

This information is intended to be a brief introduction to the subject. Legal information is provided for guidance only and should not be regarded as an authoritative statement of the law.

## Leaflet 2

February 2016

### Planning employment needs

#### Getting the right information

##### Personnel records

Even in the smallest firms, new **jobs are** created and employees retire or leave for other jobs. Changes in the workforce can cause serious disruption unless some attempt is made to plan for them. By keeping up-to-date employee information on personnel records, firms can make sure that unexpected changes to their employment needs are kept to a minimum. They can also provide other useful information for managing the business. Personnel records kept on a card index system can be effective for small firms but there are also computerised systems that may be suitable. Users of some personal computerised information (which can include personnel records) have to register with the Information Commissioner - visit [www.ico.org.uk](http://www.ico.org.uk).

A card index for each employee could contain information on:

- **personal details** - name, sex, date of birth, address, education, qualifications, previous experience, tax code, National Insurance number, emergency contact, details of any job-related disability;
- **employment details** - date employment began, date present job started, job title, basic pay, overtime and other premiums;
- **absence details** - sickness, lateness, authorised, unauthorised;
- **details of accidents;**

- **details of disciplinary action;** and
- **training details.**

To avoid unnecessary duplication of some of the information on this list, the written statement of terms and conditions of employment (see the leaflet on the Employment contract) could be attached to each employee's record form.

Records such as these can be the basis for management information on:

- the age, sex, grade and length of service of employees
- timekeeping, absence levels and employee turnover
- total wage and salaries bill.

The Appendix to this leaflet contains an example of how to set out a personnel record form suitable for a card index system.

## **Making employment decisions**

Good planning, done well in advance, is as important in avoiding employment problems as it is in avoiding other business problems such as shortage of materials, space or capacity. It helps if employment decisions are not taken in haste, in particular since job losses could result.

The most important employment planning decision for small firms is to get right the size and composition of their workforce.

The costs of overstaffing or of a few redundancies are often substantial to a small firm and insufficient employees to meet demand can mean lost sales opportunities and revenue.

It is important to try to anticipate employment needs not just for next month, but for next year and if possible for still further ahead. So look at changes in demand.

- Are employment needs the same throughout the year or are there 'peaks' and 'troughs'?
- Do employment needs vary over a monthly, weekly or even daily period? For instance, a shop may find that it needs more staff on Saturdays or over the lunch period.

A decision to employ full-time or part-time staff should take account of such variations.

## A personnel record form

Last updated on ..... Date of birth .....

Surname ..... Other names .....

Present address .....

.....  
.....

Telephone .....

Address and phone number of emergency contact

.....  
.....

Any job-related disability

.....

Written statement of terms of employment issued on .....

National insurance no .....

Tax code .....

Job title .....

Previous jobs within company: .....

From ..... To .....

From ..... To .....

From ..... To .....

Previous employers: .....

Job title .....

From ..... To .....

From ..... To .....

Education, professional and craft qualifications

.....  
.....

Training (eg on the job, training courses)

From ..... To .....

From ..... To .....