



Are You Playing Russian Roulette With Your Business?

New Zealand is – as everyone knows – a nation of small- and medium-sized businesses (96% of businesses employ fewer than 20 people). Regrettably, many of these businesses don't reach their full potential – or they fail – due to a lack of managerial capability and/or expert assistance.

While entrepreneurial spirit and Kiwi ingenuity should never be taken lightly, when it comes to employment and human resource (HR) practices, the 'give it a go' attitude New Zealanders are renowned for can be a recipe for disaster. Businesses that talk the talk ("staff are our greatest asset") but don't walk the walk – or, worse, baulk at the talk – generally pay the price.

What's more, the cost of getting things wrong can be disproportionately high for small- and medium-sized businesses: Worse than just financial cost and a blow to one's reputation – your whole business could be put at risk. It really is like playing Russian roulette.

All of this is of particular relevance to businesses in the Albany area. North Shore City is a hotbed of economic activity – with average annual growth of 4.6% since 2000 – and big things are expected of it for many years to come. The vision for 2020 expressed in North Shore City's Economic Development Strategy is a "world class business setting that is recognised [...] as a sustainable centre of business excellence". For those who prefer English to gobbledegook, that translates as "a great place to do business".

Most of this economic growth is, and will continue to be, fuelled by small- and medium-sized businesses. Like the TV ad says: Without small business, there'd be no big business. And therein lies the challenge: How to overcome the factors that hold these businesses back?

One simple, cost-effective way to ensure your HR practices are up to scratch – and are well matched to the size and nature of your business – is to undertake an HR audit, like the *Work Matters* HR Health Check. This involves reviewing a business's HR policies, systems and practices to ensure not only their effectiveness but also that they comply with all relevant employment legislation.

The areas reviewed typically include:

- Employment agreements;
- HR policies;

- Selection and recruitment;
- Health and safety;
- Performance management and training;
- Pay and benefits; and
- HR strategy and measurement.

To take just one topical example: The costly – and entirely avoidable – fiasco over Susan Wood's employment arrangement with TVNZ highlighted the importance of having watertight employment agreements with everyone who works for you. This is true regardless of the size of your business. Would your existing employment agreements stand similar scrutiny?

In addition to identifying areas of strength and weakness – and, in particular, where legal responsibilities are not being met – the HR Health Check maps out the practical steps required to achieve compliance and/or greater effectiveness.

Most of us wouldn't dream of owning a car that didn't have a Warrant of Fitness. And many realise the health benefits of a regular physical check-up. Yet, by failing to take the same precautions with their businesses, many business owners put those businesses at unnecessary risk.

If staff really are your greatest asset, can you afford not to look after them? And can you afford not to safeguard your business against staff issues? Put like that, who wouldn't think a quick HR Health Check was a good idea?



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