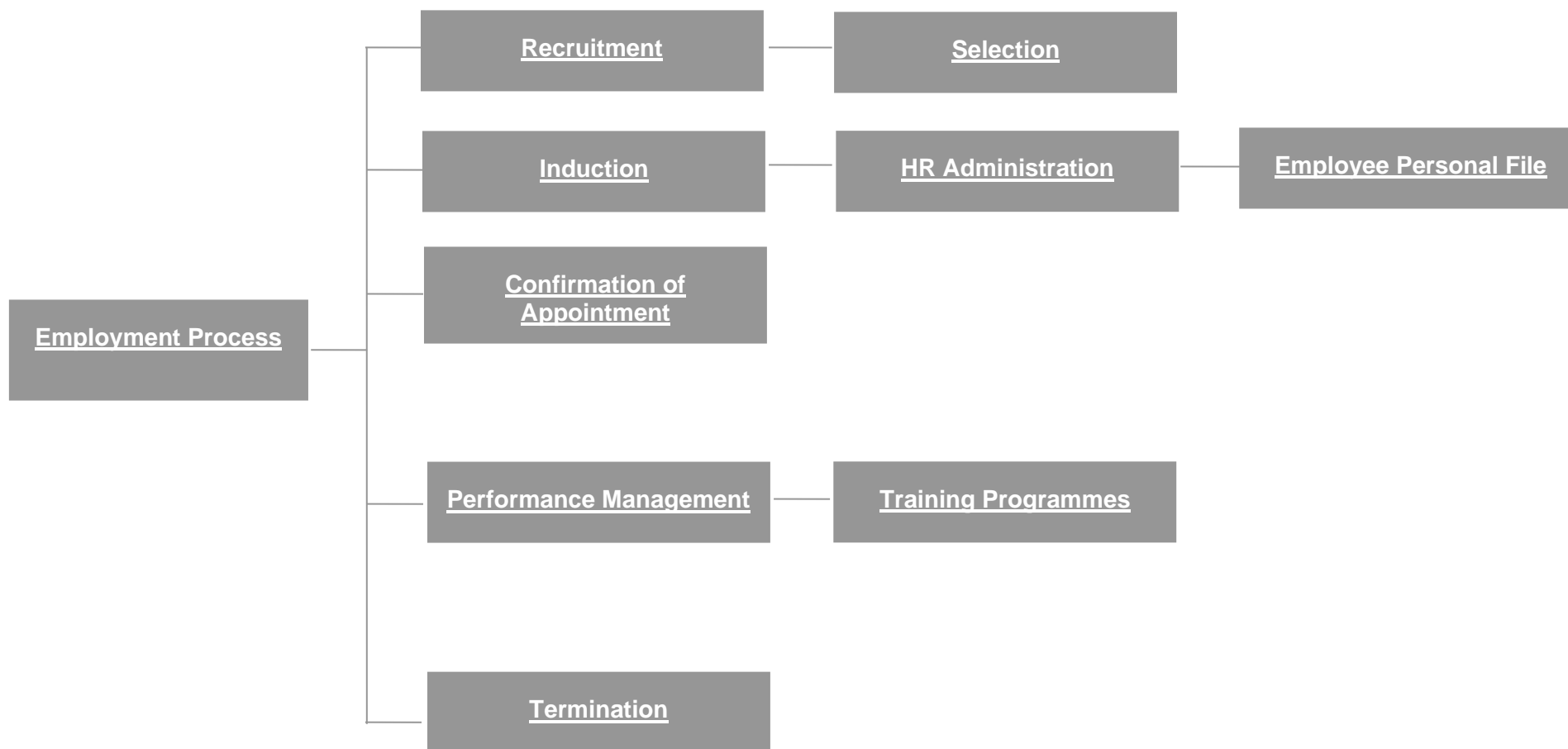




Employment Kit

Stephen Larsen and Co
TAX AND BUSINESS ACCOUNTANTS

The Employment Process



Employment

Introduction

Your good management of the employment process flows through to all aspects of your business. Benefits include high productivity and your reputation for service and reliability, as well as the satisfaction you and your team take in your business successes and the proverbial 'job well done'.

This guide covers the employment process from recruitment to termination.

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Introduction

The recruitment process is a key factor in the success of your business.

Any business would devote considerable time, money, and effort to scoping out new equipment for the business, making sure it was right for them, installing it in compliance with all relevant codes and instituting a regular maintenance and repair schedule.

As the resource costs are comparable, it is logical to put in similar effort to have a team at the top of their game.

Planning

When you hire staff — any staff — it should be planned.

In some ways it's much easier to measure the cost of getting it wrong than it is to assess the benefit of getting it right.

For example, in many small businesses staff turnover is high and costly. The impact on motivation, productivity, re-training, teamwork, customer relationships and communication is significant. Add to this the executive time in recruiting, training, monitoring and supervision, and it is obvious that for every failed employee there is a significant cost.

Low staff turnover, on the other hand, indicates that there is a good fit between people and their roles in the business. The cost of recruiting and training is easily recouped over time with high staff retention and high performance.

Take the time to plan recruitment — not only to get the best person for the job but to ensure that the job is designed to fit in with the overall success of your business.

Start with a clear idea of the position you want to recruit to. Take time to develop sound documentation of the position. It forms the groundwork for recruitment, induction, training, and review.

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Introduction	<p>A position description is a product of thinking about what you really want from this position.</p>
Task Review	<p>Sometimes the tasks associated with the position you are recruiting to are clear cut, such as for a pastry chef, a machinist, a carpenter/joiner. Sometimes it is not so clear. You may want to group tasks together in one role (common with receptionist positions). You may be recruiting to ease the pressure on other positions. A task review at this stage will help you to produce a clear position description.</p> <p>If the position is a new position in the business, use the Tasks Review form to list what needs to be delegated. If the position is an existing one, review the position description and use the Tasks Review form to consider whether you want to restructure the role in any way. The Tasks Review form in this guide is based on what could be delegated to a typical administrative support role. Edit it to suit your business.</p>
Position Analysis and Description	<p>Once you know what tasks you want the role to perform, think about other requirements. Outline the areas of responsibility with a position analysis. Be detailed and allow for growth.</p> <p>Position analysis identifies your resource requirements, major areas of responsibility and characteristics of the role.</p> <p>Are qualifications necessary? A driver's licence? Is the role full-time or part-time? If part-time, could it be done in one or two days a week or do you really want a person to come in for a couple of hours every day?</p> <p>If a specific skill at a specific level of competency is required, think about how you can test for this and whether external skills testing will be necessary when you are ready to interview. For instance, external agencies can test applicants for skills and competence in Microsoft Word, Excel, PowerPoint, and other programmes and produce a detailed report on applicants' test performance.</p> <p>The position analysis gives you the scope of the position. It allows you to distinguish essential criteria for selection from desirable criteria, i.e. 'needs' vs 'wants'. You can then draft the position description. The position analysis and position description will become the basis for your recruitment process — writing the ad, shortlisting, and devising interview questions.</p> <p>Complete the position description. Specify to whom the position reports. List key tasks in order of importance or grouped according to the role's main responsibilities. Start each point with a verb to make it clear what action you want the position to undertake with each task, e.g., 'make', 'prepare', 'organise', 'liaise'.</p>

Tasks Review Form

This template provides a list of tasks for you to review to determine if they should be completed by the position you plan to recruit for.

Add relevant tasks as needed.

Month	Task	Time to complete	Delegate to	Tool available to assist
<i>Customer-related tasks</i>				
	Dealing with customer correspondence			
	Maintaining records of customer contact			
	Making and changing customer appointments			
	Following up new and prospective customers			
	Customer database maintenance			
	Contacting customers for missing information			
	Project liaison with customers			
	Organising customer seminars			
	Setting up customer files			
	Preparing fees			
	Coordinating events			
<i>Systems and IT</i>				
	Writing and updating administrative systems			
	IT management (software updates etc)			

Month	Task	Time to complete	Delegate to	Tool available to assist
<i>General administration and management</i>				
	Filing			
	Opening mail			
	Typing letters and simple reports			
	Ordering supplies			
	Organising insurance			
	Building maintenance			
	Managing CEO emails			
	Managing workflow			
	Debtor management			
	Paying bills			
<i>Reporting and monitoring</i>				
	Preparing KPI reports for senior management			
	Monitoring Work in Progress (WIP)			
<i>Team and personnel</i>				
	Organising team induction programmes			
	Bank account management			
	Organising performance reviews			
	Day-to-day work management			
	Following up performance review outcomes			
	Coordinating team meetings			
<i>Recruitment</i>				
	Writing recruitment ads			
	Corresponding with candidates			
	Organising recruitment interviews			

Month	Task	Time to complete	Delegate to	Tool available to assist
	Organising employment agreements			

Using a Recruitment Agency or Doing it Yourself

Decision

Decide whether to:

- Use a recruitment agency
- Manage the recruitment yourself (using Trade Me, SEEK or newspaper)

Introduction

Whilst more time and effort is involved in undertaking the recruitment process yourself, it may suit you better and save money.

Recruitment agencies tend to deal more with specialist placements, such as IT personnel.

We recommend that someone from within your business manages recruitment for positions at the administrative support or EA level.

Advantages

Advantages of someone in your business handling the recruitment include:

- A more hands-on approach
- Other team members can meet and provide feedback on the candidate
- You save money on recruitment costs
- You have more control over what you put in your advertisement and the filtering process

Disadvantages

The disadvantage of someone in your business handling the recruitment is the time involved. Time costs to shortlist, interview, follow up, and administer applications can typically take up to 3 days.

Costs — doing it yourself

Other costs of doing your own recruitment may be:

- Trade Me
- SEEK
- Local Newspaper - this varies depending on your area
- Skills testing for shortlisted applicants

Costs — recruitment agencies

Most recruitment agencies charge a percentage of the salary base. This can range from 8–15% of the salary depending on what position you are advertising and in what part of the country you are based. This includes advertisement placement, first and second interview, skills testing and follow-up.

The final interview is usually conducted by someone from your business. However, when requested, the recruitment agency can also take care of final selection.

Introduction Once you have your position description, you can draft your advertisement.

Writing your advertisement The following are some tips for writing your ad:

- Keep it short and sweet, don't put the full job description in the advert, focus on key areas of responsibility
- Be clear on what skills the applicant needs to have
- Add information promoting what you offer as an employer
- Set out contact information clearly, (who to email the CV to, phone number, website and closing dates)

See a sample recruitment pack on page 17.

You cannot specify In accordance with the Human Rights Act, you cannot specify any requirement in your advertisement directly related to:

- Sex, pregnancy, and birth
 - Marital status
 - Religious beliefs (or lack of)
 - Ethical beliefs
 - Colour, race
 - Ethnic or national origins
 - Disability
 - Age
 - Political opinion
 - Employment status, i.e. being unemployed or being a recipient of a benefit or ACC
 - Family status, including caregiving responsibilities or being in a relationship with, or related to, a particular person
 - Sexual orientation
-

Online advertising The most effective way of advertising a role these days is online. The most viewed websites are:

- Trade Me Jobs (www.trademe.co.nz)
- SEEK (www.seek.co.nz)

We recommend you open an account and advertise your role(s) with both. You place your advertisement online and take it off whenever you want. You will receive applications directly via email.

Introduction

When CVs arrive, identify the strong contenders against your selection criteria and determine a shortlist.

It is recommended that you limit the initial shortlist to 5–10 applicants. If necessary, conduct some initial screening, to reduce the number of interviews.

Canvass by telephone the candidates who appear strong. This will help you reduce a potentially large pool of candidates down to 5–10 people for face-to-face interviews.

Make notes on the candidates' CVs as you screen them, listing key points, concerns, and potential issues.

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Questions you can ask

Questions you can ask include:

- What is their notice period?
- What is their expected salary range?
- Do they understand what the position is?
- If it is a part-time role, are they looking for part-time work or seeking part-time work as a gap filler until they find a full-time position?
- Why do they want to leave their current job (or why did they leave their last job)?

Your impressions

Form your impressions of each candidate, for example:

- Did they seem interested or uninterested?
- Do you think they are only applying because they need a job or because they really want this job?
- How was their phone manner? (This is important for their role if they will be the face of your business for customers)

Formulate shortlist

From the above, formulate the shortlist for the first face-to-face interview. If relevant, meet with other partners/managers to agree on the shortlist.

Introduction

Interviews work better as mutual exchanges of information rather than inquisitions. Remember that you are selling your firm to the potential employee as much as they are selling themselves to you.

You need to find out whether the person would make a good addition to your team. They want to find out whether they would like to work with you.

It's important that any questions are not asked with the intention of discriminating on, say, the ground of marital or family status (see below).

You should consider attitude as well as skills. Skill can be enhanced, whereas attitude cannot easily be changed.

Involve relevant team members in the interview process. Their feedback is often useful.

Preparation

Review the CVs for the shortlisted applicants. Make sure you include any notes made during screening calls or conversations with the applicants. Be aware that notes you make and information you collect during any part of the recruitment process can be the subject of a Privacy Act request for information.

Schedule interviews, leaving time between each for discussion by the selection panel and short breaks so the interviewers are in no danger of becoming stale.

Put together a list of suitable questions. Use the Recruitment Interview form, an example based on interview questions for an Executive Assistant, as a starting point.

Arrange for a room to be set up so that interviewers and applicants can talk comfortably and in confidence. Diarise it and ask the team not to put through calls or interrupt interviews.

It sounds obvious but think about factors such as how the furniture is positioned. An applicant interviewed with the sun in their eyes for the duration of the interview will probably come across like a deer caught in the headlights. And they will probably feel like one. A round table format is more likely to put candidates at ease than the more common 'them and us' room layout.

Tips on conducting interviews

Engage in natural conversation with candidates to get a feel for whether they would fit in the team. Minimise dry, question-and-answer routines, where most responses will be 'yes' or 'no'. Try to encourage expanding on a theme, either enlarging on the experience described in their CVs or what they have learned about the business during their visit.

Points to cover

Ensure you discuss:

- Brief history and mission of your company
- The position description
- Skills required
- The applicant's skills and experience, strengths and weaknesses
- The broad remuneration range
- The next steps (e.g. if they are successful in this interview, there will be skills checking, behavioural profiling and a second interview). It may be appropriate to obtain the applicant's consent to your obtaining a police check

Questions

These are suggested questions to cover the basics:

- Tell me about your last role
- What did you enjoy/dislike about the role?
- How would you describe your core competencies?
- Do you have any limitations or areas you'd like to improve on?
- Describe a difficult situation and how you handled it
- How do you handle conflict?
- What motivates you?
- What de-motivates you?
- Why do you want this job?
- What do you see as your biggest learning curve for this role?
- Describe your computer skills (for Word, PowerPoint, Excel, ranging from beginner through to advanced)
- What are your salary expectations for this role?

Do not ask

Do not ask questions which could be interpreted to discriminate against the applicant on any of the grounds set out in the Human Rights Act:

Sex, pregnancy, and birth	Age
Marital status	Disability
Religious beliefs (or lack of)	Colour, race
Ethical beliefs	Political opinion
Ethnic or nationality origins	Sexual orientation
Employment status, i.e. being unemployed or being a recipient of the benefit	Family status, including caregiving responsibilities or being in a relationship with, or a relative of, a particular person

Recruitment Interview form

[Position Title]

Structure the interview based on the requirements of the role.

Give the candidate a brief history of the business.

Interview Questions

Tell us a bit more about yourself and where you come from

What circumstances bring you here today?

Discuss hours of the position

Based on your skills and experience can you describe your strengths by matching these to the functions of the role as outlined in our advertisement? Tell us which of these you do well, which are you ok with and which, if any, you see as being your weak points.

This role requires [specify role requirement 1]. Can you give us an example of where you have needed to do this and how you managed to achieve this successfully?

How do you feel about being the [specify role requirement 2]?

This role will involve [specify role requirement 3]. What processes would you use to ensure that it all comes together and is completed when required?

How do you think your colleagues perceive you?

What are your short- and long-term goals?

Discuss the salary expectation. What are your salary expectations?
Our range is \$ [salary range]

The [Position Title] role: Does this position still interest you?

If successful, what notice period would you need to give? And when would you be available to start with us?

Do you have any questions you would like to ask us about this position?

Do we have up-to-date contact details for your referees?

If you are shortlisted, the next steps from here are [outline next steps]. I would expect that we would contact you one way or another by [estimated date of contact].

Thank you for coming in. It's been great to meet you.

Sample recruitment pack for an Office Manager

SAMPLE

The following is an example of an advertisement for an Office Manager.

Great Opportunity Office Manager

We are an award-winning media agency in [Town/City]. We require an Office Manager to join our growing team.

Do you have a fantastic attitude? Are you prepared to roll up your sleeves?

We are looking for that dynamic, energetic and efficient someone who coordinates the day to day running of the office to keep us all on track. You will be responsible for meeting coordination and management, reporting, and all administrative and data input requirements for the office. This will be a busy and varied role and one that is vital to the progress of our business.

If you are looking for a challenging role in an energetic organisation committed to customer service and excellence, look no further.

If you have a minimum of two years' administrative experience and can tick the following boxes, we want to hear from you! This is that 'foot in the door' role for an enthusiastic candidate, as a first step to a career in the communications industry.

- **Office Management** – proven experience managing all general office administration requirements for a busy and fast paced team.
 - **Client relationships** – proven experience establishing and maintaining relationships with clients and key stakeholders
 - **Articulate and extremely organised**
 - **Attention to detail and time management**
-

Effective management of the day-to-day running of the office and requirements of senior management. Undertake the role in accordance with office systems and procedures

Reports to: CEO

Responsibilities:

- Prepare and complete invoicing to customers and associated reports for CEO
- Payroll and Human Resources management and issues
- Attend to debtor management and fee queries
- Prepare monthly management reports for senior management
- Manage computer and/or network issues
- Manage advertising and marketing requirements of the firm
- Effective management and review of workflow system
- Liaise with contractors and suppliers
- Process accounts payable
- Management of the firm account
- Arrange appropriate insurance cover and renewals for the firm
- Manage and direct the administration support team
- Prepare client newsletters and maintain the website
- Assist the senior management as directed and required

Recruitment Interview form — sample for Office Manager

This is a **guide only** for questions you can use for interviewing an Office Manager.

Give the candidate a brief history of the business.

Interview Questions

Tell us a bit more about yourself and where you come from

What circumstances bring you here today?

Discuss hours of the position

Based on your skills and experience can you describe your strengths by matching these to the functions of the role as outlined in our advertisement? Tell us which of these you do well, which are you ok with and which, if any, you see as being your weak points.

This role requires juggling multiple task priorities whilst still meeting deadlines. Can you give us an example of where you have needed to do this and how you managed to successfully achieve this?

How do you feel about being the first point of contact for all of our customer queries, both by phone and email?

This role will involve delegating certain parts of projects and tasks to other team members. Overall ownership and accountability for these belong to the Office Manager role. What processes would you use to ensure that it all comes together and is completed when required?

How do you think your colleagues perceive you?

What are your short- and long-term goals?

Discuss the salary expectation. What are your salary expectations?
Our range is \$ [salary range].

The Office Manager role: it's a role that is vital to the CEO and the effective professional running of our business.

Does this position still interest you?

If successful, what notice period would you need to give? And when would you be available to start with us?

Do you have any questions you would like to ask us about this position?

Do we have up-to-date contact details for your referees?

Thanks for coming in. It's been great to meet with you.

Shortlisting

Review notes from the initial interviews and determine the shortlist for the final interview. Involve others in the business (e.g. senior or line managers) as required.

It is recommended that you limit your final shortlist to two or three people.

Obtain satisfactory references for all shortlisted applicants.

Reference Checks

Reference checking is a crucial step when you are considering a candidate for a position in your business.

The web (particularly social media) may also be an invaluable source of information about a candidate!

Use the Reference Check Form to obtain detailed verbal references.

Ask the candidate for at least two referees from recent employment. This should preferably be a supervisor or manager.

Character references can be useful when a person is seeking their first job and has no other references. They could also be helpful in situations where personal integrity is particularly important. In other cases, as referees cannot comment on the individual's work performance, selection panels tend to prefer referees who can speak about the applicant's work.

Be sure that the person you speak to is someone who worked directly with the candidate.

Questions to ask

Questions when speaking to previous employers should cover:

- Responsibilities
 - Performance, consistency, motivation
 - Strengths/weaknesses
 - Attendance/punctuality/honesty and integrity
 - Learning ability
 - How did they get on with their colleagues/customers?
 - Did any external or personal problems interfere with work?
 - Would the previous employer re-employ them? This is important!
-

Introduction	Contact the shortlisted applicants and explain the next stages: skills testing, work behaviour profiling (if required) and final interview.
Skills Testing	<p>Where relevant to the position, we recommend you carry out skills testing for shortlisted candidates.</p> <p>Skills testing may include:</p> <ul style="list-style-type: none">▪ Typing▪ Maths/spelling▪ Microsoft Word/Excel/PowerPoint
Using recruitment firms	<p>If you do not have internal resources to conduct skills testing, you can outsource testing to a recruitment firm. Discounts may apply if you are testing more than one applicant.</p> <p>Candidates can sit the tests at the recruitment agency's offices, your offices, or in the candidate's home. Using the recruitment agency's offices ensures a controlled environment for testing.</p> <p>If external skills testing is required, contact the agency to discuss your requirements.</p>
Behavioural profiling	If desired, complete behavioural profiling (to establish candidates' likely work behaviour style) to help you determine suitability to the role, regardless of their technical skills.

Introduction

Behavioural profiling is used to identify behavioural style by measuring the attributes or qualities of a person. It can be used in the workplace and elsewhere. Behavioural profiling can be valuable to employers during the recruitment process as an indicator of workplace behaviour and how an applicant might fit into the role.

There are several systems for behavioural profiling helpful to employers, including DiSC.

DiSC profiling — what does it measure?

DiSC is about achieving a behavioural fit for the role you wish to fill. The model is based on research conducted by William Moulton Marston.

DiSC is an acronym for the four primary dimensions of behaviour:

D — Dominance: direct, results-oriented, strong-willed, and forceful

i — Influence: outgoing, enthusiastic, optimistic, and lively

S — Steadiness: even-tempered, accommodating, patient and humble

C — Conscientiousness: analytical, reserved, precise and systematic

What it does not measure

DiSC does not measure:

- Personality type
- Surface behaviour
- Values and beliefs
- Thinking and feeling

Why use DiSC?

DiSC assessments help Human Resources professionals and managers to eliminate much of the needless misunderstanding and conflict that stop teams working effectively together. If you want your employees to work well together (and with you), be aware of behaviour and the impact it has on working relationships.

Overview of tendencies

All people have all four behavioural tendencies but in differing proportions. These create a profile which provides information about a person's potential behavioural responses.

The following is an overview of behavioural tendencies you will see come out from DiSC profiling.

People with high ...	Tend to ...
D (dominance) profiles	seek to shape their environment by overcoming opposition to accomplish results.
i (influence) profiles	shape their environment by influencing or persuading others.
S (steadiness) profiles	seek to co-operate with others to carry out their tasks.
C (conscientiousness) profiles	seek to work within existing circumstances to ensure quality and accuracy.

How to arrange DiSC reporting

A DiSC report for shortlisted candidates will cover:

- A behavioural overview
- Motivating factors
- The candidate's preferred environment
- De-motivating factors
- Likely behaviours in conflict situations
- Strategies for increased effectiveness

For more information refer to the [website](#).

Final interviews

Schedule the final interviews, making the required arrangements with applicants and the interview panel, and booking a room.

Before the formal interview commences, show the candidate around the business and introduce them to the team. This will help to put the candidate at ease and will facilitate informal discussions. Leave them to talk with the team for a while to gain valuable feedback.

Conduct the final interviews.

The next steps

Once you have decided on your preferred candidate, call the successful applicant, and advise that you wish to offer them the position.

Should they accept immediately, arrange a suitable start date, and explain that their acceptance of the position is conditional on their acceptance of the terms and conditions in the employment agreement, which you will forward. Send them the prepared employment agreement with a covering email or letter. You must advise them that they are entitled to seek independent advice and that you will give them enough time to do so.

If they accept the terms and conditions of employment, your next step will be to send out a copy of the now finalised employment agreement for signature and return. And then advise unsuccessful applicants.

Before you do this, however, it is important to ensure that in making and confirming the job offer your business complies with the relevant employment legislation. Key documents here are the Employment Agreement and the letter of offer.

Legal status and requirements

Under the Employment Relations Act (ERA) you must supply a written agreement to your new employee, and they must sign it to indicate acceptance of your terms and conditions of employment. Until it is signed by both parties, it remains a draft Employment Agreement. The prospective employee signs it to signify they accept the terms and conditions of employment. It may be that when the prospective employee reviews the draft, some issues require clarification or further negotiation.

Once it is signed by both employer and the prospective employee it has legal status as a contract. Once signed by the candidate, the agreement must be held by you and you must be able to supply a copy to the employee on request.

Where an employer has provided an employee with an intended agreement, the employer must also retain the 'intended agreement' even if the employee has not yet signed it or agreed to the terms and conditions.

An intended agreement cannot be treated as the parties' employment agreement if the employee has not signed it or agreed to the terms and conditions specified in the intended agreement. Make sure your records clearly distinguish between those sent out as intended agreements and those that have been finalised.

Putting together the employment agreement

Employment agreements will vary across different industries and employment groups. You may already have standard employment agreements for your business. We recommend that you have these reviewed from time to time by your legal advisor to ensure they comply with legal requirements.

If you want help with individual employment agreements, you can use the [Employment Agreement builder](#) on the Ministry of Business, Innovation and Employment website.

[New Zealand Workforce Manager](#) also contains employment agreement templates along with guidance on policy and legal requirements.

Alternatively, you can use a specialist provider, such as:

- Employers and Manufacturers Association (EMA), www.ema.co.nz
- Federated Farmers of New Zealand, www.fedfarm.org.nz
- Or your local or preferred legal specialist

What needs to be in the Employment Agreement?

Generally, agreements should contain full details of all the matters discussed with the employee and should cover any potentially contentious issues. These would include:

- Full details of the job specification and terms and conditions of that job
- Use of the business telephone and payment for any phone calls
- Rules in relation to overtime and who will authorise overtime
- Meal breaks and the regular paid rest breaks that every employee is expected to take
- Policy on damage caused to company vehicles, plant and equipment, and who will pay for it
- Rules for the use of an employee's vehicle and any reimbursement the employee will receive for that use
- Possibly, a non-competition clause

The employment agreement should also cover such issues as:

- Redundancy
- Dismissal
- The types of leave available
- How to deal with grievances (this is mandatory under the Employment Relations Act)
- Disputes
- Performance management

It is also a good idea to state the employer's policy on issues such as discrimination and sexual harassment in the workplace.

The section 'What to include in the Employment Agreement' sets out more detail of what should be included in an Employment Agreement.

Changes to agreements for existing employees

It is sometimes necessary to change an employment agreement for an existing employee, for instance when changes to employment conditions arise out of changes to employment legislation.

Under Section 63A(2) of the Employment Relations Act, when implementing any change to an employee's employment agreement, in addition to obtaining the employee's consent, an employer must do at least the following:

- Provide the employee with a copy of the intended agreement, or the part of the intended agreement under discussion
- Advise the employee that they are entitled to seek independent advice about the intended agreement, or any part of the intended agreement
- Give the employee a reasonable opportunity to seek that advice
- Consider any issues the employee raises and respond to them

What to include in the Employment Agreement

	Mandatory	Recommended
1.	<p>Parties</p> <p>The parties to the agreement: the employer and the employee</p>	
2.	<p>Position</p> <ul style="list-style-type: none"> ▪ Position (Employment Classification) ▪ Job Specification/Description (a concise outline of work tasks, functions and duties) ▪ Place of work ▪ If the agreement is for fixed term employment, the way in which the employment will end and the reasons for ending the employment in that way 	<ul style="list-style-type: none"> ▪ Probation period/90-day trial period (restricted to businesses with fewer than 20 employees from 6 May 2019) ▪ Carrying out lawful and reasonable instructions of the company ▪ Position variation ▪ Professional development/training
3.		<p>Employment Status</p> <ul style="list-style-type: none"> ▪ Employment status: <ul style="list-style-type: none"> — permanent, casual, or fixed term — full-time or part-time
4.	<p>Remuneration</p> <ul style="list-style-type: none"> ▪ Rates of pay or wages (either hourly, weekly, monthly, or annual salary) 	<ul style="list-style-type: none"> ▪ Payment for leave
5.	<p>Hours of Work</p> <ul style="list-style-type: none"> ▪ Agreed hours of work or, if no hours of work are agreed, an indication of the arrangements relating to the times the employee is to work ▪ Public Holidays: the employment agreement must state that the employee will be paid at least time-and-a-half for any time worked on a public holiday. All other public holiday rights are covered by law, even if they are not written into the employment agreement (including whether the employer has a policy of not permitting transfer of public holidays to alternative dates) 	<ul style="list-style-type: none"> ▪ Closedowns ▪ Sick leave, bereavement leave, long service leave, alternative holidays, study leave, family violence leave ▪ Annual holidays (including whether the employer will consider requests to cash up to one week's leave of any year's entitlements) ▪ Accumulation of leave ▪ Overtime authorisation ▪ Rest and meal breaks

	Mandatory	Recommended
6.		Performance Appraisals and Reviews <ul style="list-style-type: none"> ▪ Review procedures ▪ Review of remuneration ▪ Bonus payments
7.		Termination <ul style="list-style-type: none"> ▪ Employer’s right to dismiss employee with and without notice ▪ Period of notice
8.		Restrictions <ul style="list-style-type: none"> ▪ Employment restrictions ▪ Confidentiality Clause ▪ Client Contact Restriction ▪ Damages ▪ Intellectual Property Protection
9.		Supply of Motor Vehicle/Equipment <ul style="list-style-type: none"> ▪ Use of firm’s motor vehicle (conditions relating to usage — policy re any damage caused to employer’s vehicle) ▪ Policy re payment of any motor vehicle fines ▪ Supply/Reimbursement of costs of mobile phone
10.		Expenses Incurred On Behalf Of Employer <ul style="list-style-type: none"> ▪ Use of employee’s motor vehicle (method of reimbursing for utilisation) ▪ Expenses incurred on behalf of employer ▪ Home telephone

	Mandatory	Recommended
11.		<p>Payments to Be Made by Employer?</p> <ul style="list-style-type: none"> ▪ Subscriptions to professional and trade associations? ▪ Credit cards? ▪ Entertainment/promotion expenditure? ▪ Car parking expenses?
12.		<p>Workplace Practices</p> <ul style="list-style-type: none"> ▪ Workplace is smoke free: With very limited exceptions, employers must take 'all reasonably practicable steps' to ensure workplaces are smoke free. While a smoke-free workplace is mandatory, it's the employer's choice whether to include a workplace practices clause in the employment agreement or elsewhere, e.g. the Team Member Handbook ▪ Other workplace practices
13.		<p>Redundancy</p> <ul style="list-style-type: none"> ▪ There are no statutory rights to redundancy compensation in New Zealand law. However, it is recommended to establish how a redundancy situation will be managed when the employment relationship commences, rather than at a later time which may be stressful both for the employer and employee ▪ For example, in the event of a redundancy situation arising, no redundancy payment will be made to the employee
14.	<p>Employee Protection Provision</p> <p>In the event of a sale, transfer or restructure of business, the employer is to negotiate with the new employer in relation to affected employees.</p>	<p>Examples:</p> <ul style="list-style-type: none"> ▪ The employer may require an offer of a similar position. 'The employer will negotiate with the new employer, including whether the affected employees will transfer to the new employer on the same terms and conditions.' ▪ The employer may activate redundancy provisions if the employee is not transferred to the new employer. 'Where the employee either chooses not to transfer to the new employer, or is not offered employment by the new employer, the employer will activate the redundancy provisions of the employment agreement.'

	Mandatory	Recommended
14.	<p>OR, where applicable, Vulnerable Employees Provision</p> <p>Specific categories of employees have the right to transfer to the new employer on their existing terms and conditions of employment:</p> <ul style="list-style-type: none"> ▪ Cleaning services and food catering services in any place of work ▪ Laundry services for the education, health or age-related residential care sector ▪ Orderly services for the health or age-related residential care sector ▪ Caretaking services for the education sector ▪ Other specified occupations whose members tend to have little bargaining power and in sectors vulnerable to frequent restructuring <p>If the employer proposes to sell or transfer its business, vulnerable employees may elect to transfer to the new employer on the same terms and conditions of employment. Note the Employment Relations Act sets out further detail about vulnerable employees and redundancy.</p>	<p>Note: Other categories of employee may apply to have the protections given to 'vulnerable employees' in a restructuring process. The application process set out in the Act must be followed.</p>
15.		<p>Disciplinary Procedures</p> <p>Set out the process to be followed.</p>
16.	<p>Resolving Employment Relationship Problems</p> <p>An explanation of steps to be taken to deal with workplace problems if they happen.</p> <p>These procedures must be set out in a schedule attached to the Agreement.</p>	
17.		<p>Good Faith</p> <p>Both parties must deal with each other in good faith and be active and constructive in establishing and maintaining a productive employment relationship. It is an obligation that binds both the employer and employee.</p>

	Mandatory	Recommended
18.		<p>Sundry Items – Employment Agreement</p> <ul style="list-style-type: none"> ▪ Adherence to the business' health and safety policies ▪ Use of firm's telephone ▪ Payment for private calls ▪ Private use of work computers and devices ▪ Use of surveillance cameras

Introduction

Think about whether you wish to include provisions for a trial or probation period in the employment agreement for a position.

The Employment Relations Act 2000 contains provisions for both 'trial' and 'probationary' periods for new employees. It is important that the employer and employee are clear about what provision applies to them.

This guide outlines some key information about trial and probation periods. For more detail, see the [Employment NZ site](#).

Restrictions

From 6 May 2019:

- Only employers with fewer than 20 employees can use trial periods
 - Employers with more than 20 employees can use probationary periods but employees dismissed under probationary periods are able to claim for unjustified dismissal
-

Trial period — key points

Employers may offer trial periods of up to 90 days to new employees. This can only be applied to new employees, so it is important that an employee does not start a job before signing an agreement providing for the trial. Trial period provisions must always be in writing.

The trial period prevents employees from bringing a personal grievance for unjustified dismissal within the trial period.

You and the employee must both bargain in a fair way about a proposed trial period. This includes considering and responding to any issues raised by the new employee.

Note that the trial period refers to calendar days and begins on the day the employee commences employment. See below for a sample clause.

Notice of termination must be given within the trial period, even if the actual dismissal doesn't become effective until after the trial period ends.

An employer and employee may agree to a trial period only once.

We recommend that you have regular reviews during a trial period as you would during a probation period.

Trial period — sample clause

The following is a sample of a clause you can include for a trial period if it is applicable to your business and the employee agrees:

The parties agree that this employment is subject to a trial period of [Number of Days] pursuant to Section 67A of the Employment Relations Act 2000. The trial period shall begin on the date the Employee enters into this agreement and end on [Enter Date]. The Employee acknowledges that during this trial period the Employer may dismiss the Employee by giving, prior to the end of the trial period, one week's notice and that the Employee is not entitled to bring a personal grievance or other legal proceedings in respect of that dismissal.

**Probation period
— key points**

If an employer and an employee wish to have a probation period, they must agree to this in writing at the start of the employment relationship. Ensure the probation period is covered in the employment agreement. A sample clause is provided below.

A probationary employee is a permanent employee who is yet to be confirmed in their position. The probation period provides time for this to occur. The key difference between a probation period and a trial period is that a probationary employee retains full rights to take a personal grievance in the event of being dismissed during the probation period. There is no time limit on a probation period.

A probation period provides time for the employee to show they are suitable for the position. Although the employee is on probation, this does not affect their statutory entitlements to annual holidays, sick leave etc. During the probation period, the employer should act fairly and reasonably in all matters.

The following apply during a probation period:

- The employee knows they will be under close and critical assessment
- The employer needs to clearly state expectations and the employee needs to show they are suitable for the position by meeting those expectations
- The employer and the employee have agreed to review the employment at the end of the probation period

Ensure that your expectations are clear to the employee and that the employee can meet these. During this period the employee is entitled to whatever training, supervision, support and resources you deem necessary.

Probation period – sample clause

The following is a sample of a clause you can include for a probation period if it is applicable to your business and the employee agrees:

Employment is subject to a probation period of [number] months during which time the Employee’s performance will be reviewed in weeks [enter weeks for reviews]. The Employee will be entitled during this period to whatever training, supervision, support and resources may be deemed necessary by the Employer and will be advised at the performance review meetings of their work performance in relation to the standards required of them. The Employer will clarify the standards required.

The Employer may extend the probation period to enable the Employer to conduct additional performance reviews. Notice of the extension of the probation period and the length of the extended period will be given to the Employee in writing before the completion of the initial probation period.

One week’s notice of termination of employment may be given after two performance reviews or at the final performance review if the Employer considers that the Employee has failed to meet the required standards.

Where the Employer terminates the agreement under this clause, the Employer may elect to pay one week’s wages in lieu of notice.

On successful completion of the probation period, the Employer will give written confirmation to the Employee of the Employee’s position with the Employer.

4-weekly reviews

If you and your employee agree to a trial or probation period, we recommend you include three 4-weekly checkpoints during a 12-week period. This ensures the employee is fully aware of your feedback on their performance and there are no surprises at the end of the period.

You should arrange for the new team member, their immediate supervisor and the team leader to meet at the 4th, 8th and 12th week points to review the team member’s progress and address any issues. Ensure that the appropriate review form is used for each meeting.

More information

For information on	Go to ...
Trial periods	www.employment.govt.nz/starting-employment/trial-and-probationary-periods/trial-periods/
Probation periods	www.employment.govt.nz/starting-employment/trial-and-probationary-periods/probation-periods/

What is it?

The offer letter (which may be called a letter of offer, letter of employment or letter of appointment) confirms that the position has been offered to the applicant, conditional on their acceptance of the full terms and conditions set out in an employment agreement, which would be enclosed. It also invites the applicant to contact the prospective employer to discuss the terms and conditions further if they have queries.

Some employers keep their initial letter separate from their offer of employment.

- Their initial letter is more of an invitation to negotiate and offers the successful applicant the position, conditional on their acceptance of the terms and conditions of employment and inviting queries
- After the applicant has agreed to the terms and conditions and therefore accepted the position, an employer may then send a separate letter of offer, with the finalised employment agreement for signature, confirming that the offer of employment has been accepted, with details about the start date, induction programme and so on

Other employers send a formal letter of offer attaching an employment agreement for signature and return. An applicant may seek to vary it before signing or may accept it in its entirety. If alterations are made to it, it is not a final agreement until executed by the employer.

Letters of offer should be reviewed periodically by your firm's solicitor (as part of the annual legal check-up) to ensure you comply with the law in any position offer letters you prepare.

Drafting the letter of offer

There is a fine balance in a letter of offer between a warm welcome to the business which the letter should convey and a document fully compliant with the legal requirements.

When the prospective employer sends a prospective employee a letter of offer, the employer is legally committing to the conditions outlined in that letter. Sometimes when disputes have arisen between employer and employee, letters of offer have been tendered as evidence when the employee feels that the conditions of employment have proven to be different from those offered.

- Check the letter of offer (and the agreement) carefully, especially any that have been prepared on a standardised basis
- Write the letter in a positive way, easy to read and understand
- Ensure that all the terms and conditions stated do apply to this particular position. Confirm the general conditions relating to the position and any special conditions that apply
- If the employer wishes to include any clauses, spell these out clearly and include them in the employment agreement

Watch out for

Do not include terms and conditions in the letter of offer or employment agreement that you have not already discussed with the applicant:

- Don't give the applicant any unpleasant surprises
- If there is anything in your employment conditions likely to give the applicant second thoughts about joining your organisation, it is better to discuss it with them in person before they read it in a letter of offer

You don't want to lose the possibility of engaging an outstanding employee because of a misunderstanding in the technical wording of a letter of offer or employment agreement.

Sending out the letter of offer

When you send out a letter of offer to a successful applicant, always enclose an original and a duplicate of the agreement and request the applicant to sign the duplicate and return it to you.

Letters to successful and unsuccessful candidates

Upon acceptance Upon acceptance of the employment terms, send out the finalised employment agreement for signature and return. Your covering letter gives you an opportunity to formally welcome the employee to the business. Keep it positive and warm — you are looking forward to working with this outstanding candidate for the position.

It is important that all documentation be signed before the employee starts work.

Information pack Include an information pack with the letter and finalised employment agreement:

- A programme for induction training. If it's too early to schedule in time with key personnel, make the programme general in nature
- A KiwiSaver Employee Information Pack ([KS3](#)), downloadable from the Inland Revenue website

You will add to this information pack on the new team member's first day.

Advise other candidates

It is important to let the unsuccessful candidates know as soon as possible.

This reflects on the professionalism of your business and ensures candidates are treated fairly. If you do not advise the unsuccessful candidates, it reflects poorly on your business. You may be surprised how quickly word of mouth circulates.

Use the templates for advising unsuccessful applicants by letter or email.

If any of the applicants impressed you and you wish to keep their details on file for possible future vacancies, it is important that you ask their permission for this, to comply with privacy legislation. If they give their permission, note the date and method of contact on file when you file their CV.

Introduction

An effective induction process helps the new employee to see how things work in the firm and where they fit in your team.

If new employees receive no induction or are subjected to one that is poorly thought out, time and money are lost, and the human costs show in poor motivation and performance. Recruitment is a significant investment for a business. A good induction process helps a business realise that investment.

Before the new team member arrives

Take time to plan. Start planning when you know you have a start date for the new team member so that you have an induction programme ready to send with the letter of acceptance.

The new team member will need to meet with key personnel. They'll need to be shown around. They may need to be shown how to operate different equipment. They will need to spend some time with whoever has responsibility for HR matters to complete required documentation. They will need a workstation and to be fully equipped to begin work.

Scheduling time with key people

If other people are involved, liaise with them and put together a schedule to ensure the new team member has enough time with the people they need to meet without undue disruption to everyone's working day.

Give each of the key people a copy of the induction programme and checklists and a clear understanding of why the new member is spending time with them. Emphasise that it is important that they sign off on the new team member's copy of the induction programme to record the team member has received training in this specific aspect of their job. This is particularly important for any aspects of the job where knowledge of approved health and safety policy and practice is required.

Preparing for Day One

Ensure any necessary furniture and equipment is ready in time for the start date.

Put together an information pack for the new team member's first day:

- Team Member booklet setting out the business' policies and practices
- New Team Member form for contact and other details

Make sure the receptionist and the team know when the new team member will arrive.

Work through the Pre-Induction Checklist to make sure you have covered everything.

Day 1

Arrange for the Business Manager (if you have one) or CEO (for smaller businesses) to greet the new team member personally upon arrival.

Undertake the induction with the new team member, referring to the programme and new team member booklet.

Everyone understands that first day on the job can be stressful as the new employee strives to take in large chunks of information, learn everyone's names and make a good impression. Existing team members can also find it something of an unreal situation as the 'newbie' is in a learning phase and their 'real' job hasn't started yet. A morning tea can help break the ice, if the situation allows.

Catch up with the new team member before close of day to debrief and review what has been signed off on the induction checklists and what has yet to be completed.

Completion of induction

When induction has been completed and the new team member and key people have signed off on the induction programme and checklists, take a copy for the personnel file.

This should be standard practice but is particularly important if at some future stage an issue of employer liability might arise, for example where workplace health and safety is concerned. An employer in such a case may be called on to demonstrate that the employee has been fully trained in the approved practices and policies, for instance in the safe operation of equipment.

Administration after induction

On completion of induction liaise with the person or work area responsible to make sure they:

- Set up the employee's personal file
- Set up the new team member in the payroll system. Both the employee and employer KiwiSaver contributions must be made from the employee's first pay. An opt-out notice will only take effect after 2 weeks from their start date and the employee has up to 8 weeks from their start date in which to opt out. If the employee has not nominated a deduction rate, use the default rate of 3%. See the section on KiwiSaver for more information.
- Advise Inland Revenue by sending the New employee details form ([IR346](#), formerly the KS1 form) no later than the next payday filing date

Introduction

During employment with the business, copy all correspondence to the employee and any other relevant forms to the team member's personal file. Keep information accurate and current.

Contents

This chapter contains the following topics and tools:

Topic	See page
Employee Personal File and other records required	43
Payroll Records Checklist	47
KiwiSaver	48
HR Policies and Procedures	52

Employee Personal File and other records required

Employee Personal File

An employee's personal file (also called an employee's personnel file) should contain all information regarding their appointment together with all other relevant documentation created during the employee's time with the firm.

Hold a separate file for each employee. Employee records are confidential and should be kept in a secure storage area.

When creating a personal file, use the folder tabs as guides to file relevant documents and either:

- Attach a copy of the Employee Personal File checklist to the inside front cover of a hard copy file OR
- Save to a confidential folder on the drive

Update this checklist progressively over the course of employment.

Legal Requirements

When a business activity employs people, the business must maintain adequate records of each employee as well as details of wages paid.

It is important that wages paid comply with at least the minimum requirements of the legislation. You need to consider the Employment Relations Act 2000, Holidays Act 2003, Minimum Wage Act 1983, Wages Protection Act 1983, Equal Pay Act 1972, Human Rights Act 1993 and the Parental Leave and Employment Protection Act 1987.

MBIE

The [Ministry of Business, Innovation and Employment website](#) has information available relating to these Acts and the minimum requirements that must be met when employing staff.

KiwiSaver

Employers must keep records for employees who are KiwiSaver members of:

- The contribution rate
- Amounts deducted
- All compulsory and voluntary employer contributions
- Notification of opt-out requests and contribution holidays

The [Inland Revenue website](#) outlines these and further obligations for employers regarding KiwiSaver.

Inland Revenue

When you begin employing you must register as an employer with Inland Revenue. This can be done [online](#). Inland Revenue also has minimum requirements that must be met regarding the documentation to be maintained.

ACC

When you become an employer, Inland Revenue will automatically notify the [Accident Compensation Corporation](#) of your status. It is compulsory for every employer to pay ACC premiums unless the employer runs its own insurance under the accredited employers programme. These will be billed to you directly by ACC and are based on the gross amount of wages paid each year. You cannot contract out of your ACC obligations.

Employment Agreements

When there is an employment relationship, it is a legal requirement to retain a written employment agreement for each individual employee.

It is a requirement to keep a copy of any proposed employment agreement even if the employee has not yet signed it or agreed to its terms and conditions. A proposed employment agreement cannot be treated as if it were final until it has been signed and the employee has agreed to the terms and conditions.

There are penalties for not complying.

Collective Agreements

When there is a collective agreement covering your business and the prospective employee is a member of the union that negotiated it, the employee will be covered by that agreement. The employee is also able to negotiate extra conditions but cannot receive less than is specified in the agreement.

If the employee is not a member of the union, they will still be subject for the first 30 days of their employment to the terms of the collective agreement that would bind them if they were a union member. In that case, they will also be subject to any additional terms and conditions of employment reached with the employer that are at least as favourable as those in the collective agreement.

Individual Agreements

When there is no collective agreement covering the work to be done by the employee, an individual employment agreement must be negotiated. This must be in writing and must contain at least the following items:

- The employer's and employee's name
- A description of the work to be done
- An indication of the place of work
- Agreed hours of work or, if no hours of work are agreed, an indication of the arrangements relating to the times the employee is to work
- Wage or salary details
- The right to be paid time-and-a-half for working on public holidays
- Rights in restructuring situations
- A plain explanation of how employment relationship problems will be resolved including advice that personal grievances must be raised within 90 days (s 114, Employment Relations Act)
- any other agreed matters, such as trial periods, probationary arrangements, or availability provisions
- the nature of the employment if the employment is fixed term

Document any agreed changes to the terms and conditions of employment or to salary levels (with subsequent salary reviews) using a document of Variation to the Employment Agreement.

Minimum Wage

There is a legal requirement that employees be paid a minimum rate relating to the basis on which they are paid. The hourly rates are:

- Minimum adult wage rate for people aged 16 and older is \$22.70
- The starting-out minimum wage for eligible 16- to 19-year-olds is \$18.16
- The minimum training wage rate for eligible workers aged 20 years or over is \$18.16
- There is no minimum rate for youths under the age of 16

These minimum wage rates take effect from 1 April 2023.

Maintenance of Records

There are many requirements for keeping adequate employee records.

Inland Revenue requires information to be kept of wages paid and tax deducted. Registration with Inland Revenue as an employer is straightforward. It can be done [online](#). Alternatively call Inland Revenue on 0800 377 772. Or we can help you with that.

Once you are registered as an employer, Inland Revenue will send you out an employer's pack. This will include information on the records that must be kept, how much PAYE needs to be deducted from each employee and details of how to file that information. As a minimum you must keep:

- Wage records (how much was paid)
 - PAYE calculations
 - Tax Code Declarations ([IR330](#)) for each employee
-

Tax Code Declaration (IR330)

Every employee must complete a Tax Code Declaration form ([IR330](#)), declaring:

- Name
- IRD number
- Tax code
- That they are legally entitled to work in New Zealand

They must sign and date the form.

The amount of PAYE deducted from each employee depends on the Tax Code declared on the Tax Code Declaration Form. This rate must continue to be used until the employee provides the employer with a newly completed form.

If an employee does not complete the Tax Code Declaration form fully, the employer must deduct tax at the no-notification rate of 45 cents.

PAYE

PAYE (pay as you earn) is the basic tax deduction made from an employees' wages. It includes an ACC earners' levy. Employers must deduct PAYE, including tax on schedular payments (formerly withholding payments) from payments made to staff or contractors.

The Inland Revenue [website](#) has PAYE deduction tables ([IR340](#) and [IR341](#)) and an [online calculator](#) to help calculate the amount to deduct.

Every business should ensure that it has current PAYE information.

Payday filing

All employers must file PAYE and key employment information regularly. The payday filing system became mandatory for employers from 1 April 2019.

Employers who have total annual PAYE and ECST deductions of less than \$500,000 ('Small' Employers) file PAYE on the 20th of the month following when the deduction was made.

Employers who have total annual PAYE and ECST deductions of more than \$500,000 ('Large' Employers), file PAYE twice a month. For amounts deducted between the 1st and 15th of the month, payment is made on the 20th of the same month. For amounts deducted between the 16th and the end of the month, payment is made on the 5th of the month following.

If your annual PAYE and ECST deductions are \$50,000 or more, you must file electronically. If less than \$50,000, you can file electronically or by paper.

Other Deductions

From time to time, employers may be requested to deduct other payments from employees' wages. These could include Child Support payments, Student Loan deductions or unpaid income tax. The employer will receive written notification from Inland Revenue and must legally continue to deduct these amounts until advice to the contrary is received from Inland Revenue, or the employee ceases work.

Employment information

With payday filing employers send employment information (the pay details of your employees) to Inland Revenue with the normal pay cycle. The information will include:

- ESCT (employer superannuation contribution tax) for each employee
- Pay period start and end dates
- Pay cycle, eg weekly, monthly, ad hoc
- Payday date
- Additional information about new and departing employees

Refer to the Payroll Records Checklist for more information.

Keep copies of what you file.

Employee's Records

As well as the records kept on the Employee's Personal File, maintain records for all employees for ready reference and emergency contact. See the Payroll Records Checklist for details. The New Team Member Form will collect most of this information on an employee's first day.

Employee Pay Records

Keep detailed records of the payments made to each employee.

If you have a computerised payroll system this information can be obtained electronically from your system. However, without a computerised system, there can be a certain amount of overlap between different kinds of records. Use the Payroll Records Checklist to check that your system records the detail required for payday filing, employee records and employee pay records.

The Ministry of Business, Innovation and Employment has produced [sample forms](#) for employee wages and time records and holiday and leave records.

Payroll Records Checklist

Employment information for payday filing

- | | |
|---|--|
| <input type="checkbox"/> Employee's name | <input type="checkbox"/> Gross earnings |
| <input type="checkbox"/> Employee's IRD number | <input type="checkbox"/> Earnings not liable for ACC earners' levy |
| <input type="checkbox"/> Employee's Tax Code | <input type="checkbox"/> PAYE |
| <input type="checkbox"/> Employment start date | <input type="checkbox"/> KiwiSaver contributions |
| <input type="checkbox"/> Employment finish date | <input type="checkbox"/> Employee |
| <input type="checkbox"/> Deductions | <input type="checkbox"/> Employer |
| <input type="checkbox"/> Child Support | <input type="checkbox"/> ESCT |
| <input type="checkbox"/> Student Loan | |
| <input type="checkbox"/> Other (e.g. tax) | |

Employee's Records

- | | |
|---|--|
| <input type="checkbox"/> Employee's name | <input type="checkbox"/> Next of kin |
| <input type="checkbox"/> Address | <input type="checkbox"/> Particulars of the employment agreement |
| <input type="checkbox"/> Phone number | <input type="checkbox"/> PAYE |
| <input type="checkbox"/> Employment start date | <input type="checkbox"/> KiwiSaver information and contribution rate (if applicable) |
| <input type="checkbox"/> Classification/Job title | |
| <input type="checkbox"/> Details of salary levels | |
| <input type="checkbox"/> Employment finish date | |

Employee Pay Records

- | | |
|---|--|
| <input type="checkbox"/> Classification/Job title | <input type="checkbox"/> Details of payment summaries issued |
| <input type="checkbox"/> Base rate | <input type="checkbox"/> Hours and days worked, |
| <input type="checkbox"/> Employee's name | <input type="checkbox"/> Employee's address |

Leave

- Dates of annual holiday, sick and bereavement leave taken

Annual Holidays

- Date the employee last became entitled to annual holidays
- Current entitlement to annual holidays
- Details of annual holiday entitlements cashed up, including:
- Employee request
 - Approved
 - Not approved
- The amount of pay for holidays on termination

Sick Leave

- Current entitlement to sick leave

On a weekly basis (or whenever payments are made)

- Ordinary time
- Overtime time
- Other payments
- Sick leave paid
- Holidays paid
- Total gross wages
- PAYE
- Net Pay

Sundry

- Cash value of board and lodgings provided
- Taxable and non-taxable allowances provided

- Amount paid for annual holiday, sick, and bereavement leave

- Basis for payment calculation (e.g. relevant/average daily pay)

Public Holidays

- Dates of and payment for any public holiday worked
- Date the employee became entitled to any alternative holiday for any public holiday worked
- Dates and payment of public holidays/ and alternative holidays where the employee did not work, but was entitled to payment
- Cash value of alternative holidays surrendered for payment
- Details of public holidays transferred, including:
 - Employee request
 - Approved
 - Not approved

- Other deductions authorised by the employee:

- Child Support payments
- Student Loan deductions
- KiwiSaver
- Other superannuation scheme
- Unpaid income tax
- Other

Completed by: _____

Date: _____

Reviewed by: _____

Date: _____

Introduction

KiwiSaver is a voluntary work-based savings scheme to help New Zealanders save for retirement.

Employers are required to make KiwiSaver available to eligible staff. They must provide a KiwiSaver information pack ([KS3](#)) within 7 days to any current employee who asks for information and to all new eligible staff who are New Zealand citizens or are entitled to live here permanently. From 1 July 2019, people 65 and over are also eligible.

Enrolment

Employers must enrol all new eligible employees into KiwiSaver automatically. Some types of staff aren't enrolled automatically but may opt in, including:

- Casual and temporary employees employed under a contract of service that is 28 days or less
- Those under 18
- Election day workers
- Private domestic workers
- Working owners of LTCs

More information on exemptions from automatic enrolment is available on the [Inland Revenue website](#).

Contribution rate

The minimum employee contribution rate is 3% though employees can choose between the rates of 3%, 4%, 6%, 8% or 10%. New employee contribution deductions start from the first payday at the rate they choose. If the employee has not selected a contribution rate, the employer uses the default rate of 3%.

Opt Out

A new employee may opt out of KiwiSaver within their first 2 to 8 weeks of work. Otherwise, they continue to be enrolled and the employer will continue to make deductions.

If a new employee opts out of the scheme within 2 to 8 weeks, all contributions deducted before the date of opt out are refunded to the employee.

Existing employees

All other employees may choose to join at any time if they are eligible. They may join either through their employer, directly through Inland Revenue or their chosen scheme provider. They do not have the same option as new employees to opt out of the scheme once they have joined.

Savings suspension

An employee may decide to stop contributing after 12 months in the scheme (for periods of between 3 months and 1 year at a time). It is also possible in some circumstances to take an early savings suspension within the first 12 months of becoming a KiwiSaver member.

When an employee takes a savings suspension, their employer needs to stop the employee's KiwiSaver deductions and restart them when the suspension finishes. The employer is not required to make compulsory employer contributions during this time.

Reduce or increase employee contributions	<p>Employees can change their contribution rate. To do this they complete a KiwiSaver deduction form (KS2) selecting the new rate or notify the employer in writing of the change. Employees cannot change their contribution rate more frequently than every three months unless this is agreed with the employer.</p>
Government contribution (formerly member tax credit)	<p>The government will contribute 50c for each \$1 contributed by individual KiwiSaver members, up to a maximum of \$521.43 per year.</p>
Compulsory employer contributions	<p>Employers are required to contribute to their employees' KiwiSaver or complying superannuation fund. The minimum compulsory employer contribution is currently 3%.</p> <p>For new employees the employer contributions start from their first payday. For current employees who opt into the scheme, the employer contributions start from the first payday after the employer receives notification from either the employee or Inland Revenue that the employee has enrolled.</p>
Employer Superannuation Contribution Tax (ESCT)	<p>All employer contributions to employees' KiwiSaver accounts (and complying funds) are subject to employer superannuation contribution tax.</p> <p>The exception to this is if the employee and employer have agreed to treat some or all of the employer contributions as salary or wages under the PAYE rules. It is important to document this agreement.</p>
Scheme providers	<p>Employers who have their own schemes can apply for an exemption from the KiwiSaver scheme. The Inland Revenue website has further detail.</p> <p>Employers can select a preferred KiwiSaver scheme for their staff. If the employer has a chosen KiwiSaver scheme, they must advise new employees in writing that the new employee will be allocated to the employer-chosen scheme unless they choose their own KiwiSaver scheme. The employer must also give them the chosen scheme's investment statement.</p> <p>Employees can choose their own scheme provider, use the employer's preferred scheme, or use a default scheme provider. KiwiSaver members can switch schemes but may only belong to one KiwiSaver scheme at a time.</p> <p>A full list of scheme providers is available on the Commission for Financial Capability (CFFC) Sorted site.</p>
Administering KiwiSaver	<p>Employers must provide Inland Revenue with the names, addresses and IRD numbers for employees joining KiwiSaver using the New employee details form (IR346) or myIR. They also need to keep records of which employees have KiwiSaver accounts, their contribution rate, compulsory and voluntary employer contributions, and notification of savings suspensions or opt outs.</p> <p>Deductions and employer contributions are detailed in employment information submitted with each payday filing and sent to Inland Revenue through the PAYE system. Inland Revenue sends the deductions to the scheme provider.</p> <p>Employee opt-out requests and refunds are also administered by Inland Revenue.</p>

Useful letter templates

Use the letter templates for letters to employees acknowledging changes to KiwiSaver:

- Employment Letter Continuing KiwiSaver
 - Employment Letter Opt-Out of KiwiSaver
 - Career Development Review Salary Letter
-

Useful forms

Use the following forms for documenting changes to KiwiSaver where employees opt into the scheme or change their level of contribution:

- KiwiSaver - Employee Information Summary Form
 - KiwiSaver Formal Acknowledgement Form
 - Document of Variation to Employment Agreement
-

Be aware

- If employers don't make KiwiSaver deductions and pass them on to Inland Revenue, they may be liable for penalties.
- Self-employed people, beneficiaries, and people under 18 can join by contacting their chosen scheme provider directly.
- Before 21 May 2015, the government made an initial contribution to KiwiSaver of \$1,000 per employee tax free. This is no longer available
- After 3 years in the scheme first home buyers may be entitled to a HomeStart grant (previously named the KiwiSaver deposit subsidy) of up to \$3,000 on an existing home. This increases to \$5,000 after 5 years in the scheme. Purchases of newly built homes by first home buyers are eligible for twice this amount (i.e. \$6,000 after 3 years etc.). Grants are subject to other requirements including maximum income levels and deposit requirements. First home buyers may also withdraw their KiwiSaver account balance to pay a deposit on their first home. However at least \$1,000 must remain in their KiwiSaver account
- Generally, KiwiSaver members can't access their savings until they are 65 or have been with KiwiSaver for 5 years – whichever is the later. Under special circumstances they may be able to withdraw their contributions. From 1 July 2019, new members will no longer be locked into the scheme for five years. Members between the ages of 60 to 64 (inclusive) who enrol on or after 1 July 2019 will be able to withdraw their KiwiSaver funds at 65
- Employees can also withdraw funds after 12 months if they move overseas permanently (including the initial Government \$1,000 kick-start payment, where applicable, but not the Government contribution)

Other useful information for employers is set out on the [Inland Revenue website](#).

Does this change our Employment Agreements?

Businesses may write KiwiSaver arrangements into an employment agreement, though there is no obligation to do so.

Where KiwiSaver provisions are written into the employment agreement, record any changes as a document of variation to the employment agreement, signed by both parties and held on the employee's file: This might include:

- changes to voluntary employer contributions
- changes to employee contributions, for example, with a pay rise
- where an employee wishes a pay rise to be commuted to a salary sacrifice paid into KiwiSaver
- where legislative changes impact on the KiwiSaver arrangements

Contractors and the self-employed

Contractors and the self-employed agree the amount of contributions and frequency of payment directly with the scheme provider. They then need to pay the contributions as and when required to either Inland Revenue or directly to the scheme provider. They can also make additional voluntary contributions over and above the agreed amount at any time.

Keep in mind

Complete all KiwiSaver documentation within 8 weeks of the new employee's first payday, whether they elect to continue in the scheme or to opt out. For existing employees who elect to opt into KiwiSaver, we recommend written documentation of this, signed by both parties.

Inland Revenue's KiwiSaver employer guide ([KS4](#)) has further information.

Review Review all Human Resources policies and procedures regularly to ensure they keep up with legal changes and workplace requirements.

Your policies Most businesses make some kind of policy handbook available to employees. The team member handbook presented to a new employee at induction is a great place to state your business' policies. Some businesses will have an office intranet with a section for policy.

Many employment agreements refer to a requirement that employees abide by company policies and state that these can be altered from time to time. Employers should consider the implications of making a company policy part of the terms of the employment agreement because it opens the terms of the policy to negotiation. And there will be some policies which are non-negotiable.

Employers must adhere carefully to any requirements of them stated in the policies.

Make staff aware Make sure employees are aware of your business' policies.

For matters where workplace safety is an issue, this is critical. In such cases it is recommended that you standardise procedures for ensuring employees are aware of proper practice. For example, demonstrate safe handling procedures at induction and ask the new team member to sign off on their induction checklist that they have been shown the safe practices, understand them and will comply with them.

Typically, your policies will include:

- Health and Safety
 - Non-smoking workplace
 - Use of the business' equipment, including the internet
 - Dealing with discrimination, bullying and harassment in the workplace
-

Resources Resources to assist you to develop suitable policy and procedures include:

- The [tools and resources](#) on the employment website
- [New Zealand Workforce Manager](#) is a comprehensive resource, with modules including Employment Agreements, HR Policies, HR Forms and Letters, Disputes, Discipline and Grievances and Performance Manager, which are all adaptable to your business
- [WorkSafe New Zealand](#)
- [Federated Farmers of New Zealand](#)

Policies and procedures vary with the nature of the business and associated workplace issues. Work with your legal advisor or a recognised employment specialist to develop and document policy and procedures suitable for your workplace and compliant with legislation.

Successful completion of trial or probation period

Introduction

Make sure the team member receives regular feedback on their performance throughout the trial or probation period. If there are issues with performance or with not understanding workplace practices or the task required, it's critical the employee's supervisor clearly outline the employer's expectations and what the employee needs to do to meet these. Have supervisors briefly document any such discussions.

Regular informal feedback given in a constructive, positive way makes it easy to deal with issues as soon as they arise and creates an environment where open communication is the norm. It means there are no surprises for the employee at the end of the trial or probation period or at any formal evaluation points.

Formal evaluation

Formal evaluation is useful to both employer and employee. It documents the process of the trial or probation period and lays the groundwork for employment to be ongoing.

At the 4th, 8th and 12th week points suggested above, the employee's supervisor gives feedback to the employee. The employee and their supervisor can discuss any issues and set targets for improved performance. Depending on the appointment, senior management may or may not be involved in the process, but they should be kept informed.

Use the Review Forms for formal evaluation at weeks 4, 8 and 12. Both supervisor and employee should sign off on the forms to indicate they are a true record of the discussion at each evaluation point. Give the original of each signed review form to the employee and place a copy on the employee's personal file.

Salary Review

As the 12th week review point approaches, discuss with the employee's manager whether the new team member's appointment is to be ongoing. If employment is to be terminated, follow the process outlined in the termination section.

If employment is to proceed, consider the current salary level and whether there should be any increase given. Complete the Salary Review form.

Arrange a meeting with the team member and their manager to discuss the team member's performance and any other issues raised in the review reports. Discuss the current salary and proposed increase (if any).

Confirming the appointment

Once the meeting is held, both parties agree on any matters raised, and it is established that the position will be confirmed. Complete a letter to the employee notifying them of the successful completion of their trial or probation period and any agreement regarding the salary, including KiwiSaver.

Introduction

When you have confirmed your employee's employment as ongoing (after the trial or probation period) it is important to manage their performance. Delegate this to the employee's manager.

Contents

This chapter contains the following topics and tools:

Topic	See page
Feedback and Career Development Review	55
Training your team	57
Training Requirements Checklist	59
Training Tools and Resources Guide	60
Internal Training Checklist	61
Solving problems	62

Career Development Review	Career development reviews are sometimes referred to as performance or employee appraisal. Career development reviews are regular reviews of your employees' performance. An annual career development review is often coupled with salary review.
Aims of Career Development Review	The aims of an employee's career development review are to: <ul style="list-style-type: none">▪ Facilitate communication between employee and the employer▪ Give feedback on performance▪ Identify training needs▪ Document criteria used to allocate rewards▪ Form a basis for salary increases, promotions, disciplinary actions, etc
Give regular feedback	To effectively manage performance, it's important that managers give team members regular and ongoing feedback both: <ul style="list-style-type: none">▪ Informally (day-to-day coaching) and▪ Formally (as part of their career development review) Regular feedback ensures that there are no surprises at review time and that any bad habits have not set in.
Performance and salary review	The best way to have an employee listen, accept and respond to feedback is to provide continuous and informal feedback. Saving your performance discussions for when you are setting remuneration is the worst way to get someone to engage with you, acknowledge a performance issue, and participate in designing a solution. If you save the performance discussion for remuneration-setting time, you are asking employees to put their income at risk.
Timeframe	We recommend you carry out a career development review for each team member once a year at the very outside. This process should also incorporate annual salary reviews for team members.
Inputs	Collect the following documents you need to carry out the career development review process: <ul style="list-style-type: none">▪ Current position descriptions▪ Employment agreements▪ Copies of past reviews and action plans
4 weeks before review date	Email a Career Development Review form to the team member. Ask them to complete and return it to you.
3 weeks before review date	Request a written performance evaluation from the team member's team leader.

2 weeks before review date	<p>Collect the review forms from team member and manager. Set a date and time for the review interview with the team member and manager (allow an hour).</p> <p>Review both forms and note any suggested areas for development.</p> <p>If training is needed, investigate options and costs (see the section on training).</p> <p>If salary is also being reviewed, consider the current salary level and proposed increase (if any) and complete the Salary Review Form.</p>
Review	<p>Hold the career development review with the team member and their manager to cover all issues raised. Discuss areas and opportunities for development. If relevant, discuss salary review, outcome, and options with the team member.</p> <p>Draw up an action plan.</p>
After the review	<p>When a salary review results in an increase to the team member's salary, complete a letter to the employee confirming the changes.</p>
Payroll	<p>Update the payroll system.</p>

Introduction

One of the keys to successful performance management is a structured training and development programme for your team. This programme should meet professional and skills requirements. More importantly, it should be a foundation for the ongoing development of your team.

A structured training and development programme will probably include a mix of internal and external resources.

Use the training and seminars planner for an overview of training for individuals and the team. The planner helps identify when team members are available and ensure that all team members receive training.

Long-term development

Training needs are often identified during team members' career development/performance review (See the section on Career Development Review). This will help set training goals for up to a year in advance.

Continuous development

Sometimes spot training needs emerge. For training requirements identified outside the performance management development process, encourage your managers to evaluate training needs continuously using the Training Requirements Checklist. Review these regularly.

Training Tools and Resources

Build up Training Tools and Resources Guides for key positions. Use the team's existing position descriptions to identify tasks commonly performed. Note relevant internal training resources and procedural guides which relate to training in required skills. This will cut time putting together a training session or sourcing external training agencies.

Use the Training Tools and Resources template:

Column	Description
Task	Lists the tasks commonly performed
Go To	Indicates if: <ul style="list-style-type: none"> ▪ The business needs to determine the tool or ▪ There is existing procedural content available ▪ An external training agency is appropriate
Source	Electronic or physical form, storage location

Internal training:

Where cost-effective, implement internal training programmes for groups of employees.

Wherever possible, make sessions interactive. Use case studies or role-plays, or simply talk about client examples. Encourage participants to ask questions, particularly about how the training can be applied to your clients.

So participants make the most of each session, circulate pre-reading beforehand. Run the training programme using the internal training checklist. Evaluate the effectiveness of the training using the Course Review form.

External training

Where team members request training from an external provider, ask them to submit the Course Request form to the relevant manager for approval. Complete the registration forms and arrange payment.

Enter details onto the training and seminars planner.

Course Review

Ask team members attending external training programmes to complete a Course Review form.

If applicable, ask for a presentation on the programme to be made at the next team meeting or arrange internal training sessions on relevant items.

Once the training has taken place, collect the Course Review form and evaluate the effectiveness of the training.

Training Requirements Checklist

Manager to evaluate training needs

1. Key area/s for training	<p>_____</p> <p>_____</p>
2. Who needs this training?	<p>_____</p> <p>_____</p>
3. Is it a performance problem rather than a training need? Give details.	<p>_____</p> <p>_____</p>
4. Is training the solution or does the system need amending? Give details.	<p>_____</p> <p>_____</p> <p>_____</p>
5. How urgently is training needed? Note any risks or impact on the business if timely training is not delivered.	<p><input type="checkbox"/> Immediate</p> <p><input type="checkbox"/> Medium term</p> <p><input type="checkbox"/> Long term</p> <p>Target date: _____</p> <p>Risk assessment: _____</p> <p>_____</p>
6. Strategy to meet this training need?	<p><input type="checkbox"/> Internal training programme</p> <p>_____</p> <p><input type="checkbox"/> Develop internal programme</p> <p>_____</p> <p><input type="checkbox"/> Outsource training</p> <p>_____</p> <p>_____</p>
7. Recommendation and costs involved	<p>_____</p> <p>_____</p> <p>_____</p>
<p>Completed by: _____ Date: _____</p> <p>Checked by: _____ Date: _____</p>	

Training Tools and Resources Guide

Tools and Resources for [Position Title]

Task	Go To	Source
[Example] Compile and produce high level correspondence, documentation, presentations, and reports	Business style guide External computer training	G://Training/Office Style Guide ABC Office Trainers
[Example] Organise any travel requirements: flights, accommodation, and rental cars	Business Travel handbook	Office Procedures

Internal Training Checklist



Before The Training Date

1. Inform all participants of the time, location, and topic of the training	
2. Ensure the training room is booked	
3. Prepare your training notes	
4. Prepare any training literature and print or email copies for all participants	
5. Prepare the Course Review Form and print copies for all participants	
6. Are the training facilities comfortable and appropriate? Are there enough seats and desks/tables?	

On The Day of the Training Session

1. Check all equipment/visual aids are set up and working	
2. Check that the room is set up so that all everyone can see and hear the training	
3. Check all supplies necessary for the training. For example, pens, notepaper, handouts, information booklets	
4. Is the temperature of the room comfortable? Are refreshments available if necessary?	
5. Have you eliminated all potential distractions? For example, noise from other rooms, visual distractions. Have the administration team been told that only vital messages should interrupt the training?	
6. Are feedback forms available for distribution at the end of the session?	
<p>Completed by (Trainer): _____ Date: _____</p> <p>Checked by: (Personnel Manager) _____ Date: _____</p>	

Introduction

In an ideal world, businesses manage performance using tools such as regular informal feedback and formal review, supported by a well-planned and implemented training strategy.

In the real world, however, sometimes problems arise, and it is important to manage them proactively.

Types of problems

Problems which can arise include:

- Poor performance, where the employee is not meeting the reasonable expectations of their job
 - Incapacity, where an employee is incapable of doing their job for a period that the employer cannot reasonably be expected to sustain. Usually, incapacity occurs for health reasons
 - Incompatibility, where there is a fundamental breakdown in the relationship between two or more individuals, such that they can no longer work together
 - Misconduct, or some form of wrongdoing. Usually it will involve deliberate wrongdoing, but there may be circumstances where an employee acts so carelessly that it amounts to misconduct (i.e. gross negligence or recklessness)
-

Seek advice

Where problems arise, seek advice as soon as possible. Open and clear communication with the employee, a good process for managing communication and follow-up, and documentation of each stage of the process are givens. However, in the same way that common sense is often not as common as we'd like, it is often much easier to see with hindsight how a difficult situation could have been managed better.

Any of the problems mentioned above could conceivably lead to a disciplinary or dismissal process. If an employee feels they have been unjustly treated, they may lodge a personal grievance. If an employer is found to have managed the situation without a fair and reasonable process, they are potentially liable before the Employment Relations Authority or Court.

Employment agreements

Every collective and individual employment agreement must contain a clear explanation of processes for resolving employment relationship problems. This does not need to be complex or long. It should be written clearly, so everyone knows what processes to follow and what their rights are.

Mediation

It is important that all parties try to resolve any problems directly in good faith. Some may be able to settle their differences quickly through a mediator with less formal support and cost. The Ministry of Business, Innovation, and Employment provides a free mediation service which can help.

Grievances

The Employment Relations Act gives all employees the right to pursue a personal grievance for complaints including:

- Unjustifiable dismissal
- Unjustifiable action which disadvantages the employee
- Discrimination
- Sexual harassment (by someone in authority or by co-workers)
- Racial harassment
- Duress over membership of a union or other employee organisation

An employee has a right to raise a personal grievance case. This must be done within 90 days of when the problem occurred or came to their attention.

As noted above, if the employee has been given notice of dismissal during a trial period, a personal grievance may not be raised for unjustified dismissal though one can be raised for other reasons such as disadvantage, discrimination, or harassment.

Test of justification

If an employee brings a personal grievance against an employer, the test of justification is applied to assess the fairness of an employer's actions in relation to a disciplinary action or dismissal.

The Employment Relations Authority or Court must consider the following minimum requirements of a fair and reasonable process in deciding whether the actions of the employer were what a fair and reasonable employer could have done in all the circumstances.

The Authority or Court must consider whether the employer:

- Having regard to the resources available, sufficiently investigated the allegations against the employee
- Raised their concerns with the employee
- Gave the employee a reasonable opportunity to respond to those concerns
- Genuinely considered the employee's explanation (if any) in relation to the allegations

Other factors may be considered by the Authority or the Court. The law also makes clear that an employer's action cannot be viewed as unjustified solely because of mistakes made in the process, if those mistakes were minor, and they did not result the employee being treated unfairly.

Introduction

Technically, 'termination' covers both where it becomes necessary to dismiss an employee and where an employee tenders their resignation and leaves their job. Often, however, people associate termination with dismissal rather than with simply moving on.

Contents

This chapter contains the following topics and tools:

Topic	See page
Dismissal	65
When a team member resigns	67
Exit Interview Questionnaire	68

Introduction

To dismiss someone, employers must have a significant reason for the dismissal and use a fair and proper process. Even if you have a good reason for dismissing someone, if you do not follow the correct procedures, you may be found to have dismissed the employee unjustifiably. The employee may be able to bring a successful personal grievance claim against you under the Employment Relations Act 2000.

If you dismiss someone you must follow correct process. It is best to seek advice from an employment specialist. Other resources include [New Zealand Workforce Manager](#).

Ensure you:

- Document all issues and resulting action and
- Seek advice from someone with legal expertise

Reasons for dismissal

There are five common reasons why an employer may wish to dismiss an employee:

- Misconduct (includes serious and less serious misconduct)
- Negligent performance
- Incapability
- Redundancy
- Illness

Fair procedure

A fair and proper process is required when dismissing an employee. What this constitutes depends on the circumstances of each case. If no procedure is spelt out in the employment contract, then, for general misconduct, a fair process might include, depending on the circumstances:

- Verbal warning
- Written warning
- Second and final written warning
- Termination (with a notice period)

Employment law does not prescribe a specific dismissal or disciplinary procedure, but the dismissal decision and the process used must reflect what a fair and reasonable employer could have done in those circumstances. Case law has shown that the employer must have good reason and the disciplinary process must be carried out in a manner that is fair to the employee.

Employee rights

If an employee is dismissed, they have the right to ask the employer for a written statement of the reasons for dismissal. This can be made up to 60 days after they find out about the dismissal.

The employer must provide the written statement within 14 days of the request. If the employer fails to provide this, the employee may consequently be able to raise a personal grievance after the required 90-day limitation period.

Unjustified dismissal

An employee may claim their dismissal was unjustifiable if they can show they were dismissed, and they believe that:

- the employer did not have a good reason to dismiss them
- the process was unfair

An employee may do something serious which justifies dismissal (say misuse of company property) but if the correct procedures are not followed by the employer, the dismissal may be found to be unjustified.

If so, the Employment Relations Authority will determine what remedies the employee is entitled to, if any. For instance, the employer may be required to reinstate or reimburse the employee for lost wages or pay them compensation for hurt and humiliation.

Errors to avoid

The table below lists some common errors employers make.

Don't...	
Let	emotions dictate actions rather than addressing the issues
Allow	events to build up instead of dealing with them as they occur
Dismiss	without allowing the employee to give their side of the story
Rely	On warning letters where further action is called for
Fail	to record the events and the sequence of events
Make	a position redundant rather than dismissing for the real reason
Employ	other staff to fill a position that had been made redundant
Confuse	a 'good reason' for dismissal with following correct procedures

When a team member resigns

Introduction

When a team member hands in a letter of resignation, review it carefully. Does it give a reason for leaving?

Review the team member's personnel file and work record.

Do you want them to stay?

Does the firm want to keep this team member? If so, what incentive could you offer them to stay?

Confirm with senior management what, if any, incentives they are prepared to offer to keep the team member.

Interview the team member to discuss why they want to leave. Where possible, conduct the interview with a manager different to the person the team member usually reports to.

If they decide to stay

If the team member decides to stay, then prepare an amended employment agreement for them to sign.

If they decide to go

If the team member decides to leave, then:

- Complete the Employee Leaving Checklist and agree the date for leaving
 - Produce a letter accepting the resignation
 - Prepare a reference letter if requested
-

Termination of contract

When a contract of employment is terminated:

- Hold an exit interview and discuss the team member's personnel and work record
 - Produce a Termination of Employment letter
-

Exit Interview Questionnaire

Please forward a copy of this form to

[Business Name]
[Business Address]
[Fax Number]

Purpose of Interview / Questionnaire

The purpose of this exit interview/questionnaire is for [Business Name] to understand why you have decided to leave the organisation. This understanding will facilitate workplace improvements where appropriate.

The information obtained from this document is CONFIDENTIAL and will only be used for the purpose above.

You are encouraged to be open and honest in your responses.

Section A

Personal Details

Employee Name:

Reporting to:

Position Title:

Length of Service:

Last day of Service:

Exit Details

1. What is your main reason for leaving?
2. Could [Business Name] have retained your employment? If yes, how? If no, why?

Type of Separation

1. Tick one or more as required:

Career	Personal
<input type="checkbox"/> Career Change	<input type="checkbox"/> Relocation
<input type="checkbox"/> Headhunted	<input type="checkbox"/> Family Responsibilities
<input type="checkbox"/> Lack of development	<input type="checkbox"/> Work Pressures / Stress
<input type="checkbox"/> Lack of challenging work	<input type="checkbox"/> Study
<input type="checkbox"/> Lack of Career Opportunities	<input type="checkbox"/> Travel
<input type="checkbox"/> Dissatisfaction with salary	<input type="checkbox"/> Lifestyle
<input type="checkbox"/> New position offers higher pay	<input type="checkbox"/> Retirement
<input type="checkbox"/> Physical working conditions	<input type="checkbox"/> Working Environment
<input type="checkbox"/> Lack of non-financial benefits	<input type="checkbox"/> Relationship with Manager
<input type="checkbox"/> Harassment or discrimination	<input type="checkbox"/> Dissatisfied with organisational culture
<input type="checkbox"/> Other	<input type="checkbox"/> Other.....

Background

1. Why did you initially choose to work with [Business Name]? Please tick all that apply.

<input type="checkbox"/> Base Salary	<input type="checkbox"/> Targeted Programme
<input type="checkbox"/> Other non-financial benefits (e.g. study assistance)	<input type="checkbox"/> [Business Name]'s image/reputation
<input type="checkbox"/> Career opportunities	<input type="checkbox"/> Working conditions/environment
<input type="checkbox"/> Personal /Professional development	<input type="checkbox"/> Alignment with organisation goals
<input type="checkbox"/> [Business Name] Values	<input type="checkbox"/> Other.....

Position Feedback

1. Was your position clearly defined?
2. What did you like most about your position?
3. What did you dislike most about your position?

Organisation Feedback

1. What did you like best about working at [Business Name] and why?

2. Was there anything that you **disliked** about working at [Business Name] and **Stephen Larsen and Co** why? TAX AND BUSINESS ACCOUNTANTS

3. Do you think [Business Name] lives up to its values?

YES

NO – Please comment

4. Do you think [Business Name] is free of discrimination, bullying and harassment?

Learning and Development

1. Were you given adequate opportunity for training/development? If no, why?

2. Do you feel that [Business Name] fully utilised all your skills and knowledge?

3. Were you given regular feedback in relation to your performance?

4. Do you believe you were provided with appropriate mentoring/coaching?

General Feedback

1. Do you have another job? If yes, how does this job compare with [Business Name]? (Salary, hours, working conditions, benefits)?

Salary	<input type="checkbox"/> More	Hours	<input type="checkbox"/> More	Working Conditions	<input type="checkbox"/> More	Benefits	<input type="checkbox"/> More
	<input type="checkbox"/> Same		<input type="checkbox"/> Same		<input type="checkbox"/> Same		<input type="checkbox"/> Same
	<input type="checkbox"/> Less		<input type="checkbox"/> Less		<input type="checkbox"/> Less		<input type="checkbox"/> Less

2. If you could tell the CEO how you felt about the way [Business Name] is run, what would you say?

Comments by Interviewer

If there are any other comments the interviewer feels they would like to add please do so:

Please forward a copy of this form to the CEO

(Original to be kept on personnel file, copy to be maintained in Exit Interview File)

Disclaimer

Stephen Larsen and Co has provided this Employment Kit on the understanding that:

1. It is a guide only and should not form the sole basis for any decision without first obtaining proper professional advice.
2. We will not be responsible for and expressly disclaim liability, whether under contract or negligence:
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 - (b) For any errors or omissions in this kit
 - (c) For any direct or consequential loss or damage to arising from the use of this kit, whether to a direct purchaser of this kit or to any other person who may borrow or use it
 - (d) If any part of the kit, whether used in its original form or altered in some way by the user, proves invalid or does not attain the result desired by the user
 - (e) For any negligence in the publication or preparation of this kit
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