

HR Foundations for Growth

How SMEs Can Leverage HR

Participant Workbook



WWW.STUDIO-HR.CO.UK

STUDIO HR

Module 2: Planning your Organisational Structure

Indicators for Scaling

Key Signs You Need More Staff

- Increased work volume and variety
 - Profitability margins affected by issues
 - Decision delays causing bottlenecks
 - Rising stress and turnover rates
-

Reflection Exercise

Determining Employment Status

Considerations

Test	Employee	Worker	Self Employed / Contractor
Control	Organisation controls how, when & where work is done	Some direction, but flexibility in how work is done	Individual decides how, when & where work is done
Mutual Obligation	Ongoing obligation to work	Work offered and accepted, not refused	No obligation beyond agreed
Financial Risk & Reward	Paid regardless of work done	Paid for hours worked;	Carries financial risk; may profit or lose

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WATERFALL MODEL

Linear, staged, sequential projects



- Functional / Hierarchical
- Clear reporting lines
- Defined decision gates
- Specialist teams by discipline



- Functional / Hierarchical
- Clear reporting lines
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Best-fitting structure: Functional / Hierarchical

- Clear reporting lines
- Defined decision gates
- Strong project governance
- Specialist teams by discipline

Risk if wrong structure:

- Delays, confusion on sign-off, duplicated work

HR implication:

- Clear role clarity, performance frameworks, escalation pathways

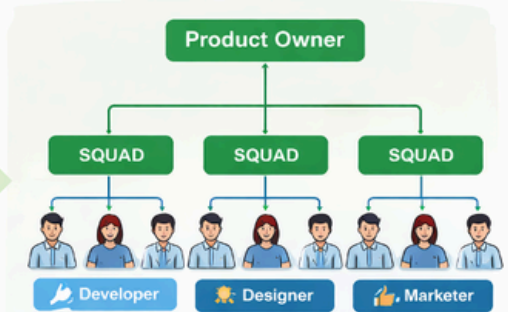
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AGILE / PRODUCT MODEL

Iterative, cross-functional delivery



- Cross-Functional Squads
- Small autonomous teams
- Product ownership clarity



- Cross-Functional Squads
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- Shared accountability

Best-fitting structure: Cross-Functional Squads / Matrix

- Small autonomous teams
- Product ownership clarity
- Shared accountability
- Flexible capability pools

Risk if wrong structure:

- Silos, slow decision-making, frustrated talent

HR implication:

- Strong performance ownership, clear priorities, conflict management.

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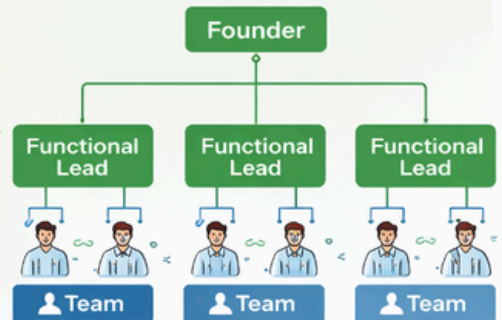
FOUNDER-LED GROWTH MODEL

Everything runs through the founder



- Cross-Functional Squads
- Small autonomous teams
- Formalised accountability

Transitional Structure



Best-fitting structure: Transitional Structure

- Delegated decision rights
- Defined functional leads
- Formalised accountability

Risk if wrong structure:

- Founder burnout. Bottlenecks. Talent attrition.

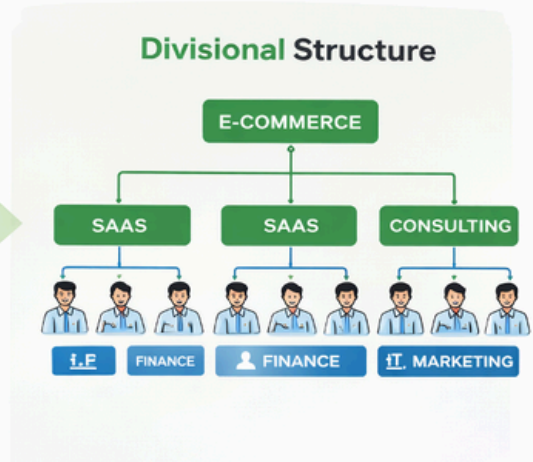
HR implication:

- Leadership capability development. Role clarity. Succession thinking.

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HYBRID / SCALE-UP MODEL

Growing out of founder-led management



- **Divisional Structure**
- Clear ownership of revenue lines
- Shared support functions

Best-fitting structure: Divisional or Hub-and-Spoke

- Clear ownership of revenue lines
- Shared support functions
- Defined accountability per unit

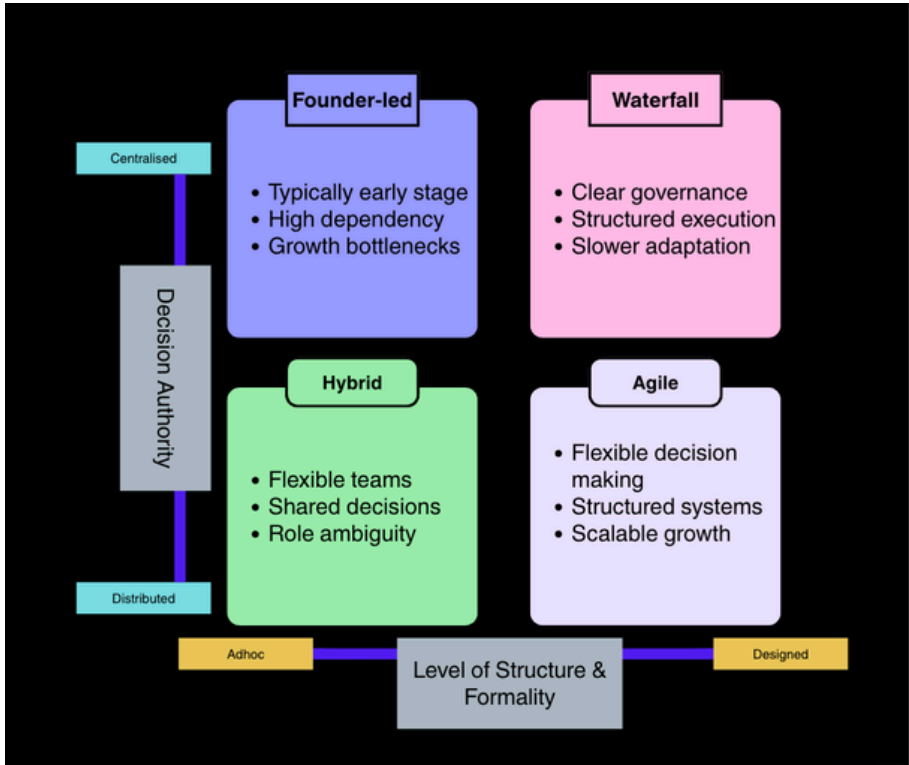
Risk if wrong structure:

- Culture fragmentation.

HR implication:

- Consistent grading, pay and performance calibration.

Module 2: Planning your Organisational Structure



Module 3: HR Systems & Processes

Essential Considerations

Understanding the Three Core Layers

Effective HR systems consist of three essential layers: Employment Law Foundations ensure compliance, Core Policies establish guidelines, and Operational Processes manage day-to-day HR activities efficiently.

Reflection Exercise

Systems Audit Exercise

Does your organisation have:

- Registration with HMRC
- Employer Liability Insurance
- Written contracts and terms of conditions of employment
- Right to Work process
- Disciplinary, grievance and performance management policies.
- Structured recruitment process
- Probation review framework
- Salary review process
- Clear decision-making authority
- Payroll provisions

Where are the gaps?

Module 3: HR Systems & Processes

HR Process & System Ownership Map

Who owns:

- Recruitment:**
- Compliance:**
- Performance:**
- Policy updates:**
- Payroll management:**

Are roles clearly understood by the organisation and the incumbent?

What are your organisation's top 3 actions regarding HR processes and systems?

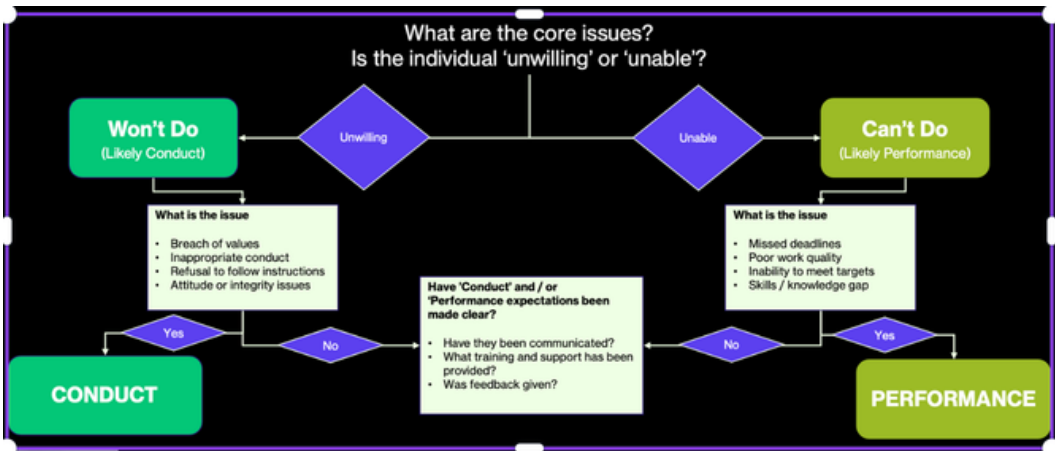
Module 4: Managing Performance & Misconduct

Understanding the Differences

Distinguishing Between Conduct and Performance Issues

Unwilling vs Unable

Reflection Exercise



Application of the Decision Tree

What evidence do you think is important to prove misconduct or performance issues?

Module 5: Employment Law & Compliance

Compliance Foundations

Essential Elements for Legal Adherence

Understanding contracts, right to work, and equality policies is vital. Compliance with GDPR and health & safety standards safeguards both employees and the organisation's integrity.

Reflection Exercise

Compliance Calendar Check

When were your organisation's policies last checked?

Who tracks legislative changes for your organisation?

Module 6: Hiring & Onboarding

Hiring & Onboarding

The Impact

Getting it Wrong

Managing performance issues
Culture dilution
Team friction
Legal exposure
Expensive replacement

Benefits of Good Hiring

Effective productivity
Stronger culture
Reduced risk
Better retention

Reflection Exercise

Structured Selection

Do you have:

- Recruitment / Talent Policy
- Consistent interview questions
- Scoring matrix

If no - what is your action plan?

About Studio HR

Studio HR designs people solutions that work for you and your business.

We partner with growing and evolving organisations to build strong people foundations, manage risk with confidence, and create cultures where people can perform at their best.

We help leaders make clear, commercially grounded decisions about their people.

What We Do

We support organisations across the full employee lifecycle, including:

- Employee Relations Advice & Guidance
- Employee Handbooks, HR Policies & Procedures
- Recruitment & Talent Management
- Employee Engagement
- Training & Development
- Organisational Change

Our approach is practical, proportionate, and aligned to business reality, strengthening foundations while enabling growth.

Who We Work With

We bring experience across:

Creative, Media & Advertising | Technology & Digital | Fintech | Professional Services
| Logistics & Operations | Construction & Engineering | Housing & Regulated
Environments | Start-ups, Scale-ups & SMEs

Our cross-sector insight allows us to transfer best practice, anticipate risk early, and tailor solutions that reflect operational realities: not just regulatory requirements.

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