

Managing Underperformance in a Family Business



When recruiting within a family business it is often desirable to hire other family members as it keeps the business within the family and there is arguably more commitment. However, managing family members can be a major problem for many businesses.

In a family business it is more difficult to manage underperformers as the company is usually unable to be completely objective due to personal feelings being involved. Moreover, if family members were to be dealt with unfairly, this can affect the business on a larger scale as it spreads outside of work and into other family members as well.

There are different methods which can be used to manage underperforming family members. The aim of each is to be objective and fair whilst reducing any awkwardness. One method that can be used is to have a conversation with the family member and discuss the problem at hand. Within this discussion you would be able to hold them accountable for their actions and reinforce the expectations you have of their performance in relation to the

business needs. This conversation would also be an opportunity to address any underlying problems in order to minimise a long-term impact on the family. A third person can also be brought in to observe at this point in order to reduce tension and optimise the fairness of the conversation sometimes referred to as facilitation.

Another method which can be used is to change their role or responsibilities if it is established to be contributing to the underperformance. Within this process it is crucial to ensure the status and title of the employee does not change in terms of demotion. However, by moving an employee to a different area of the business where they feel more comfortable can often increase the employee's satisfaction and in turn they will be more successful.

Funding Shortages Affect Apprenticeships



A funding shortage from the apprenticeship levy is preventing smaller businesses from taking on apprentices, according to a new report.

The shortfall was so great that three quarters of apprenticeship training providers stated the funding was not sufficient to meet the demand of businesses, meaning they had to turn away employers because they did not have the resources to train apprentices. A further 25% reported having to cut back on apprentice recruitment for employers due to funding concerns, and nearly a fifth of providers stopped recruiting apprentices altogether for new and existing SME employers.

Under the apprenticeship levy, which was introduced in April 2017, employers with payrolls over £3 million are mandated to set aside an equivalent of 0.5 per cent of their annual wage bill for apprenticeship programmes. SMEs do not have to pay into the apprenticeship levy, instead relying on funding left over after larger employers have taken back their entitlement.

The scheme was designed not only to fund apprenticeships started by those employers paying the levy, but also those run by smaller businesses. However, the Government has since admitted it underestimated how much of the levy big employers would use. Smaller businesses are less likely to run their training provision in house and rely instead on training providers.

Settled Status Applications

More than one million EU citizens have been granted settled or pre-settled status since the scheme was fully rolled out four months ago, the Home Office has said, allowing them to remain in the UK indefinitely after Brexit.

Poles topped the list for the highest number of applications, followed by Romanians and Italians, and the Home Office said it received more than 50,000 applications in the first weekend of the scheme.

The exact number has not been released, however it is estimated that around 30% of EU citizens living in the UK have now applied to the scheme, but said it was too early to pass judgement on how successful the scheme has been.

Noting that there is still more than a year still for people to apply for settled status before the scheme closes, Sumption said: "It's too early to predict how high overall take-up of the scheme will be, and how good

awareness is among EU citizens that they need to apply. The success so far is being attributed to its simplicity. The process has proved to be straightforward with an average time of 30 mins to complete the online application and uploading of documents and decisions are being provided within 24 hours. Whether the UK leaves with a deal or not, EU citizens and their family members will have until at least 31 December 2020 to apply.

IR35 in the private sector is looming – what action can be taken now?

Despite considerable opposition and despite many examples of 2017 public sector failings, the contentious IR35 legislation introduction into the private sector will take place in April 2020.

It is recommended that businesses undertake an audit to identify contractors; how they are contracted and what entity they are from. This will help to find out whether they are

engaged via a limited or umbrella company, whether the contractor's bank accounts are based onshore or offshore, or if these companies are VAT registered. An audit of contractors will also display the skills they bring to the business.

Businesses can best prepare by taking informed, adaptable decisions that can move with any changes on HMRC's part to the legislation.

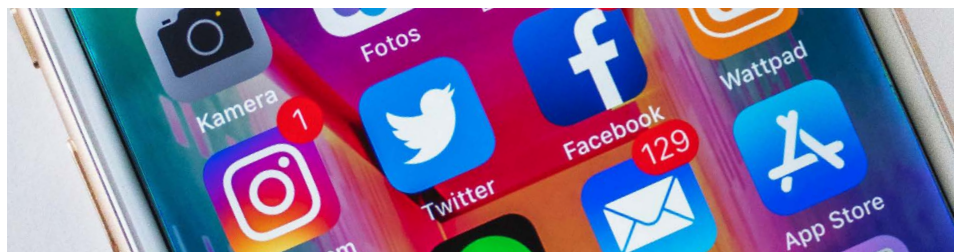
Take the time now to deal with contractors the right way; determine their IR35 status on a case-by-case basis.

Two years on from the public sector's IR35 introduction, the Government's Check Employment Status for Tax tool still faces a constant barrage of criticism, while court cases are being heard every week to determine status.

Using Social Media as a Recruitment Tool

Over the last few years, social media has expanded dramatically and is now a part of most people's daily lives. It offers various platforms to communicate with people all over the world from the click of a button. With this, comes an opportunity for businesses to begin to recruit people through the use of social media as ultimately this is where they spend most of their time.

There are many advantages to using social media to recruit including being able to be more specific on the type of candidate required and target them effectively. The most popular social media platform to recruit from is LinkedIn as it allows businesses to advertise jobs as well as directly message candidates. Using direct messages can be particularly effective as it allows the business to get to know the candidate, and makes the candidate feel more engaged as there is an initial relationship built up before they have applied.



There are some useful tips which businesses can use to be successful whilst using social media to recruit. Before any advertise is sent out it is important to think if the advertise makes the business look attractable and approachable. If it doesn't, the chances of engagement will be small. Additionally, when advertising it is important to be honest as the candidate will automatically have expectations of the job based on the advertisement and they will expect these to be fulfilled.

Moreover, another helpful tip when recruiting on social media is to

allow current employees to share their experience of working for the employer. Often this captures people's attention more as it is coming from an existing employee and makes potential candidates more willing to apply to work for that business.

Social media can therefore be used to a business' advantage when recruiting. However, it is important to be honest, clear, put in effort and treat each candidate with respect whilst advertising roles in order to be successful and maintain a high brand image.

If you need any advice or have any questions regarding this month's articles please contact us at enquiries@121hrsolutions.co.uk for more information.

Disability Discrimination Award of Nearly £50k

A bank manager was discriminated against when his employer unfairly dismissed him for failing to undertake proper checks, something he attributed to the side effects of his 'uncontrolled' diabetes.

An Employment Tribunal (ET) ruled that HBOS unfairly and wrongfully dismissed the employee after his diabetes inhibited his ability to follow the proper security and closing procedures at his branch. He was found to have left keys in the door on multiple occasions, and once locked a customer in after closing time.

The tribunal concluded that if HBOS had obtained occupational health advice, it would have been told the employee was disabled and that "the disability was uncontrolled and likely to have had an effect on his concentration and his tiredness".

In a report prepared for the tribunal, the employee's GP explained that the effects of diabetes are worsened by stress, poor diet and irregular breaks. The GP added that it was important for a diabetic to avoid drops and spikes in blood glucose levels and that the diabetes had deteriorated because of work-related stress, poor upkeep of diet and the demands of his job.

The tribunal concluded that those symptoms amounted to a "more than minor adverse effect" on the employee's ability to carry out normal day-to-day activities, such as attending work and concentrating.

The ET ruled in favour of the employee and ordered HBOS to pay £49,457 for unfair dismissal, discriminatory dismissal and notice pay for wrongful dismissal.

This case highlights why it is essential for employers to take disclosures of a disability into account during a disciplinary procedure. Despite the fact that the employee had committed serious misconduct and would likely have faced a sanction for this, the failure of the organisation to investigate that a disability was impacting upon his performance meant they were found to have discriminated against him.

Monitoring Employees in the Workplace



Technological advancement has enabled employers to monitor their workforce in highly sophisticated ways but public attitudes towards individual data privacy are hardening. Two important factors have accelerated this: the advent of the EU's General Data Protection Regulation (GDPR) and scandals over the handling of data by social networking and technology companies. The effects of these have brought the issue into focus for employers with employees less likely to accept "intrusive" monitoring strategies.

In UK law this is the domain of the GDPR and the Data Protection Act 2018. Enforcement of the legislation is overseen by the Information Commissioner's Office. Mishandling of data in breach of the rules can

have serious repercussions for employers, including costly legal claims. Monitoring law in the UK provide a requirement for employers to collect data that is adequate, relevant and not "excessive".

The interpretation of "excessive" is for employers to decide themselves. Some organisations gather data constantly throughout the working day, including employees' locations, while others may collect things like employee credit scores. Neither is likely to be unlawful, depending on the particular circumstances, due to the necessity in certain industries for the employer to possess this type of knowledge.

Developments in technology are leading some employers to collect data in ways with which employees

can be uncomfortable, such as facial recognition software automatically reporting workers leaving their desk, how often they do so and where they go. A recent report we released cites the example of an employer that was ruled to be justified in tracking an employee's private car in a misconduct case but was later denied the ability to use the data as evidence as the vehicle had been tracked outside working hours.

A good rule of thumb for employers is that it is generally more difficult to justify monitoring outside the workplace, so this should be avoided wherever possible and the minimum necessary measures implemented instead.



October/November Training Workshops

Behaviours at Work: Understanding the Unacceptable

23rd October
30th October

Dundee
Glasgow

Unacceptable behaviour in the workplace can lead to low morale, poor performance, loss of respect for management and possible legal costs; all of which can create additional pressures for the business.

Many managers feel powerless to tackle unacceptable behaviour and either ignore it or work around it.

This workshop covers:

- What is unacceptable behaviour?
- What does the law say about unacceptable behaviour and its effect?
- How to deal with these behaviours
- Establishing techniques to build effective workplace relationships – looking at personality types and understanding why people behave as they do.

- Building skills and techniques to confidently manage difficult situation
- Guidance on how to respond to and manage poor workplace behaviours
- Coping strategies for dealing with difficult people and difficult situations.

**Cost £160 per delegate
(10am – 4pm)**

Introduction to Essential Skills for Managers

5th November
13th November

Dundee
Glasgow

In many businesses, team leaders, supervisors and even managers have been “home grown” without formal training, do these managers understand their role and responsibilities? Do they motivate their teams and importantly, can they delegate?

This workshop provides vital formal guidance for those managers and covers:

- Making the transition to becoming a manager and understand what is involved in being a manager - the challenges and the pitfalls
- How to motivate your staff
- How to instil enthusiasm
- How to delegate and direct
- How to plan, organise and manage your time
- How to set priorities
- How to communicate effectively

- How to train, develop and grow your staff, both new and experienced
- How leadership skills and styles affect performance
- How to get the team to pull together. The importance of being fair, firm and consistent

**Cost £160 per delegate
(10am – 4pm)**

Book now!

To book email us at events@121hrsolutions.co.uk or call **0800 9995 121**
Full details of our training workshops can be found at www.121hrsolutions.co.uk