

A simple checklist that could have prevented a large pay-out

€40,000 unfair dismissal award for pregnant bar worker – when the employee announced she was pregnant, management repeatedly suggested that ‘the physical labour involved was not very suitable for a pregnant woman’. She was eventually accused of gross misconduct and dismissed from the company. However if management had conducted a proper investigation then it would have shown that she had an exemplary record with the company. As a result they lost the case and had to pay out €40,000 in damages.

This case like thousands of others highlights the need for company owners to understand, whether they have a single employee or a 1,000, that employment laws are the same for every company. Awards aren’t based on your size but whether you were negligent or not.

Over the last 3 years more than 26,000 cases have been referred to the employment appeals tribunal, resulting in an average award of €20,000 – a body blow for any company’s cash flow position. Most could have been prevented by following the appropriate processes.

The example above demonstrates that all companies, big or small, need to ensure that their employment procedures are up to date and most importantly, that they are applied consistently and fairly.

This essential checklist (it’s not exhaustive, but more indicative), is a great starting point for best practice:

- 1) Do all employees have an up to date and signed contract of employment
- 2) Does your company have an employment handbook containing at a minimum:
 - a. Disciplinary process
 - b. Grievance process
 - c. Anti-bullying policy
 - d. Policy re protected leave: Maternity, Adoptive, Carer’s.....
 - e. Basic entitlements, working hours (organisation and working time act)
- 3) Have all your employees read and signed off the handbook as read and understood
- 4) Are there regular communication events in your organisation (what’s going on in the business, key issues / challenges facing the business, opportunity for employees to ask questions / raise concerns)
- 5) Are people trained on their job and shown clearly what to do
- 6) Is performance managed in the business – Are objectives clearly set, within timeframes, are notes from meeting documented.....
- 7) If you have a disciplinary issue are your procedures properly followed, is natural justice applied and are proper and thorough investigations carried out.

Unfortunately many companies fail to regularly review their procedures and processes until it's too late. Developing a culture of best practice around the people side of the business is just as important as developing products and services.

A few of the more common excuses we hear for not implementing employment procedures are:

- We are a small company and so it doesn't apply to us
- Everyone gets on well with other anyway
- We're too busy to invest time in HR matters
- We've never had a problem before

As the case outlines above it is important that company owners and managers take the necessary action to safeguard the business against preventable costs. Excuses can be expensive and also damage a company's reputation.

While this piece starts with a challenging and negative event, the real purpose of getting these HR components in place is to drive improved business performance – people who are clear about the rules, what they are expected to deliver, feel involved in what the business does, clear on how their contribution impacts and ultimately feel they are being treated fairly become incredibly motivated employees which leads to greater and longer lasting company success.

In our next blog we will touch on some of the items raised in this piece. If you have any questions or require further information contact:

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