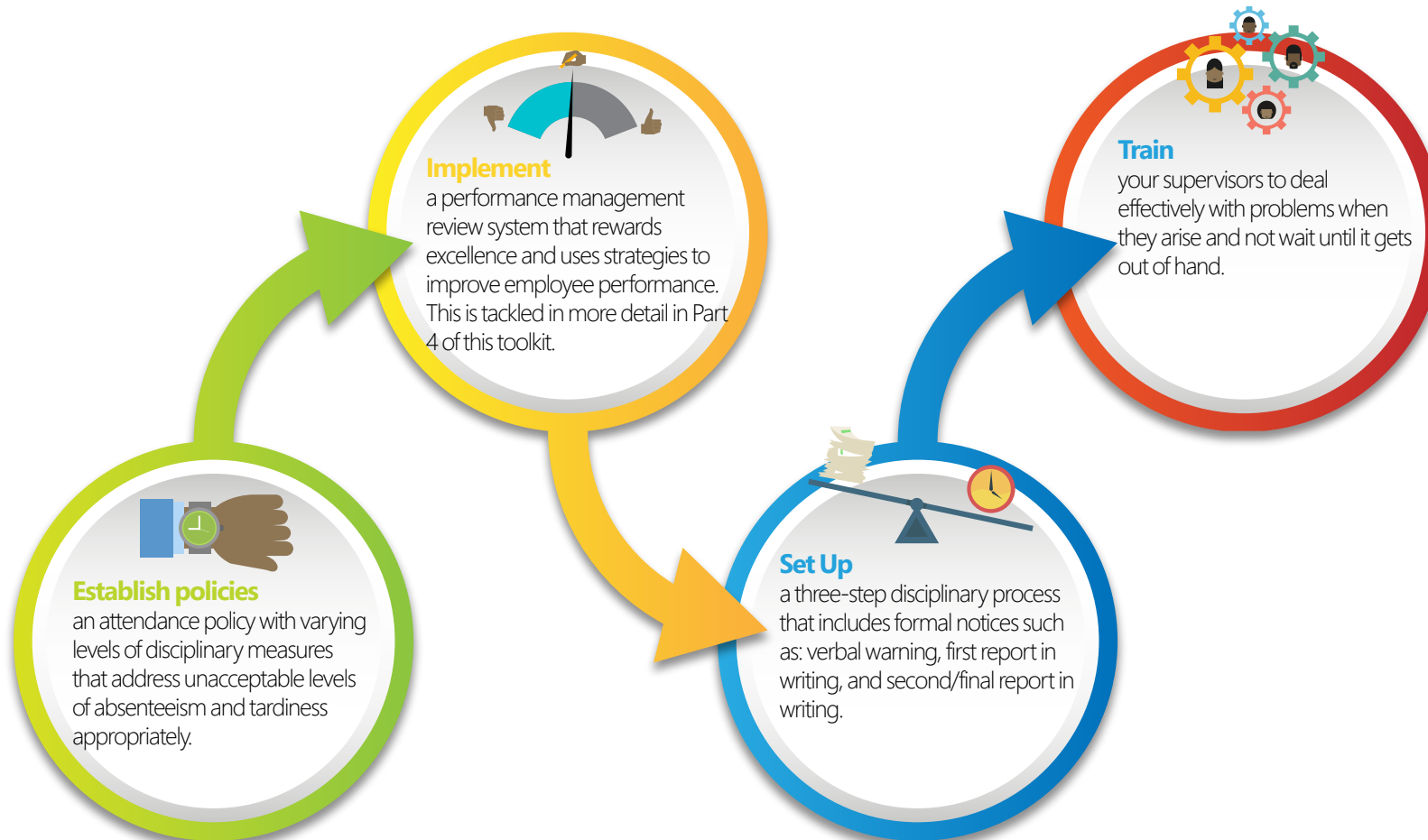
Managing problem employees is one of the most challenging aspects of running a business, but if you are equipped to deal with the issues when they arise you will be in a good position to resolve and rectify the problems quickly and effectively.



Be proactive not reactive

One of the best ways to neutralise employee problems is to take an objective look at your company's policies and practices. Amend any policies that are outdated, unfair, or could potentially open you up to legal issues.

Four steps to managing the risks associated with employees



Start right

Effective hiring and interviewing techniques, as well as valid job descriptions **(as discussed in Part Two of this toolkit)** provide the foundation for preventing problem employees from entering your workplace.

How and when do I dismiss an employee?

While you do not want to keep an employee on board who is affecting your business negatively, dismissal should be your last resort, and should only happen after you have carried out necessary investigations, intervened when necessary and conducted warnings.

It is important that you familiarise yourself with the different legal requirements that relates to termination of employment within your market/country.

Every country will have different policies, procedures and standards, so you will need to refer to your local employment standards act, or similar legislation document, to understand this fully.

It is very important that you are familiar with, and comply to, the legal requirements relating to employee dismissal in your country.



What is employee dismissal?

A dismissal occurs when an employer terminates the employee's contract. Formal disciplinary action should only be necessary if informal methods have failed to resolve the problem, and employee dismissal is the last resort, and final action, in terms of your company's employment and dismissal procedures.

Points to keep in mind when it comes to disciplinary issues

- Set out in writing your rules and procedures for handling disciplinary procedures
- Ensure that employees and managers understand these rules and procedures
- Try to resolve any issues informally first - often a quiet word is all it takes to sort out problems
- Employers should use a fair and consistent procedure when taking disciplinary action or going through the dismissal process
- Employees have the right to contest unfair dismissals

Reasons for disciplinary action and/or dismissal could include:

- Conduct (continually missing work, drug or alcohol abuse, theft or dishonesty)
- Ability to do your job (long-term persistent illness, inability or unwillingness to get along with colleagues etc.)
- Redundancy (the job you hired someone for no longer exists – or is replaced by technology, need to cut costs, closing business units etc.)



Document it

If you find yourself in the unfortunate position of needing to dismiss an employee, the accuracy of your documentation will be important. Your performance evaluations, and any disciplinary action taken, needs to be clearly documented, so that you can substantiate the reasons for dismissal in a clear way.

How do I develop policies around employee leave?

“

Except vacation/paid off time, the rest is very country specific, I would be less detailed and focus on the need of granting time off, in whatever manner/framed allowed by the law in the country to rest and be more efficient on long term basis. All the more that those benefits can retain people to leave.

”

Leave and vacation policies are an important part of any employment contract.

Not only a legal requirement, it is important that your employees take vacations and time off when they are sick in order to relax and recharge, so that they can function at their optimum and avoid burnout.

A fair Maternity and Paternity leave policy can also assist you in attracting and retaining talented employees, who are interested in starting a family in the future.

When thinking about putting employee leave policies in place, remember that there are FIVE main types of leave, which include Annual Leave, Maternity Leave, Sick Leave, Study Leave and Family Responsibility Leave.

Each market/country will have different legal requirements surrounding the different types of leave (both paid and unpaid), so be sure that your contracts comply with this.



Consider this:

Paid leave improves worker retention, which saves employers money through reduced turnover costs.



Here are a few things to keep in mind:

This type of leave is known as paid time off work, which every employee is entitled to. There will be a specific number of days allocated to this.



Annual leave

This type of leave is known as paid time off work, which every employee is entitled to. There will be a specific number of days allocated to this.



Maternity leave

Time off work (paid or unpaid depending on the company's policy and what is legally required) for pregnant women to prepare for, give birth to and look after their newborns.



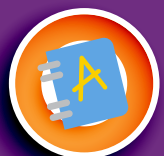
Sick leave

Paid time off work to recover from an illness or injury. There will be a specified number of days allocated to sick leave, depending on the regulations in your country.



Family responsibility leave

Family responsibility leave applies when the employee's child is born (Paternity Leave), when the employee's child is sick, or in the event of the death of a close relative. This form of leave is in addition to annual leave, but does not accumulate if not used in the stipulated period.



Study leave

Time off work to study – this is usually not legally stipulated in the contract, but rather a matter arranged between employee and employer. Often the employee will use Annual Leave for study and examination purposes.

Leave policies have a real impact on small businesses, especially where teams are small.

Consider this well when planning and allocating leave with employees.

What business information do I share with employees?

While some companies have chosen to be very open and share just about everything with their employees, other CEOs feel that sharing too much with employees will lead to unnecessary drama and might compromise an employee's focus.

When deciding on how much, or how little, business information you want to share with your staff you need to take into account the positions and responsibilities of different employees and think carefully about who really needs, and will benefit from, this information.

Depending on what you feel most comfortable with, you can then choose how much, or how little, you want to share.

When sharing information, be sure to have a privacy and confidentiality policy in place that lets employees know when confidential information cannot be communicated to people outside of the organisation.

CONFIDENTIAL



Silence on salary details

One thing that should never be shared openly is information about employee salaries. In a small business setting, sharing salaries can lead to internal conflict. Each business owner should have a fair and consistent method for determining salaries based on seniority, experience, and other factors specific to each situation. Sharing salary information without an explanation behind each case is asking for trouble.

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04

Rewarding employees



How can I attract and keep the best talent?



Success depends on having the best talent in place for now and for the future; and focusing on quality rather than quantity.



The first step in bringing in quality employees and holding on to the ones you already have is understanding what they are looking for. Generally what they are looking for is the opportunity for professional development.

This is more important than salary and benefits, and is followed closely by the desire to understand where they fit into the business's overall goals. The balance between finding quality resources and the affordability of resources for small businesses is often difficult to navigate. Attracting the right people is therefore important.



It is equally important to look beyond potential employees' ability to hit the ground running. Consider their soft skills, such as flexibility, the ability to learn quickly, adaptability, personal accountability and resourcefulness. Working in a small business requires great resilience and hard work. Attracting top employees is only one piece of the puzzle. Once you have a quality worker, you need to work to keep them.

An employer can do everything right to attract candidates through the hiring process, but if an employee feels undervalued, they will take their talent elsewhere.

Top reasons why employees leave their jobs:

- Lack of advancement opportunities
- Lack of salary growth
- Negative work-life balance
- Poor organisational culture
- Poor management – often responsible for all of the above



To hold on to employees, you need to start their retention planning as soon as they start



10 ways to improve employee satisfaction and retention:

- **Give employees autonomy** – one of the main things that reduces employee satisfaction and happiness is the feeling of being micro-managed and controlled
- **Challenge employees** – show that you believe in employees by giving them assignments that will challenge and motivate them
- **Engage with your employees** – ask the right questions, both personal and professional, and then listen
- **Be transparent** – happy employees know the direction of the business and where they fit within it
- **Support employees' ideas** – show you value your employees by including them in key business decisions
- **Acknowledge employees' accomplishments** – regularly meet with your team and call out specific staff for their accomplishments
- **Treat employees individually** – happiness is not 'one size fits all', so spend time with each employee to find out what they need from their leader, colleagues and the business
- **Be social** – frequently bringing employees together for team activities helps develop critical connections and social ties that keep employees happy and engaged
- **Provide the right resources** – remove any obstacles to employees' work success and give them the tools they need to grow, from improved technology to continuous skills development
- **Watch your body language** – ensure your own behaviour and body language is sending out the right message to set the tone for the culture of your business





Another important way to track employee satisfaction, development and performance is by conducting annual performance reviews and awarding bonuses where applicable.



The performance review and bonus payment process is a joint responsibility for employees and managers. The process provides an opportunity for employees and managers to work together to identify performance objectives, identify and describe work expectations, provide feedback, review overall performance and plan for future individual and organisational growth and development.

Think about these areas of development when reviewing and employee's performance:

- Quality and quantity of work
- Communication and interpersonal skills
- Planning, administration and organisation
- Leadership
- Job knowledge and expertise
- Attitude
- Ethics
- Creative thinking
- Self-development and growth



3 steps to help employees reach their peak performance:



Involve them in setting goals

Rather than blindly dropping project goals, individual goals or your business's goals onto your employees, start by asking what they think they can achieve. This is particularly relevant if you're a new business.



Keep the goals realistic

Any goal needs to be difficult, desirable and doable.



Avoid micromanaging

you may want to lay out every detail of how employees should achieve their goals, but it's important that you trust them to take ownership of these goals and allow them to be part of guiding the company's success.



Tip

Incorporate an employee self-review into the performance review process. If you ask employees to grade themselves, you'll find that they're harder on themselves than you would ever be. This also helps in giving you the role of career mentor rather than unilateral decision-maker.



Remember:

Bonuses are not guaranteed and should be based on your business meeting its financial objectives for the year.

They are also contingent on satisfactory employee performance. The value of the bonus should be consistent with the approved budget.

What kind of salaries and benefits can I offer?

Some markets may dictate a minimum wage for lower skilled positions that do not require formal training or education.

For roles that are considered specialised or professional, salary would vary based on the specific market demand for that skill and available talent, as well as the market rate.

The salary range for a particular job is decided on by HR or the CEO of a business (since most small businesses don't have dedicated HR departments). The salary can increase based on the experience of the employee.

Things to consider when paying salaries:

- Salaries are based on an employee working 40-45 hours per week (depending on in country regulations).
- Employees are generally paid monthly, but this is flexible depending on what is the norm in a specific country.
- Employees should also be paid on public holidays and during annual leave, sick leave, compassionate leave and maternity leave. This should be in line with your country's legislation
- If employees are required to travel in their role, they should be given a travel allowance

As your business grows, over and above paying your employees a fair salary, it is important to consider putting together a benefits package.

Benefits to consider include:

- Medical insurance
- Pension/retirement plan
- Disability insurance



Once you're more established and can afford the additional benefits your that employees value, they'll be more satisfied, miss fewer work days, be less likely to quit and have a higher commitment to meeting the business's goals. This has the power to help grow your business further.

How do I go about investing in employee training?

Train your employees in areas that will add to your business offering

- If you offer social media services to your clients, ensure your employees keep up to date with the Latest trends and platforms. Your employees will appreciate you upskilling them rather than bringing in new talent each time a new skill is required.

Train your employees in areas they have expressed an interest in

- If an employee has shown an interest in learning about Microsoft Excel or improving their presentation skills, invest in this training so that they feel valued and so that they can apply their newly acquired skill in your business.

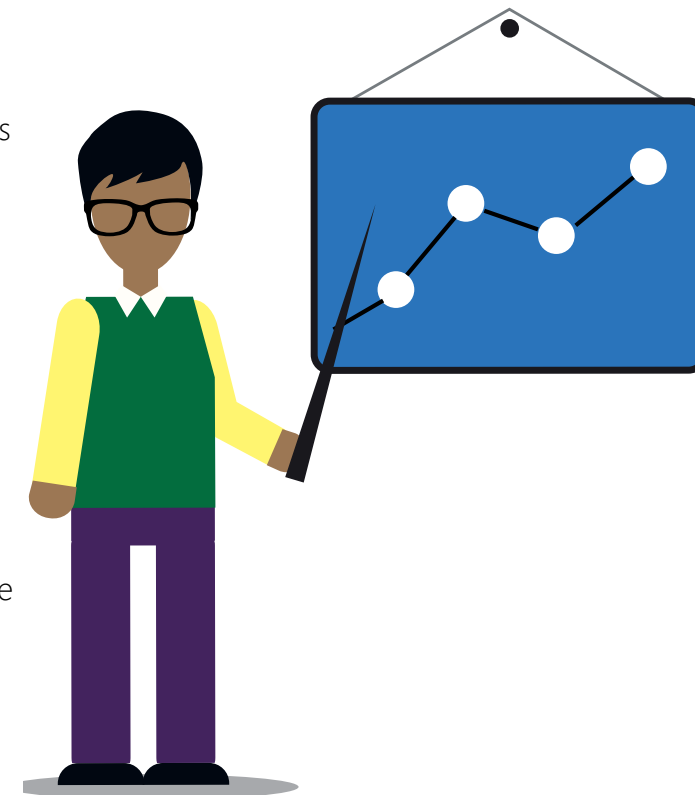
Train your employees in areas that will enhance your working environment and culture

- Investing in a first aid course for your employees is a great way to ensure the health and safety of all your employees, while offering them a useful skill and introducing an element of fun in the workplace.



Despite the initial costs, training your employees pays back your investment in the following ways:

- **Training helps your business run better**
trained employees are better able to do their jobs
- **Training is a recruiting tool**
you are more likely to attract and keep good employees if you can offer development opportunities
- **Training promotes job satisfaction**
helping employees to develop their skill sets in turn helps them to contribute to and engage with the business
- **Training is a retention tool**
by offering employees continuous opportunities to learn and grow, you will instil a sense loyalty and commitment, while also creating promotable employees
- **Training adds flexibility and efficiency**
you can cross-train employees in more than one aspect of your business. This will help keep them interested and will help you deal with absences. This is particularly valuable in a small business where you often aren't able to recruit different people for different skills
- **Training is essential for knowledge transfer**
if only one person has a particular skill, you're at risk should they decide to leave. Set up in-house training to spread the knowledge



How do I develop a promotion or growth plan?

A well-thought-out plan provides your employees with opportunities and a clear direction on how to increase their skills and advance their careers. And with an expanded skill set, they have more tools to help your business grow. It's a win-win for you and your employees.

How do I go about investing in employee training?



Step 1: Consider your business goals

Before you set objectives for employees, try to align their development plan with your company's needs



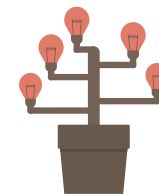
Step 2: Talk to your employees

Don't just assume you know your employees' skill level and career aspirations



Step 3: Decide what skills your employees need

Once you've looked at each of your employees' abilities and their experience, as well as your company's needs, decide exactly how each employee should develop



Step 4: Create an action plan

Now that you know what the objectives are, it's time to figure out how your employee will go about achieving them



Step 5: Apply the new skills in the workplace

Your employees need to be able to put those new skills to work in your business. Set up opportunities where they can quickly apply the new skills and get feedback

What is a company culture and how do I create and maintain an attractive one?



Company culture is the personality of your business. It defines the environment in which your employees work and includes a variety of elements, including work environment, mission, value, ethics, expectations and goals.



Having an attractive company culture is crucial for businesses that want to keep employee turnover rates down, while keeping morale and trust high.

When employees enjoy the company culture, they are likely to be happier and will perform better overall, thus helping to improve your bottom line and reach your goals. Replacing an employee is also costly and time consuming so it's important to avoid this as much as possible.



5 ways to create an attractive company culture:



Maintain open communication

it's important that employees feel that you share information with them, and equally important that they feel you listen to them.



Hire the right people

some businesses use personality tests to see if a potential employee will fit in with the rest of the team; others get team input on whether the candidate would make a good fit.



Be a good leader

be there to listen, guide and provide leadership that makes your employees feel comfortable and brings out the best in them.



Empower your employees

give each employee some power when it comes to making certain decisions. This demonstrates your trust for them and gives them the opportunity to use their own creative and leadership skills.



Reward your employees

everyone likes to be recognised when they have done good work. You may not be able to afford a big party, but do what you can to offer positive feedback and reward your employees for their efforts.



Tip

A company culture cannot be created and maintained by a single person – it is a collective thought process. Though it may be tempting for the CEO to try and shape the culture alone, the entire company must be on board and included.



Tip

An employee handbook can assist new and current employees to understand your business's company culture.,

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