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LEADING CHARTERED ACCOUNTANTS AND BUSINESS ADVISERS

Hiring for cultural fit

Many employers recognise the value of hiring for cultural fit, but they don't know how to approach the subject in their hiring process.

It is important to choose candidates who can work well in your current business environment and adapt to the core business principles and values that guide your team's success. Assessing cultural fit through your hiring process helps to reduce high staff turnover as new hires tend to fit in with the business' culture with more ease.

When new hires fit in with the culture, they are also more likely to experience greater satisfaction and perform better in their role.

Hiring for the right cultural fit often means first assessing your business' core values and mission. Understanding the characteristics of your culture helps to craft your job advertisement and attract the right candidates.

Getting clear on your business' vision is important in attracting people with a similar vision - i.e., those who are willing to work hard to improve your business. When it comes to interviewing potential employees, asking the right questions to gauge the cultural fit is critical. Consider the following:

Personality

Prompt them to open up beyond their

work history and experience - for example, asking what they find challenging about their current role or what is the best team they have worked in. This may provide clues to the environment they prefer to work in and what motivates them to work.

Preferred management style

Ask a potential candidate about their preferred management style. Their response is useful in discovering how they like to structure their work and receive instructions and overall guidance. It can also encourage them to describe their ideal workplace and see if it aligns with your business.

Values

If you are looking to hire someone who will happily work towards the goals of your business, you must ensure your potential candidate's values are consistent with your business. These candidates will seek to grow with your business and promote it as a great place to work.

Why they want to work for you

Hiring people who are passionate and ambitious is critical. Asking a candidate why they want to work for you helps to give you a real insight into whether their skills, interests and career goals will serve your business.

PARTNERS

Substantiating business claims

Business owners need to ensure any claims made about their products or services are indeed true and can be backed up.

New Tax Bill set to simplify tax

The Taxation (Annual Rates for 2018-19, Modernising Tax Administration, and Remedial Matters) Bill was introduced to Parliament last week, aimed at simplifying tax returns for individuals and adding enhancements to KiwiSaver.

The Bill proposes automatic tax refunds for around 750,000 New Zealanders. Individuals who only earn employment or investment income will no longer need to file a personal tax summary (PTS) to receive a tax refund.

The Revenue Minister says the only reason to file a PTS in future will be if a taxpayer has additional information they need to provide.

Other new measures proposed include:

- Efficiency and clarity around the taxpayer's confidential information.
- Adding 13 charities to the list of donee organisations.
- Allowing over-65-year-olds to join KiwiSaver as a provider of low-cost managed funds.
- Adding new KiwiSaver contribution rates of 6 per cent and 10 per cent.
- Improving the ability of taxpayers to fix errors in tax returns.
- Introduction of 'short process ruling' where small businesses can apply for a binding ruling from Inland Revenue on any tax matter.
- Changes to the information gathering and information sharing powers of the Commissioner.

The Commerce Commission has released a new video to help business owners avoid making false, misleading or unsubstantiated claims. This is set to help in instances where consumers cannot verify the claims themselves.

The Commission is putting the spotlight on 'credence claims,' such as 'free-range,' 'organic,' and 'made in NZ.' Products with these claims will often carry a premium price. If the claims are misleading, consumers are paying a premium for something that does not exist.

Credence claims also create an unfair playing field, providing an unfair advantage over their competitors. They can also affect the reputation of New Zealand's products with both export markets and tourists.

Before making a claim, be sure you can be able to prove it. If you don't have reasonable grounds to make a claim, you can be prosecuted. There is no precise test for what constitutes as reasonable grounds. The nature of goods or services and of the claim itself will influence what type of substantiation is

required to support a claim.

Reasonable grounds can be sourced from:

- information provided by reputable suppliers or manufacturer
- information held by the business making the claim
- any other reasonable source (for example, scientific or medical journals)

For example, if you sell 'free-range' eggs, then you could back up the claim with independent certification, track the eggs back to the farm of origin, or retain records showing what you ordered and what you were promised.

The same rules apply to implied claims, i.e., 'eco-friendly' which implies the product is environmentally friendly.

The Commerce Commission warns that any business that makes an unsubstantiated claim about a good or service may be at risk of breaching the Fair Trading Act - even if they did not manufacture or supply the good or service or develop the promotional material.

Dealing with conflicts of interest

Although conflicts of interest are not uncommon in the workplace, they can be harmful to a business if they are not appropriately managed.

A conflict of interest exists when an employee's private interests interfere with their performance of their duties. For example, it may give them a personal advantage. It is important to note a conflict of interest can be an actual, perceived or potential conflict of interest.

Some examples of conflict of interest in the workplace include:

- an employee recommending a friend for an advertised position
- an employee starting up their own business on the side with similar products or services
- a supervisor dating a staff member
- a manager not disclosing that a candidate applying for a position is a relative or close friend
- an employee accepting a gift from a supplier in exchange for business over other suppliers

- an employee failing to disclose a second job which conflicts with the business

Creating a code of conduct is one of the best ways to address conflicts of interest. A code of conduct provides guidelines explaining your business' culture, mission and expectations for professional behaviour. You can include what is classified as a conflict of interest outlining examples and how they will be managed, i.e., disclosing a conflict of interest to a manager.



Increase in paid parental leave

From 1 July 2018, the number of weeks eligible employees can receive government-funded paid parental leave increased from 18 weeks to 22 weeks.

Entitlements will vary for different employees depending on when their leave begins. The number of hours an employee can commit to paid work while on parental leave, otherwise known as 'keeping in touch' hours also rose from 40 hours to 52 hours, and will increase to 64 hours by 2020.

Along with these changes, the Government has confirmed employers are not required to give their employees on paid parental leave any additional leave time. However, they are still obligated to provide eligible employees (who have worked for them between six to twelve months) with a minimum of six months of job-protected leave. Those employees who have worked for 12 months or longer are entitled to receive one year of leave.

Paid parental leave is available for employees who must temporarily stop working because they have become the primary carer of a child under six, i.e., new parents, adoptive parents, spouse, grandparents with full-time care, partner or someone otherwise taking permanent primary responsibility for the care, development and upbringing of the child.

They must have:

- worked at least an average of 10 hours per week over any 26 of the 52 weeks before the baby's due date or the date the child becomes under their care.
- have been self-employed for at least an average of 10 hours per week for 26 of the 52 weeks before the baby's due date or the date the child becomes under their care.

Some employees can also receive parental leave (even if they are not eligible) if they

are not working.

Employers should also know their employees can apply to Inland Revenue for paid parental leave before their baby's due date, or any time in 12 months after the child becomes under their care. They must apply before they return to work.



Investing in mental health

The workplace plays a massive role in employees' mental health, which is why successful employers understand the value and benefits involved in promoting positive mental health and well-being amongst their workers.

When an employer is invested in maintaining good mental health and well-being, there can be an immense economic return on their investment. Firstly, they help to reduce the effects and costs associated with an unhappy and unhealthy workplace, i.e., ignoring mental health problems, sick days and lower engagement levels.

Healthy workplaces naturally attract and retain the best talent. When an employee is happy and healthy, they are more engaged in their role, and maintain higher productivity and creativity levels, which can lead to better results and growth for the business on a long-term basis.

However, trying to reap the benefits of promoting good mental health within your workplace is futile unless you implement a holistic strategy through taking real steps to create awareness.

Consider implementing your strategy with these three actions:

Talk about mental illness

One in six New Zealanders are diagnosed with a form of mental illness in their life, so your employees will probably be affected directly or indirectly by mental illness. This is why talking about mental illness is critical in striving to maintain good mental health amongst your staff.

Break the stigma and encourage managers and senior staff to share their own stories whether it be their individual experiences with mental illness or through supporting a loved one who is unwell. Convey to your team why maintaining good mental health is important and share scientific evidence to highlight that mental illness is, in fact, an illness, and not a weakness.

Form a mental health policy

Your business should incorporate a mental health policy. The policy should make it clear to your employees that ignoring a mental illness is never the answer and help and support is available. For instance, your business should introduce a policy

that provides flexibility for employees who have a mental illness to have time (during work hours) to attend counselling sessions or medical appointments.

Through the policy, your employees should feel comfortable coming to you, particularly if they are experiencing work-related problems, i.e., stressed out or unhappy in their role. Work-based training should also be implemented for your managers and senior staff so they can adequately address a potential mental health risk in the workplace.

Incorporate exercise

Introduce activities into your workplace that enhance good mental health. A great way to do is through organising yoga and meditation classes for your staff. Yoga and meditation work to relieve stress and improve overall well-being. It may also help to schedule 'walking meetings'. Getting out of the office during the day regularly to experience light exercise, fresh air and a change of pace can make a difference to an employee's well-being and their productivity level.

Rebranding: A guide for your small business

Rebranding your small business can be a tricky matter. When done well, it has the potential to help your business stand out from the competition bubble and even expand your target market.

On the other hand, a failed rebrand can damage the reputation of your business, or even risk losing loyal customers who dislike your new look. Rebranding is a move that should never be taken lightly and must always be strategically planned.

Consider these ideas before embarking on your rebranding journey.

Understand your strategy

Rebranding is a serious investment which will require both your time and money. Therefore, a rebrand must always be necessary to either solving the problem at hand or growing your business. If it isn't - then it may be helpful to consider easier

and less costly actions. You must have legitimate customer-focused strategies behind why this move is required. Otherwise, rebranding will probably harm your business more than help it.

Holistic approach

Merely tweaking the name and logo of your business and hoping for the best will not cut it. Taking a holistic marketing approach will allow you to focus on the development, design and implementation of the rebranding strategy. You must look at how this one change will affect your overall business. Reviewing every aspect that will be affected will also help you assess whether the results will be worth the effort and cost involved.

Evolve with your target market

For a small business to remain successful on a long-term basis, it must remain relevant to its target market. A rebranding will largely depend upon the target market your business is pursuing - in particular, adapting to their ever-evolving wants and needs concerning the product or service you have on offer.

Hire an expert

Knowing where to start when rebranding your business can be a challenge, especially if you are planning a complete image overhaul. That is when hiring an expert to draw up a detailed plan for an innovative new look for your business can come in handy. Using their unbiased opinion can be invaluable in forming a rebranding strategy if your business is too close to your existing brand to remain objective.



Important tax dates

28 August

GST return and payment due.

Provisional tax instalments due for people and organisations who file GST on a monthly or two-monthly basis, or aren't registered for GST and who use the ratio method.

5 September

Employer deductions (EDF/IR345) form and payment, and Employer monthly schedule (EMS/IR348) due for employers who deduct \$500,000 PAYE and ESCT or more per year.

EDF/IR345 and payment due for deductions made between the 16th and the end of the previous month, EMS/IR348 for the whole month is due.

Creating an agile workplace

In today's society, technological change is the norm - new opportunities continually arise that change the way a business operates or improves products and processes. Businesses that are complacent can risk failing.

Creating a workplace which emphasises the need to meet changing demands is important. That is where agility fits in. An agile workplace is one that adapts quickly to the changing needs of the market, its customers, employees and other key stakeholders.

Agile workplaces respond faster to these trends and disruptions, are more efficient and encourage innovation.

Consider the following ways to promote a culture of agility in your workplace:

Staff training and development

Building up your team to deal with disruptions and contingencies is key. Cross-training and re-skilling your staff is one way to meet the ever-changing demands of your business. This provides flexibility as roles

can be rotated and a variety of tasks can be delegated. Having multidisciplinary teams also helps to create a smooth transition when a staff member leaves and another begins, meaning the team won't suffer too much from the departure of one staff member.

Use data to make decisions

Agile businesses determine the strategic direction of the business by evidence obtained from multiple sources of data and insights. By using data rather than relying on knowledge alone, businesses can gain a competitive advantage and respond to predicted forecasts and opportunities in a more timely manner. Data can also be utilised to reduce inefficiencies and manage risk more effectively.

Leverage technology

Technology is the ally of agility. To thrive, technology must be at the forefront. Traditional business models are continually changing with technology providing new ways of doing business. Adopting new technologies and encouraging adaptation among staff can help a business remain competitive and agile.