

# HR NEWSLETTER

## Is it possible to reduce business costs without harming productivity?

Many business owners tackle cost-cutting by making impulsive, quick decisions.

But the result often damages morale, reduces efficiency and harms long-term profitability.

As an HR consultant, here's my proven strategy for reducing costs without negatively impacting your team:

### 1. Conduct a cost analysis

Identify what's essential, discretionary or redundant. Eliminate waste, streamline processes and benchmark your spending.

### 2. Involve your employees early

Your team often knows exactly where costs can be cut without harming day-to-day operations. Listen, communicate and involve them from the start.

### 3. Focus on efficiency, not just cutting back

Invest in automation, simplify workflows and encourage mindful use of resources.

### 4. Review supplier and contractor agreements

Regularly renegotiate contracts, consolidate suppliers and ensure that you're getting competitive pricing.

### 5. Be careful about workforce reductions

Explore alternative solutions first: reduced hours, flexible working or temporary salary adjustments rather than permanent layoffs.

### 6. Invest in your existing talent

Training your current employees is often far more cost-effective than recruiting or outsourcing.

### 7. Preserve your company culture

Clearly communicate your plans, reassure employees and celebrate small wins to keep morale high.

If you're unsure how to manage costs effectively without damaging your team's morale, drop me a message. I'd be happy to talk.

Could helping employees with money worries benefit your business?



Money worries are high amongst younger employees at the moment. High living costs, student loans and confusion over pensions can lower morale and productivity, affecting your business too.

There are some simple measures you could take to make your business an attractive place to work, especially for younger talent.

Gen Z values transparency, so be open about how pay decisions are made. Additionally, you could share easy-to-understand resources such as podcasts, offer flexible payroll schedules and clearly explain any accessible saving and pension schemes that you offer.

If you need help with this, reach out.

<https://www.hrmagazine.co.uk/content/comment/can-hr-help-close-the-generational-wealth-gap>

# Thinking about using AI in your HR processes? Be careful!

AI is everywhere now, and for good reason. It can streamline and automate many tasks, freeing up your time to focus on the things you're needed for, such as strategic business decisions.

But when it comes to automating HR tasks with AI, we are warning business owners to proceed very carefully.

You might be able to safely automate some recruitment support, payroll processing and employee surveys and analytics, but be mindful of AI's limits and potential risks. Use it badly and it will affect compliance and confidentiality, and impact trust between you and your team.

If you're considering AI for HR, we can help you to safely integrate it while staying protected. Get in touch.

<https://hrnews.co.uk/81-of-u-k-hr-professionals-are-open-to-using-ai/>



## Watch out – crackdown on right to work checks

The government recently revealed that enforcement teams raided 828 premises in January 2025, targeting nail bars, car washes and restaurants. These raids resulted in 609 arrests, which is a 73% increase compared to last January.

Make sure you're protected. Get in touch today.

<https://hrzone.com/government-crackdown-on-illegal-workers-right-to-work-checks/>

# Have you checked if your business is legally protected?

Employment law is constantly changing, and some big shifts are coming. If your policies aren't up to date, your business could face costly claims or compliance headaches.

## Here's what you need to watch out for:

### Unfair dismissal claims from day 1

Employees will no longer have to wait two years before claiming unfair dismissal—meaning higher risks for you from the very first day.

### Flexible working as standard

Employees will soon have stronger rights to request flexible working. You'll need to be ready.

### Sick pay from day 1

Employees may soon be entitled to statutory sick pay immediately, increasing your costs and responsibilities.

## Here's how I can help you to avoid those headaches:

- Thoroughly review your contracts and policies.
- Check compliance and highlight any risks clearly.
- Give straightforward advice on what (if anything) you need to change.
- You'll either get peace of mind knowing everything's in order, or you'll know exactly what needs fixing.

## Ready to protect your business?

Contact me and let's make sure you're covered.



# Questions & Answers



## Is it advisable to settle before a case goes to Employment Tribunal (ET)?

Yes, it's usually advisable to explore settlement options before an ET hearing. Settlements can save significant time, money and stress compared to formal tribunal proceedings, which can be lengthy and costly. Early resolution also protects your business's reputation, avoids prolonged disruption and often provides greater control over the outcome. Seeking professional HR or legal advice early can help you to negotiate effectively and reach a fair agreement for all parties involved.

## How can I manage staff performance without a formal HR team?

Start by clearly setting measurable expectations for your employees from day one. Regular, informal conversations help to discuss progress, provide constructive feedback and acknowledge achievements. Keep simple records of these interactions to monitor performance fairly over time. If issues emerge, address them quickly and positively, offering guidance and support, with expert advice available when needed. If you don't have an in-house HR team, partnering with an HR consultant can provide invaluable support.

## When should I consider creating an employee handbook?

It's best to create an employee handbook as soon as you start expanding your team. A handbook helps to clearly outline your company's policies, expectations and culture, setting a consistent standard for everyone. It provides new hires with essential information, establishes transparency and helps to reduce misunderstandings or disputes. Regularly reviewing and updating your handbook as your business grows ensures that it stays relevant, compliant with employment law and aligned with your values.

## Let's talk on the phone

### Here are three questions for you:

- Do you have an HR question?
- Have you been able to solve it?
- If the answer's "no", then why not have a call to see how I can help.

You know just how important it is to get proactive, responsive HR support - and that's just what we do!



Set up a 15 minute exploratory call at  
<https://www.crafnanthr.co.uk/contact/>

**YOUR HR EXPERT**

