

# HR for SME's – do we really need it?

Many SMEs do not have an HR function, which is understandable in organisations with few employees. A full-time HR person would be costly and probably not fully utilised if the headcount does not warrant it.



As Human Resources are ultimately a management responsibility, management should bear the full brunt of this in an SME. However, many managers are not well versed in the full HR functions, and HR mistakes due to a lack of understanding of the current HR environment can be costly and time-consuming.

The following HR functions are critical to any business, regardless of size:

## **Recruitment**

SME's do not have the luxury of making a bad recruitment decision. Whilst a "mismatch" in a larger organisation can be remedied through training or possible re-deployment, an SME needs a new employee to hit the ground running at full speed.

The recruitment process is imperative in terms of ensuring you have the right person for the job, the first-time round!

## **Probation**

Even with an established, sound recruitment process 'bad apples' can still slip through the cracks. Therefore, a strong probationary management process is also critical. Not only will it address issues before they become a major problem, but it will also help you to understand and ensure that new employees who are performing well will derive continued job satisfaction.

## **Performance Management**

A poorly performing employee needs to be dealt with fairly and consistently, regardless of the size of the organisation. SME's should be extra vigilant in this regard, as they are often the target of employees who are looking to take companies to the CCMA in the hope of a pay-out based on pure management ignorance.

Again, a poor performance management process that is well laid out, documented, understood and enforced will prevent any misunderstandings and possible negative findings at the CCMA.

## **Remuneration**

When it comes to SARS, ignorance is never bliss. The South African legislative framework is very clear in terms of how salaries should be handled, and any deviations from this can be costly!

## **Labour Relations**

Many of the Labour Relations issues that land up at the CCMA are preventable if a sound Labour Relations framework is in place. The law does not differentiate between different size organisations, and therefore it is imperative that SME's fully understand the implications of all aspects of Labour legislation.

### **How do SME's address all the above?**

There are a number of options in this regard:

1. Call in an expert! Use the services of a suitably experienced and qualified HR consultant, who can help to set up the principles and processes of the above, and then work on an ad-hoc basis only as and when needed reducing the cost of a full-time HR salary.
2. Ensure that all managers are fully versed in the HR spectrum of their HR responsibilities. On a cautionary note, it is important to understand when HR matters start to take over more time than the actual operation of the business –this may be a sign of poor HR processes and procedures, and time to call in an HR expert!
3. Outsource your HR requirements so that all HR matters are dealt with by HR professionals – there are various options available, to meet both your business and financial requirements.

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