



Government of **Western Australia**
Department of **Commerce**
Labour Relations



Better workplace guide for small business



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Introduction

This publication aims to help you implement good human resource practices and workplace flexibility. These practices will make it easier for your business to attract quality staff and retain valuable employees.

The Western Australian economy regularly experiences shortages of labour and skills. This can make it difficult for employers - especially small business employers - to attract and retain the employees they need to run their business to remain competitive.

In times of economic downturn, flexible work arrangements allow business to retain employees rather than retrench them. Options such as part time work and extra unpaid leave may be attractive to some employees and can assist in reducing overall employee costs, while keeping valuable people employed within your business. Maintaining a core workforce of skilled employees places your business in a position ready for improved economic conditions.

How to use this guide

This publication outlines how creating a flexible workplace assists to meet your business needs. It contains useful checklists and notes to help you create a productive and flexible workplace.

It is designed as a companion publication to the Department of Commerce publication *Employing Someone - an easy guide for small business employers*.

Chapter One

Recruiting and managing your workforce

For a business to be successful, it needs the best people. This chapter provides information on recruitment, induction, managing and motivating your employees.

Job descriptions

A job description is a list of responsibilities and functions required in a particular job. Having a job description written down for each role helps recruit the right person for the job and manage their performance.

Job descriptions should clearly outline what is expected of the employee. They help to recruit a suitable person by matching their capabilities to the skills and abilities needed to perform the job. When writing a job description consider the main tasks of the job; additional responsibilities; equipment/tools used; and training or experience needed.

JOB DESCRIPTION XYZ restaurant

Job title

Kitchen hand

Kitchen Attendant Grade 1 – Restaurant, Tearoom and
Catering Worker's Award

Job duties

1. Assists with food preparation. Chops, slices and dices foods, glazes and bastes food. Prepares other food as directed by the chef
2. Records food usage. Marks out quantities of food taken from refrigerator and stores
3. On a weekly basis does a stock-take of refrigerators and stores
4. Cleans kitchen. Wipes and cleans benches, stoves and other food preparation areas
5. Cleans cooking utensils through stacking dishwashers
6. Performs other duties as directed by the chef

Required skills

Experience in restaurant kitchen work preferred but not essential
Ability to follow procedures and work to strict timeframes

Job advertisements

Job advertisements work best when they provide applicants with a clear idea of the type of work and skills required for the job. You can use the details from the job description to write a job advertisement. This will minimise the number of unsuitable applicants.

Handy hint - Use flexible work as a recruitment tool

A workplace that promotes work life balance and makes flexible work options available can be a major attraction for potential new employees. Offer these options to job applicants.

Job advertisement checklist

An effective job advertisement attracts attention, creates interest in the job and encourages applicants to take action to apply. Aim to keep it simple and include:

- the name of the job;
- the name of the employer – including a description of the business if appropriate;
- the type of employment for example full time, part time or casual;
- pay and major employment conditions, including flexible work arrangements;
- the qualifications or experience needed;
- how they should apply for the job;
- closing date for applications; and
- a person to contact for more information.



Selecting the best applicant

You can use a range of tools to help you choose the right person for the job. Depending on the nature of the job, a formal or informal interview might be best, or you may wish to undertake written or practical tests to determine if the applicant has the skills needed.

It is extremely helpful to ask all applicants for referees, as speaking with previous employers provides insight into an applicants' previous work experience and performance.

Interviews work well when the questions are based on the skills, knowledge and experience required for the job. The questions you ask can relate to:

- the type of work the applicant has previously performed;
- how they obtained skills and experience required for the position; and
- testing that they have the knowledge and training relevant to the job.

Applicants will appreciate employers who inform them of receiving their application and the success of their application. Unsuccessful applicants may be potential employees or clients in the future and it helps if they have a good impression of the business.

It is important to comply with equal opportunity laws. Discrimination on the basis of age, marital status, family responsibilities, cultural or religious background, political party or sexual orientation is prohibited by law. Contact the Equal Opportunity Commission on (08) 9216 3900 or www.equalopportunity.wa.gov.au for more information.

Handy hint

Develop a standard form to fill out when interviewing potential employees. It will help you record the applicant's performance against the job requirements and comparing applicants will be easier.

Induction

An induction is a formal training period for a new employee. An induction gives new employees an understanding of how the business operates, the work they will be doing and the people they will be working with. This early training will assist new employees to settle into the job safely and efficiently. The type of induction will depend on the size and nature of the business. An induction could include the following topics.

- | | |
|--|--|
| <input checked="" type="checkbox"/> what the business does | <input checked="" type="checkbox"/> other staff and the roles they do |
| <input checked="" type="checkbox"/> workplace facilities | <input checked="" type="checkbox"/> holidays and leave |
| <input checked="" type="checkbox"/> pay details | <input checked="" type="checkbox"/> employee's duties |
| <input checked="" type="checkbox"/> flexible work arrangements | <input checked="" type="checkbox"/> tools and equipment |
| <input checked="" type="checkbox"/> working hours / start and finish times | <input checked="" type="checkbox"/> on the job and off the job training |
| <input checked="" type="checkbox"/> work goals and performance standards | <input checked="" type="checkbox"/> workplace rules, policies and procedures |
| <input checked="" type="checkbox"/> safety and emergency procedures | <input checked="" type="checkbox"/> where to go and who to ask for help |

Training and skill development

It is important to consider your current and future business training needs. New employees may need training to ensure they have the required skills and longer term employees may need ongoing or refresher training for new technology and processes or training in new skills to assist their career development.

It is helpful to plan how training can best be undertaken both on and off the job without undue disruption to work output or client needs. There are many options for training provision, including formal training that assists employees with obtaining new qualifications.

Developing the skills of existing employees can be a cost effective alternative to recruiting new employees at senior levels. Providing training opportunities, including training for part time and casual employees, can assist to attract and retain quality employees.

Handy hint

Contact Training WA's Career Development Centre on 132398 or www.trainingwa.wa.gov.au about training opportunities available.

Keeping employees motivated

Keeping employees motivated at work will help boost productivity and may help reduce employee turnover.

Simple strategies to keep employees motivated

- Find out what is it they like about their job and give them more of it.
- Provide the flexibility they need to do their job and manage their own work life balance.
- Offer them some ability to control the pace and structure of their own work.
- Ask for their input into decision making processes.
- Offer training opportunities both on and off the job.
- Ask for input on issues or tasks where they can make a contribution.
- Provide feedback on how well they are doing their job - low key positive feedback helps keep motivation and productivity high.
- Celebrate and provide higher profile rewards for achieving key workplace goals such as completing major sales targets, projects or milestones.

Establishing workplace rules

The rules of a business should be known and understood by all employees. There are four broad areas to establish appropriate rules. These are as follows.

- Actions that do not fit socially acceptable behaviour, such as fighting or swearing.
- Behaviour that is against the law, such as sexual harassment, jokes or comments of a sexist or racist nature.
- Meeting occupational safety and health laws.
- Non compliance with the business work systems - such as inappropriate timekeeping or unsatisfactory work performance, and failure to obey lawful instructions.

Once rules are established, it is important to regularly remind employees of the rules. It is important employees see these rules are being applied consistently across the workforce.

Performance management

Ongoing performance management is important for all employees. After an employee has been inducted and understands the expectations of the job, the following steps can be used to encourage them to achieve and maintain a high standard of performance.

- Encourage the employee to seek help if they are not sure about something.
- Offer constructive feedback on their performance so they are able to improve.
- When they are doing a good job, let them know.
- Provide the employee with opportunities to acquire new skills.

When an employee's work performance is not meeting the required standard, you can take action to help the employee do the job correctly. This may include checking that the employee understands work standards, providing additional training if required, and providing an opportunity to improve. It is advisable to make employees aware that ongoing poor performance may result in the termination of their employment contract.

Handy hint

Ensure discussions held about performance standards are documented so you are able to show that genuine attempts were made to assist the employee meet the required work standards, and provide copies to the employee.

Chapter Two

Planning your workforce to meet your business needs

This chapter outlines key issues to consider for planning your workforce needs in the short, medium and long term.

Succession planning

Succession planning is vital to allow your business to meet its future labour needs. Succession planning involves taking time to think about future staffing issues such as the following.

- How many employees will my business need in one year, five years or 10 years?
- How will I replace employees skills and knowledge if they leave or retire?
- What impact will a vacant key role have on my business? How much will it cost in down time and lost productivity?
- Who can I train up to fill future key positions?
- What strategies / changes can I introduce to stop employees leaving?
- What are the working preferences of my employees – would they be more likely to stay if flexible work arrangements were available?
- What training will I need to provide to employees to meet business needs?

Cost of replacing employees

When an employee leaves you lose their skills, knowledge and experience and the valuable time spent recruiting and training them. Reducing employee turnover can have a significant impact on profitability.

The costs of labour turnover can range from between 50 and 130 percent of an employee's salary, depending on the skills and experience required¹.

The federal Equal Opportunity for Women in the Workplace Agency website has a free tool called the *Costing Turnover Calculator*. This tool allows you to measure the cost of employee turnover in the areas of separation, replacement, training, lost productivity and lost business. The tool is available at www.eowa.gov.au

¹Council for Equal Opportunity in Employment (CEOE) quoted at eowa.gov.au

Succession strategies

Some key succession strategies for consideration

- Develop a transition plan for employees retiring or going on extended leave.
- Have a succession plan for all key positions, and start training replacement employees.
- Implement mentoring and coaching arrangements between experienced and new employees.
- Introduce phased retirement arrangements to keep mature age employees in your workforce as long as possible.
- Plan for development of skills, knowledge and abilities through on the job training and formal skills development.



A mature solution – phased retirement

Keeping long term employees is the most cost effective staff management strategy for your business. Mature age employees often have extensive knowledge and experience and by offering phased retirement and flexible work arrangements you can keep mature employees working.

Phased retirement is an arrangement allowing mature aged employees to ease out of employment by reducing the number of hours worked, or by changing their responsibilities or employment arrangements. It provides an incentive for employees to delay complete retirement and can be either a long term or short term arrangement.

Offering phased retirement assists succession planning and keeps the skills and knowledge your business needs. Employees on phased retirement can train and mentor younger employees.

Chapter Three

Creating a flexible workplace

If you are looking for ways to retain key people, meet the needs of clients and to motivate employees then flexible work arrangements may help your business.

This chapter discusses the benefits and costs of flexible work and provides suggestions on how to implement and manage flexible work in your business. An overview of the types of flexible arrangements being implemented in Western Australian workplaces completes the chapter.

What are flexible work arrangements?

Flexible work arrangements is a broad term which covers a wide variety of working patterns, benefits and facilities in the workplace. The type of flexible work that may suit your business will depend on the nature of the business, the work done by employees, client needs and the needs of your employees.

Common flexible work arrangements

- Part time work or job sharing.
- Providing employees flexibility in start or finish times, possibly including the ability to save hours for later use.
- Allowing leave to be taken in small portions, such as hours or days.
- Providing additional unpaid leave to cover school holiday periods.
- Allowing employees to work from home on either a temporary or long term basis.
- Where possible, allowing employees choice in rostering arrangements.

Important note - flexible work is for everyone!

It is important to remember that employees of any age or gender may desire more flexible work arrangements. Flexible work may suit mature age employees, parents with young children, people who are studying, employees who have elder care responsibilities or with particular lifestyle preferences.

The business benefits of flexible work arrangements

- ✓ Reduced employee turnover through retaining skilled employees.
- ✓ Savings in recruitment costs.
- ✓ An improved return on training investment.
- ✓ The potential for better employee morale, loyalty, productivity and performance.
- ✓ Increased flexibility of employee arrangements to meet the needs of clients or the business.
- ✓ Enhanced public image as an employer who cares about employees' personal commitments, and contributes to the well-being of the community.

Balance works for business

A Victorian Government survey on the *Better Work and Family Balance Grants Program*² revealed business that introduced flexible work practices soon found them fundamental to the ongoing operations and sustainability of their organisations.

The survey found that implementing flexible practices contributed to the sustainability of organisations by:

- providing market differentiation to attract employees;
- helping to retain employees;
- contributing to employee morale; and
- strengthening team building.

² A competitive grants program designed to assist business and other industry partners to adopt practices that improve work and family balance. www.business.vic.gov.au

What are the costs of flexible work?

Think broadly when examining the impact of flexible work arrangements. For example, establishing a job sharing arrangement might require additional time in the setup phase, but result in a higher level of productivity on an ongoing basis.

Major issues to consider for feasible flexible work arrangements

- required client or customer contact hours / opening hours;
- minimum staffing requirements in both busy and quiet times;
- equipment operating needs; and
- workload peaks and troughs.

The cost implications and level of administrative and managerial support required to introduce flexibility need to be considered. For example, what is the impact on supervisory employees? Will additional support or training be required to effectively manage flexible work arrangements?

What do employees want?

The Investigation into the Transformation of Work study, undertaken in the United Kingdom, found that the most popular flexible working options with employees generally were:

- time off in lieu (79%)
- working from home (73%)
- flexi-time (71%)
- part time work (50%)

The key finding in this study was that having more control over how and when work is performed was considered more important to employees than the length of time worked, or reducing time worked.

Handling requests for flexible work

Be prepared

Handling requests for part time work and other flexible work arrangements can be made easier by having a clear policy or position on part time work. Having a policy means that decisions can be made consistently, fairly and quickly.

When an employee requests part time work or another flexible work arrangement, the employee's supervisor is the best person to consider the request and look at ways in which the arrangement may be made to work for both the business and the employee.

Being creative and flexible is important. If it is not possible to meet the arrangement exactly as requested by the employee, discuss the issue and try to develop an alternative arrangement that suits everyone. For example, establishing a job sharing arrangement may be a solution if the job needs to be filled on a full time basis. Job sharing is the sharing of one job by two or more employees who work on a part time basis.

If the request cannot be accommodated for business reasons, it is important to explain this to the employee. Remember to document any changes to work arrangements and provide a copy to the relevant employee.

Handy hint - Trial it and see

Establishing a trial of a new flexible work arrangement is a good way to see if it suits both employees and the organisation. A short term trial could be agreed with a fixed end date, and a review undertaken at the end of the trial to determine its success.

Managing employees on flexible arrangements

There are a number of key strategies to successfully manage employees on flexible arrangements.

Things to consider

- Make arrangements to ensure all employees have access to all relevant information.
- Set up specific communication channels for part time employees and others who may be away from the workplace.
- Manage work allocation to ensure that all employees have a workload and duties that reflect the hours worked.
- Provide employees who work flexible hours with access to ongoing development and training opportunities, both on and off the job.
- Ensure people who work flexibly are considered as valuable contributors who are eligible for promotion where appropriate.

Handy hint

Have one day per week that everyone works, so meetings and training can be scheduled when all employees are in the workplace.

Quality part time work

The key to success in part time work is matching the needs of the business with those of the employees. Peaks and troughs in workload or demand can require changes to staffing levels. Part time employees are often vital in covering these peaks and troughs.

Providing part time work could benefit your business by:

- providing workplace flexibility;
- attracting a wider pool of applicants for new jobs; and
- retaining experienced and skilled employees.

Providing and encouraging quality part time work for employees allows those employees who do not wish to work full time to remain in the workforce and retains their skills and talent. This can include people with family responsibilities, elder or disabled care responsibilities and mature age people.

Good jobs, whether part time or full time, attract good people. Part time employees can be valuable contributors and warrant work that is meaningful and satisfying.

Important note - Making it legal

Organisations must ensure that any new flexible work arrangement is consistent with their obligations under industrial relations laws and relevant awards, agreements, and/or contracts of employment.

For employees in the Western Australian state industrial relations system, the *Minimum Conditions of Employment Act* provides minimum entitlements including annual leave, bereavement leave, parental leave and carer's leave. Awards and agreements may also provide additional entitlements.

An overview of flexible work arrangements

Flexibility in working hours can meet both business needs and support employees in work, family and life commitments. More information on these and other flexible work arrangements is available on the Department of Commerce flexible work website www.worklife.wa.gov.au

Flexible working hours

Employers could prescribe the core hours of the day when employees are required to be at work, and give employees flexibility within the non-core hours at the beginning and end of the day. Increasing the span of ordinary working hours of each day can also provide flexibility to start earlier or finish later.

Consultative rostering / shift exchange

Consultative rostering takes into consideration the needs of the business and employees' family responsibilities. Employees can also be allowed to exchange shifts to help them meet their family responsibilities.

Banking and making up time / time in lieu

Employees can accumulate extra hours worked to take time off in lieu for a specific purpose or at a time which is convenient to the employer and employee.

Home based work

Home based work is an employment arrangement in which employees work from home on a full time, part time, temporary or permanent basis. Employees working at home usually rely on technology to enable them to perform their work, however this is not an essential element.

Flexible annual leave

Providing flexibility in leave arrangements, such as individual days or half days allows employees to take small periods of leave to cover family and life commitments.

Purchased leave / self funded leave

Employees can work their normal hours at reduced pay and take additional self funded paid leave during the year. The income earned for the actual time worked is averaged and paid over the full year.

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