



Preventing People Problems in 2025

Introduction



2025 is expected to be turbulent for small and medium sized businesses in the UK.

With economic growth stalling, and expected to fall, increased employer costs incoming, and the small matter of the Employment Rights Bill making its way through parliament, there is plenty for business owners to think about.

One way to ensure your business not only survives, but thrives, in the coming years is through maximising your people potential. HR is about compliance, but it is so much more. Having the operational and strategic direction to grow a thriving team will help to propel your business to new heights.

Here's our top three tips for preventing people problems in 2025.



Align to your business strategy

Aligning your people practice to your overall business structure is crucial for ensuring that your company operates efficiently and effectively.

Does your current people structure work for your business? Are all roles and responsibilities clearly defined? Is there a balance between the number of managerial and operational staff? Are salaries and benefits attracting and retaining staff? Will the increases to National Insurance in April impact upon margins?

Conducting a bench marking exercise and reviewing the roles and structure within your business will help with this. This allows you to compare the various roles, whether their salary levels are correct and whether your structure is efficient in supporting your business growth.

Remember, this is about the role and not the person.

If you find any weaknesses in your structure, it may require change. Company reorganisations are difficult. From redundancies to changes in contracts. They require difficult conversations and full processes and procedures must be followed. Enlist professional HR support – or you could find yourself in hot water.



Keep compliant

Things are changing. The new government came to power in 2024 with the clear intention to shake up employment law.

The Employment Rights Bill making it's way through parliament does just that.

Although much of it is not expected to come into force until 2026, and we won't know the exact details until the dust starts to settle, now is the time to prepare.

Ensure all personnel files are up to date, and that all absence, discipline issues and appraisal information is all current and correct. Process and procedure will maintain even more importance going forwards.

Keep an eye on the passage of the Employment Rights Bill, and key implementation dates once available. Diarise these, and be aware of the contractual and policy changes that will be required when they come into force.

Don't forget other changes. For example, National Minimum Wage is changing in April – that could have an impact on your business. The Neonatal Care Act is also coming into force, which may require policy changes.

One way to manage these changes is to sign up to an outsourced HR service.

“We consider ourselves really fortunate to have found the HR Dept as they are brilliant at guiding you through what is now very detailed HR legislation.”



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**SEPARATE REFORMS
PROPOSED IN THE
EMPLOYMENT RIGHTS BILL**

Upskill your workforce

Training and development is so important.

Whether it's filling gaps in your workforce skills, or training leaders to manage resources effectively – training and development could save your business money, whilst helping it thrive.

How? Well, identifying and filling skill gaps allows you to streamline your workforce. It also helps to improve your employee's knowledge, increasing their ability to do their job. Finally, it's great to help retention, saving you on the cost of hiring.

First comes the needs analysis. Where are the weakness within your team? Is there skill gaps? Not enough leadership knowledge? Perhaps you haven't provided any recent training many areas need updating.

Once you have identified them, you can put a plan in place for providing training and development. It may be group, or individual training. You may get an external expert in, join an external course, or utilise a cost-effective tool such as eLearning.

Having a retained HR provider takes this worry away from you.

You could receive a customised training plan, and a range of course options for you to implement.



Outsourcing your HR and people management is a cost-effective, time-saving and operationally efficient choice for SMEs.

A cost-effective solution

For a relatively low retained fee (far lower than hiring in-house), you can get unlimited access to telephone and email HR support. It's there for you to sense check your instincts, get advice where you are stuck, receive guidance through processes and get bespoke policies and key documents - essential for managing staff correctly.

Operational improvements

Good HR is not just about legal compliance. By integrating the good practices which are recommended into your business, you can make gains on absence, performance, recruitment and retention – in fact anything people-related which can drive your business forwards.

Freeing up time

Whether it is saving you hours trying to Google search the answers, streamlining regular admin like annual leave management or being available to run a one-off project such as a disciplinary process, having an outsourced HR service will free you up to spend more time on your core role.

And don't forget employment tribunal insurance...

If you follow our advice from the outset of an issue, you are also insured for the outcome of any tribunal should a case make it that far, giving you further peace of mind that you won't be caught out by an HR issue.

Get in touch with your local HR expert today to prevent people problems and watch your business thrive.

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