

Client Case Study

Owing to the comprehensive nature of our payroll administration and human resources services, we assist clients in many different ways.

However, similar situations also frequently arise because the vast majority of our clients face similar problems: principally, how to build their businesses in a steady, sustainable fashion notwithstanding the daily challenges that commerce and industry faces in South Africa.

The following case study illustrates a number of situations common to many of our clients. (All names have been removed to protect the organisation)

The client in question, a South African software development company, grew very quickly from just a few employees to over twenty . before contracting in SHRS. Like many small companies, this firm had no formal employment contracts in place, and its human resources policies and procedures were virtually non-existent.

Because of this, company management found it increasingly difficult to keep track of such issues as annual and sick leave, annual salary increases and performance problems. Informal, back-of-the-envelope systems that initially ran okay with 4 or 5 employees, began to break down as the company added more staff.

Payroll was run off an Excel spreadsheet, which resulted in incorrect taxation of base salary and allowances. Management also failed to submit the monthly electronic files to the Department of Labour for UIF. They paid SARS late and incorrectly on a monthly basis, leading to large penalty and interest bills to be paid. And company employees paid the price for this when subsequently submitting their returns to SARS, because it was then discovered that they had unknowingly paid too little PAYE tax.

The company began to experience productivity problems as it was unable properly to track employee absenteeism.

Then a recruitment and retention crisis loomed large. Because software developers . who are extremely short in supply as it is . would rather work for a large company who are professional and offer various benefits to their staff.

Eventually, the situation became too much for company management, and SHRS were called in to help.

We started with the all-important basics. First we ensured that everyone had contracts. Then we wrote workplace policies that informed all staff of where they stood in terms of employment benefits and company policies and procedures. Staff received timely salary increments where appropriate.

Company management was able to work on the basis of clear guidelines in terms of managing their staff, and were informed about the relevant labour legislation and its practical implementation.

The principal commercial benefits of working with SHRS were:

- Management was empowered to comply with the relevant employment legislation . ensuring that the firm's reputation would not be compromised by failure to pass regulatory audits, and its financial standing compromised by statutory fines
- Employee absenteeism was reduced . both because time off was now being properly monitored, and because employee morale improved to such an extent that less time off was being requested
- Productivity climbed as a consequence
- The company's staff retention rate improved as employees were less interested in moving jobs . resulting in a direct recruitment cost saving to the bottom line
- Lower staff turnover also gave a big boost to the firm's intellectual capital, boosting product and service development, and customer delivery
- Management was able to focus all their efforts on growing the company, safe in the knowledge that such employee hygiene issues as payroll administration and human resources were safely entrusted to SHRS staff

Want to know more about how payroll administration and human resources can become part of your company's competitive edge? Then [contact us today](#).
rough our contact us page.