

What are HR policies and why are they important?

HR policies are a written description of rights and responsibilities of employers and employees. There are certain HR policies that are required by law and others that it would be wise to have. Both should be in written form. If a policy is well developed and clearly written, it helps communication with employees, clarifies expectations and makes sure that everyone is treated in a consistent and fair way. These are all important factors for creating a desirable culture for your organisation, and they minimise your exposure to legal risk.

Organisations introduce HR policies for very different reasons. These can include:

- needing to comply with existing or new legislation, including European directives and case law
- wishing to develop a more formal and consistent approach to meet their needs as they grow and develop, for example, on flexible working hours
- supporting their general management strategy and Vision, Mission and Values
- following the latest developments in effective people management
- dealing with internal change
- keeping up with competitors - for example, policies may be reviewed in order to attract or retain employees

As well as having the minimum legally required HR policies (see the list below), each organisation will need policies that are adapted to suit their own purpose and to fit with their sector, culture and structure.

A small organisation is likely to need just a few HR policies and procedures. As your organisation grows, or the environment in which it operates alters, your requirement for HR policies will change. Your policies and procedures will need to be reviewed and, perhaps, new ones introduced. It is important to remember that however well the policies and procedures are written and communicated, it is the implementation that is crucial for them to be effective.

What policies must I have in place before I recruit someone?

A social enterprise is just like any other business and there are certain legal requirements to fulfil before you can employ anyone. Business Link in London's website provides useful information to help you register as an employer, set up your payroll and ensure that you are legally compliant (see our Employment and skills section:

<http://www.businesslink.gov.uk/bdotg/action/layer?site=181&r.s=m&r.lc=en&topicId=1073858787>)

You should familiarise yourself with these because they summarise the main UK laws that affect employment – from employee basic rights to employers' liability insurance (see further information for links to the guides).

What other human resources policies do I need

Depending on the size of your organisation, you will need to comply with the minimal legal requirements - for example, a written health and safety policy is required for any organisation with five or more employees.

Please refer to the Business Link guide, 'Set up employment policies for your business' for more details (see further information section for the link). Currently, you are legally required to have policies on:

- Bullying and harassment.
- Discipline/dismissal and grievance (this must be in writing).
- Equality and diversity.
- Health and Safety (if you have more than five employees; in writing).

- Maternity / paternity / adoption.
- Pay.
- Redundancy.
- Smoking, drugs and alcohol.
- Whistleblowing / protected disclosure.
- Working time and time off.

Many funders will require that you have certain policies in place and may ask to see copies of your documents.

Depending on your size and business, it is good practice to have other written HR policies in place; for example, a policy on the use of company facilities (email, internet and phone use). Having clear policies and procedures means that everyone knows how to 'behave' and what to expect. This means that there should be fewer problems with and between employees, and the team will work more effectively. Additional policies you might consider having (which are not legal requirements) include:

- Confidentiality of information.
- Patents and copyrights.
- Rewards, benefits and expenses.
- Right to search.
- Use of company facilities (phone, email, internet, etc.).
- Training and development.
- Working for another employer.

How do I write my HR policies?

You can either approach a reputable HR company for one-off support with writing your policies or follow the Employing People guides on the Business Link website (www.businesslink.gov.uk/london).

There are also a number of other sources of information - some organisations make their policy manuals available on the Internet. These are a good starting point, but the reliability of the source (country of origin, date of production, size of organisation, culture, etc) should be assessed. Many commercial organisations offer ready-made solutions, usually for a fee, which can be tailored to suit you. But again, check the reliability of the source.

The main things to consider are:

1. What policies you are legally required to have in place.
2. What additional policies suit the specific needs of your business.

It is important for policies to be:

- linked to business strategy, with a definite purpose for their creation
- complementary – working together to reinforce the company image and values
- flexible – able to adapt to changes in strategy and direction
- open and transparent
- suited in tone to the culture of the organisation
- developed through the involvement of employees and interested stakeholders (for example, trade unions)
- communicated to all employees
- easily understood, user-friendly, written in plain English and containing no jargon
- accessible – in a format employees will use
- practical and enforceable – with logical implementation
- supported by managers

It should be clear who is responsible for answering queries about the content and who is responsible for updating and reviewing them.

What are the six stages of producing and reviewing HR policies?

The six stages of producing and reviewing HR policies are as follows:

1. Collect information and consider the options.
2. Develop policies to suit your particular social enterprise.
3. Communicate the policies to employees.
4. Provide any necessary training.
5. Implement the policies.
6. Review the policies regularly to make sure they are being used correctly and not damaging the business.

How do I communicate my HR policies?

The culture of your organisation and the complexity of the policies will influence how you introduce a policy. For example, you might give hard copies to employees or put them on notice boards; alternatively, you might circulate 'soft' copies by email or place them on an intranet. With more than 20 employees, you may decide to produce an Employee Handbook.

Having the right policies and procedures in place is vital but they will not work properly unless they are introduced and used in the right spirit. Employees should be aware that your policies exist. Discuss them in the induction process with a new staff member and make sure they have access to the policies.

What do I do if I want to amend or add HR policies?

If you have to change a policy, you must check whether or not the changes will affect any contracts you have in place. If so, there will be a consultation procedure to follow to get employee approval of the changes. If you fail to do this, employees may be entitled to sue you for breach of contract or they may resign and claim for constructive dismissal. Details of the consultation process can be found on the Business Link in London website.

As your business starts to grow, you may want to introduce new policies. Again, check the Business Link in London website to see how best to do this. It is also a good idea to involve employees and other stakeholders. If they have been part of the discussions, they are more likely to accept the new policies.

Things to look out for with HR policies

- If you have young workers, under the age of 18, there are stricter rules on breaks and risks. This also applies to anyone doing work experience with you. Check the regulations!
- Make sure you have contracts, conditions of employment and policies for any part time, temporary or fixed term employees.
- If you use any temporary agency staff, do not use the same person for any length of time because legally they can be seen as your employee and will start to accrue employment rights.
- Check the rights of all employees to work in the UK, take up references and check qualifications (where applicable) before they start working for you.
- Keep your personnel files confidential and stored securely, making sure they comply with the Data Protection Act.

Further information

Read the Business Link in London website for information on Insurance Cover for business:

<http://www.businesslink.gov.uk/bdotg/action/layer?site=181&r.s=sl&r.lc=en&topicId=1074402132>

Read the Business Link in London guide to Setting up employment policies for your business:

<http://www.businesslink.gov.uk/bdotg/action/layer?site=181&r.s=m&r.l1=1073858787&r.lc=en&r.l3=1073982502&r.l2=1074435933&topicId=1073982502&r.i=1075101475&r.t=RESOURCES>

Visit the ACAS website for information on putting together a company handbook, handling disputes, flexible working, internet and email policies, etc.:

www.acas.org.uk

Read the health and safety policies on the HSE website:

www.hse.gov.uk/business/policy

View Patents guidance on the Intellectual Property Office website:

www.ipo.gov.uk

Visit the Chartered Institute of Personnel and Development (CIPD) website for information on HR policies and employing people:

www.cipd.co.uk

Visit Roots Human Resources CIC for one-off support in developing HR policies for social enterprises:

www.rootshr.org.uk