



Franchise Management Manual

Section 10:

Staff

Contents

10.1 Staff	4
Introduction.....	4
Where to obtain assistance.....	4
10.2 HR roles and responsibilities	5
Introduction.....	5
Key responsibilities	5
HR planning	5
ShowerFix roles	6
Job Descriptions.....	6
Individual Employment Agreements	6
10.3 Employing the right person	7
Introduction.....	7
Employee profile	7
Key attributes	7
10.4 Staff recruitment process	8
Introduction.....	8
What you will need	8
1. Advertise the position.....	9
2. Initial assessment of applicants	9
3. Interview candidates	9
4. Select and reference check.....	11
5. Make offer of employment	11
10.5 Inducting and training staff.....	12
Introduction.....	12
Induction.....	12
Initial staff training	13
Initial performance reviews	13
Ongoing training.....	13
10.6 Managing staff	14
Introduction.....	14
Staff management responsibilities	14
Personnel records	14
Conditions of employment.....	15

10.7 Staff performance	16
Introduction.....	16
Ongoing monitoring, encouragement and support	16
Regular, structured reviews	16
Annual performance review	17
10.8 Resignations and disciplinary action.....	18
Managing resignations	18
Redundancy	18
Managing disciplinary action	19
Disciplinary process	19

10.1 Staff

Introduction

Staff are an important part of the success of the franchise network and you need to attract good quality people to your business that have energy and enthusiasm, a willingness to learn and a commitment to quality and customer service.

This section provides general guidance on the identification and selection of appropriate people and the development of employees through training and performance management.

The information provided does not replace the need to obtain professional and legal advice with regard to employment and management of staff. You must also ensure that you meet any legal requirements in relation to staff employment.

Where to obtain assistance

We recommend that you read and become familiar with the information provided by;

- ▶ Ministry of Business, Innovation & Employment at www.dol.govt.nz under “Employment Relations”.
- ▶ Your obligations to the IRD, refer to www.ird.govt.nz
- ▶ About KiwiSaver, see the “KiwiSaver for employers” on the IRD website.

Important

Information in this section is provided as a guide only and we recommend that you seek professional advice on the regulations relating to the hiring and managing staff.

10.2 HR roles and responsibilities

Introduction

Requirements for your business will vary depending on a range of matters including;

- ▶ Role(s) the franchisee has in the business and how that changes over time.
- ▶ Stage of growth of your business.
- ▶ The size of the business (e.g. how many jobs are completed per year)
- ▶ Particular skills and experience required in your business.
- ▶ Choices of employment of e.g. part time, fulltime and casual staff or;
- ▶ Engagement of self employed contractors

We have outlined key responsibilities here along with information about planning, roles and job descriptions.

Important

This 'staff' section of the franchise management manual has been prepared on the basis that all staff working in the business are engaged as employees.

Key responsibilities

You will be responsible for (but not limited to);

- ▶ Recruiting, inducting and training staff
- ▶ Managing staff – employment agreements; paying salaries and wages; workplace policies; health and safety; management of holidays; reviews and performance management, disciplinary procedures, etc
- ▶ Payment of any taxes, insurance premiums, levies relating to employees
- ▶ Maintenance of personnel records
- ▶ Staff must be provided with an Employment Agreement that includes a confidentiality clause and restraint of trade clause.

You must ensure that staff uphold the brand, image, culture and standards of ShowerFix through training and performance management where necessary.

HR planning

Staff costs can be a financial drain on any new business so you need to carefully consider when to take on staff.

Your business planning process will help you identify your requirements as your business grows. You will complete a "Staff Resources & Franchisee Time Allocation" worksheet in your Annual Business Plan (FMM-007) which will help you identify the amount of time you spend on each activity and when new staff will be needed.

ShowerFix roles

Franchise Management

Administration

Marketing and Sales

Installation

Job Descriptions

A job description sets out the key responsibilities and competencies for the job and includes the knowledge, skills and attributes required.

It is an important tool that helps you employ the right person in the first place and then manage their performance over time.

The job description also ensures that you provide prospective employees with a clear understanding of what the job entails.

Individual Employment Agreements

By law you must have a signed Employment Agreement for every employee. There are some provisions that must be included in employment agreements by law; and there are also a number of minimum conditions that must be met regardless of whether they are included in agreements.

Individual Employment Agreement templates can be obtained from your legal advisor or you can create one yourself using the Employment Agreement Builder on the Department of Labour website.

We have outlined some points you need to consider.

- ▶ Employers and employees may agree to terms that are more than the legislative minimum. They may not agree to terms that are less.
- ▶ You need to be aware of the different types of employment and whether the staff member is a full time employee, a casual, on a fixed term, or part time.
- ▶ If you include a 90 day trial (or a probationary period) make sure that you get expert advice on how to manage this and any legal requirements.
- ▶ You must ensure that a 'confidentiality' clause relating to your business transactions and any 'restraint of trade' that you wish to enforce upon your employees is included in the employment agreements.
- ▶ It is important that you seek independent advice on your employment agreements and ensure that they are reviewed by your legal advisor.

Refer to www.dol.govt.nz for detailed information about employment agreements and types of employees.

10.3 Employing the right person

Introduction

Good managers know that their success is reliant on building a strong team. The type of people you recruit into your team determines how much you and your team can achieve. This also affects your ongoing success and competitiveness in the marketplace.

A key success factor for good staff management is to employ the “right” type of person in the first place. It is a substantial cost to your business if you need to replace an employee.

Employee profile

Your aim should be to recruit:

- ▶ High calibre employees, with appropriate skills, that fit with ShowerFix culture
- ▶ Employees who will work with you to reinforce the ShowerFix brand and customer service standards.

Some attributes will be role dependent. Prior to interviewing a prospective employee, review the relevant Job Description to identify any specific characteristics required for the role.

Key attributes

TBC



10.4 Staff recruitment process

Introduction

We have outlined 5 key stages in the recruitment process.

1. Advertise the position
2. Initial assessment of applicants
3. Interview candidates
4. Select and reference check
5. Make offer of employment

The following recruitment process will assist you with the recruitment and selection of employees.

What you will need

Prior to commencing recruitment you need to organise the following;

- ▶ **Job Description** for the job advertised. Review this to ensure that responsibilities and tasks are still valid and to help you refine your expectations of the role.
- ▶ **List of questions** to ask the candidates, e.g. behaviour-based questions which match the competencies you are looking for in an individual, and relevant job-specific questions.
- ▶ **Individual Employment Agreement** (see "[10.2 HR roles and responsibilities](#)")

You also need to be aware of;

- ▶ Your **obligations** under the Employment Relations Act 2000, the Employment Relations Reform Act 2003, and the Holidays Act 2003.
- ▶ Your **obligations** under the Human Rights Act 1993, Privacy Act 1993, and Immigration Act 2009; for example:
 - It is a breach of the Human Rights Act to refuse employment to an applicant on the basis of: sex, marital status, religious or ethical belief, age, colour, race, origin, disability, political opinion, employment status, family status or sexual orientation.
 - It is a breach of the Immigration Act to employ an applicant who is an over-stayer, or does not have a work permit.
 - You are obliged to collect and deal with the information you gather on the applicant in accordance with the provisions of the Privacy Act.

1. Advertise the position

Some applicants may be recommended to you by word of mouth, or you may know them through your personal networks. There will be times, however, when you need to advertise for new staff.

- ▶ Advertise the position in the classified advertisements in your local newspapers; or online (www.seek.co.nz, or www.trademe.co.nz)
- ▶ Any use of the logo in job advertisements must meet ShowerFix specifications. You need to include your own contact details and determine an application closing date for inclusion in the advertisement. Include a request for a CV or a letter of application.
- ▶ Be prepared to set aside time for handling phone calls/CVs and setting up interview times.

2. Initial assessment of applicants

1. If an applicant phones in response to your advertisement provide some background about the job and ask a few questions about their experience and reasons for applying.
2. Read through all CVs/application letters and make a first assessment on whether or not you will interview the applicant.
3. Phone the selected candidates to set up an interview date, time and place (allow about an hour).
4. Interview the least likely candidates first so that if you have an initial preference it does not impact your judgement of the other candidates.
5. Start a "Recruitment checklist": name/contact details, interview date/time, referees, reference checked, follow up date, notes.

3. Interview candidates

1. Greet the candidate. Make sure you give them your full attention and carry out the interview in privacy. Take time to build rapport in the first few minutes.
2. Briefly outline the job requirements:
 - What the job entails
 - Hours of work
 - Rates of pay
 - Your expectations
 - Quality work
 - Punctuality / Presentation
 - Customer service standards
 - Confidentiality provisions

3. When interviewing, it is important to uncover their aptitude, knowledge, skills and experience. Interview against the criteria in the job description and ShowerFix employee attributes listed above.

For example (section to be completed)

- **Teamwork - Can they work as a part of the team?**
 - **Personal attributes – What motivates them? What makes a job enjoyable for them? How do they handle criticism? How do they solve problems?**
 - **Customer relations skills - Where a component of the job entails interacting with customers, it is important that the person is able to communicate easily with a variety of people.**
 - **Previous experience – Do they have a background that will provide a good basis for your training? Industry experience? Stable work history? Why are they leaving their current position? etc**
 - **Supervision - Although this is difficult to assess, try to identify whether the candidate will have any difficulty accepting instructions from you. Are they willing to learn? Can they work unsupervised?**
 - **Computer skills – For sales and administration, check level of expertise.**
 - **Verbal and written communication skills – How well do they communicate with management, customers, co-workers? Can they write adequately?**
 - **Other important aspects – Do they have good time management skills? Can they ‘think for themselves’? Can they ‘think on their feet’? Do they have good decision making skills and the ability to solve problems?**
4. You need to check the following:
 - The applicant needs to be legally able to work in New Zealand – if necessary obtain a copy of their visa. (Do not ask “Were you born in NZ?” “Are you a NZ citizen?” instead, ask “Are you eligible to work in NZ?”)
 - The applicant needs to be able to carry out the work. (Do not ask “Do you have any disabilities?” instead, ask “Are you able to perform the job functions as described?”)
 - Cover conditions of the job, hours required, etc. Make sure that they understand the commitment.
 - Obtain the applicant’s permission so that you can carry out reference checks.
 5. At the end of the interview give them a date by which they will receive notice of their success or not, and record this on the “Recruitment checklist”.

4. Select and reference check

1. Make decision on the preferred candidate.
2. Call at least two referees and note their comments. Focus on strengths and weaknesses identified during the interview process.
3. In some instances you may decide to ask the selected candidate to come in for a further interview and discussion.

5. Make offer of employment

Successful candidate

1. Phone the successful candidate and ask them to come in to discuss the terms and conditions of employment. Provide them with:
 - Letter of offer
 - Individual Employment Agreement
 - Job Description
2. Explain that they are entitled to seek independent advice about the Employment Agreement and its terms – give them time to do this. Set a date for them to come back to sign the agreement.
3. Sign two copies of the Employment Agreement along with the new employee. Make sure you check that they understand the terms of the agreement. Ask them if they have any further questions before signing. Give them one copy and retain the other
4. Set up a personnel file for the new employee and file a signed copy of the Employment Agreement, a copy of the job description and any notes you have made.

Unsuccessful applicants

1. Ring or email unsuccessful candidates to inform them.
2. If you feel that you may wish to contact this person in the future, ask them if you can keep their details on file; otherwise return (or destroy) any information gathered during the recruitment process.
3. You are not obligated to give a reason as to why an applicant was not successful.

10.5 Inducting and training staff

Introduction

When you take on a new staff member you need to organise an induction to the role and to ShowerFix. Ensure that the induction programme gives the employee a fair chance of reaching the expected standard of performance.

You need to make it clear what initial training they will receive, how this will be carried out and the points at which you will check progress with them.

Note

If this is your first employee you need to register as an employer with Inland Revenue. They will advise ACC that you have become an employer.

Induction

You need to provide (to the employee)

- ▶ Tax code declaration (ir330)
- ▶ Contact details for the employee to use if unable to attend work
- ▶ “Introduction to KiwiSaver”(KS3); “Employee Details form” (KS1) – for the employee to complete; “Deduction form” (KS2) – employer to complete and send to IRD (or use **ir-file**). Refer to the IRD website for more information.
- ▶ Staff uniform (where appropriate)
- ▶ Acceptance for them to sign for any equipment, tools, phone. etc

You need to obtain (from the employee)

- ▶ Completed Tax code declaration (ir330)
- ▶ Completed KiwiSaver forms. If they elect to opt-out of the scheme, they need to use “New employee opt-out request form” (KS10). Note that some KiwiSaver administration can be completed online.
- ▶ Details of bank account to be credited with salary/wages (e.g. bank deposit slip)
- ▶ Emergency contact details

You also need to

- ▶ Introduce the new employee to other staff and the company.
- ▶ Discuss any probation or trial period and make clear the support and guidance the employee will receive during that period.
- ▶ Outline when and how you will review and give feedback on performances.

Initial staff training

A clearly defined training programme helps the new employee adjust as quickly as possible to the work methods, quality standards and guidelines of the franchise and also helps achieve maximum efficiency in the shortest possible time.

Staff must be fully trained to ShowerFix standards.

Initial training will be on-the-job. It should cover areas such as:

- ▶ Background to ShowerFix, expectations and culture
- ▶ Brand standards such as wearing of uniform, personal presentation, action at customer sites
- ▶ Customer relations (e.g. communication, service standards, etc)
- ▶ Job responsibilities and work procedures
- ▶ Health and safety (e.g. workplace hazards, incident reporting and evacuation procedures, who to contact in an emergency)

Set up a training record for each staff member to note what training was provided and when. See Staff Training Record (FMM-012).

Initial performance reviews

On commencement of employment we suggest that you schedule a “sit down” at the end of the first week. We recommend that you hold reviews at regular intervals during the first 3 months.

These reviews will provide you with valuable feedback ensuring that the ‘fit’ of the new employee is suitable for both parties, and that expectations are clearly understood.

Ongoing training

The provision of ongoing training for employees plays an important part in the success of your business. It ensures that processes are correctly followed and can aid retention of staff.

You must:

- ▶ ensure that staff are appropriately trained in all aspects of their work
- ▶ ensure that staff are properly informed of procedural or systems updates and that they are retrained if necessary
- ▶ be responsible for all costs associated with employee training

Keep a record of staff training and outcomes using the Staff Training Record (FMM-012)

10.6 Managing staff

Introduction

This topic provides information about your responsibilities when managing staff. It is by no means comprehensive and we recommend that you obtain professional advice on specific areas to ensure you comply with any relevant legislation.

Staff management responsibilities

You are responsible for paying all taxes, charges, insurance premiums, levies and other amounts that are payable in respect of your employees.

You need to ensure that staff:

- ▶ Uphold the ShowerFix image, brand and culture at all times
- ▶ Provide friendly, prompt, efficient, professional and courteous services to customers
- ▶ Positively promote the business
- ▶ Are properly trained and have the necessary skills to carry out the tasks for which they are employed
- ▶ Fulfil all duties as set out in their Job Description
- ▶ Comply with relevant workplace health and safety legislation and take all reasonable precautions and measures to ensure the safest possible working environment for customers and other employees
- ▶ Do not conduct themselves in a way that is likely to damage the system or its goodwill.

Personnel records

Set up a personnel file for each employee and retain all records as required by law (typically for seven years). These should include:

- ▶ Signed Individual Employment Agreement
- ▶ Any other forms completed during induction, e.g. tax forms, KiwiSaver, etc
- ▶ Applications for leave, medical certificates
- ▶ Training record and any training notes
- ▶ Notes on any conversations relating to employment – make file notes, include the date
- ▶ Output from performance reviews or disciplinary action details

Conditions of employment

Conditions of employment will be fully covered in the Individual Employment Agreement for each employee. We have provided some general information here for guidance

Hours of work

Hours of work will be determined prior to the hiring of an employee (based on the needs of your business) and must be covered in their Agreement.

Confidentiality

Employees must maintain confidentiality and adhere to non competition clauses as per the Agreements they sign.

Leave entitlements

Staff should receive the holiday leave entitlement as set out in the Holidays Act 2003 and any amendments to the Act. Currently this is 20 days per year.

If an employee is sick they must contact you as soon as possible.

Leave entitlements will be covered in the Employment Agreements.

Personal responsibilities

Staff must take responsibility for their own property and personal effects. The franchisee should not accept liability or responsibility for staff losses of money, or other personal property and effects.

Use of alcohol and other drugs

ShowerFix believes that the abuse of alcohol and other drugs creates a variety of workplace problems that may include injuries, absenteeism, and a decline in the quality of products and services. Staff are prohibited from reporting to or performing work under the influence of alcohol or other drugs at any time.

You will be justified in asking an employee to leave the workplace where there are reasonable grounds to believe that they are unable to adequately perform their duties due to the use of alcohol or other drugs.

This should be covered in the Employment Agreement along with other grounds for dismissal.

10.7 Staff performance

Introduction

Effective performance management is crucial to the success of your business to ensure that the knowledge, skills and abilities of your employees continue to match the needs of your franchise operation.

You need to ensure that your employees retain a good understanding of the franchise system as your ability to promote and conduct your business in accordance with the system is largely dependent on your employees' awareness of its components (e.g. customer service, quality standards, codes of conduct, etc).

Personnel and management professionals have established that the most effective methods of managing performance of staff members are:

1. Ongoing monitoring, encouragement, support and training of staff
2. Regular and structured reviews after predetermined periods

Ongoing monitoring, encouragement and support

An important prerequisite for monitoring staff is to ensure that employees feel free to discuss any problems or issues with you. Without the ability to receive feedback from employees, it is difficult to effectively monitor their progress.

If at any time you are concerned about the motivation or performance of an employee (e.g. failure to observe procedures, failure to measure up to ShowerFix standards of excellence, etc) you should take them aside to discuss the area of concern and use it as an opportunity to agree a way to rectify the situation.

It is recommended that training be undertaken as soon as possible after a need is identified.

Remember also the power of compliments. Don't forget to praise employees for a job well done.

Regular, structured reviews

It is beneficial to hold a review with an employee within the first three months of employment.

You should provide feedback on performance to employees on a regular, on-going basis and schedule a more formal review on an annual basis.

Annual performance review

Franchisees should schedule time to meet with the employee more formally on an annual basis. This review should not contain any surprises as issues should be dealt with as they arise.

Make sure the employee is prepared for the discussion and knows what to expect.

Points to be covered during the meeting could include:

- ▶ The employee's evaluation of their own performance
- ▶ Your general evaluation (and examples) of the employee's performance
- ▶ Employee's strengths and weaknesses. Staff Performance Review (FMM 013)
- ▶ Plans to improve performance (training or other help needed)
- ▶ How you can help the employee to do their job better
- ▶ Ideas the employee may have regarding their job, procedural changes, priorities, etc.

Document the results of performance reviews and place in the employee's personnel file. The documented notes should relate to an employee's job related behaviours and the results of those behaviours.

A performance evaluation meeting should not be made into an opportunity to tell an employee that you have problems with their performance and are terminating their employment.

10.8 Resignations and disciplinary action

Managing resignations

Some guidelines for managing the resignation process have been provided here. The resignation notice period for an employee should be specified in their Employment Agreement.

Resignation process

Once an employee has tendered their resignation (in writing), you should:

- ▶ Decide whether you want the employee to leave immediately (with pay in lieu of notice)
- ▶ Inform any parties that the employee may have had dealings with (e.g. suppliers)
- ▶ Ensure that any company property retained by the employee is returned
- ▶ Organise the date for the final pay to be processed, if required outside of the normal pay period
- ▶ Update your personnel files.

Exit interview (optional)

It can be useful to hold an exit interview with the departing employee. This should be held in a casual environment where the employee can give honest answers as to the reasons for leaving and the positive and negative points of the employment environment. You should have a person as a witness to this interview.

Certificate of service

In place of a written letter of reference, a certificate of service may be provided stating the dates of employment and positions held by the employee while in your employment. This should have the business contact details on it also, so that future employers may contact you if they have any questions regarding employment.

Redundancy

Employees may be made redundant where there is genuinely no longer any requirement for them. This should be covered in the Employment Agreement held with each employee.

If you are considering making someone redundant, we strongly recommend you consult with your lawyer or employment advisor as there are many requirements concerning fairness and procedure to consider and comply with.

Managing disciplinary action

Obligations under the Employment Relations Act

The Employment Relations Act contains procedures for resolution of employer/employee disputes and for dealing with personal grievances arising out of the employment.

The interpretation and application of these provisions in Employment Court cases has emphasised the need for fairness when dealing with an employee who is not performing adequately or who has acted in an unacceptable way.

We have outlined a disciplinary process that could be used in the event that you need to take disciplinary action. Use of this process is at the discretion of the franchisee in consultation with your legal advisors.

Remember that all steps taken must meet your obligations as stated in your Employment Agreement and as defined within the relevant Acts.

ShowerFix must be informed about the results of any disciplinary process and instances of serious misconduct that require instant dismissal.

Procedural fairness

Regardless of the severity of the employee's action you are required to be fair in the procedures you use to deal with the situation.

Instant dismissal in cases of serious misconduct

Instant dismissal means dismissal without warnings or notice being given. It should only be used for the cases of serious misconduct. Serious misconduct is action or omission that causes a fundamental breakdown in the employment relationship, or prevents the business from being conducted in a safe and proper manner.

Before dismissing someone for serious misconduct you must still carry out a fair investigation of the facts and consider the employee's explanation. Then, once you have established grounds for dismissal, you are not obliged to give warnings or notice to the employee. It may be prudent to suspend the employee on full pay while you investigate the situation.

You should, however, always obtain legal advice before considering instant dismissal.

Disciplinary process

This process is provided as an example and we emphasise that in circumstances where disciplinary action is required you should take advice from your own legal advisor and other appropriate organisations.

You should ensure that you retain and file all paper work and documentation with regard to the disciplinary process.

Verbal warning

- ▶ Call a meeting with the employee and define the problem.
- ▶ Notify them that a verbal warning is being given, and if the problem is not corrected within a reasonable period of time then further disciplinary action will be taken. (Consult with your advisors on what constitutes a 'reasonable time'.)
- ▶ Describe the performance/behaviour that is required to remedy the problem and work with the employee to develop a course of action that will help attain the required standard.
- ▶ Write a memo that describes specifically what the problem is, the action taken to solve the problem and what is required by the employee, and file it.

Written warning

- ▶ If no improvement occurs within a reasonable time frame then provide a written warning.
The written warning must be specific (relating to quality of work, attendance, breach of company policy), must state exactly what improvement is required and also state that this improvement should occur by a specific date.
- ▶ Show the written warning to the employee and invite them to sign it, not necessarily as an indication of agreement, but as an acknowledgement that the communication has been received.
- ▶ If the employee meets the required standard, write a memo detailing these improvements and state that a copy of the memo will be filed in the employee's file with the written warning.

Disciplinary meeting

- ▶ If no improvement has been made after the written warning or it is very unlikely that the required standard will be met, then call a disciplinary meeting.
- ▶ Inform the employee that they have the right to have a representative present at the meeting.
- ▶ Discuss the issues raised in the written warning and obtain the employee's response to these.
- ▶ Take time out to consider whether to continue with the employment or dismiss the employee before having a second meeting with the employee.
- ▶ In case of dismissal, give the period of notice that is specified in the Employment Agreement. (See above for information about instant dismissal.)