

Managing Your Greatest Asset

HR Principles for Small Business



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Managing Your Greatest Asset

HR Principles for Small Business

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Introduction

We're all busy people, which is why the Small Business Success Library of books is a great way to get your hands on a lot of information vital to your success in easy bite-sized pieces. If you've been in business for any length of time, you've likely heard it said that your people are your most important asset. It's true. A vibrant, healthy, high-functioning team will take your business farther faster than if you're struggling along with people who don't get it and are taking way too much of your time being managed.

Many small business owners find themselves in the business of "people management" as a result of business growth, but they were never trained in human resources, and find the task of people management frustrating and exhausting. In volume one of our Human Resources series you will find a variety of articles that will help you manage people better.



We start with the Secrets to Being a Terrific Boss, which outlines some of the qualities that will make you a better people manager. One of the strategies is developing Entrepreneurial Employees. Learn how to inspire your people to become more entrepreneurial in their attitudes and practices on the job.

You'll find several articles that deal with some of the difficulties in dealing with people – Is Your Business a Toxic Dumpsite, The Dreaded Task of Termination, and A Day of Contemplation all provide strategies and tools for more effectively managing some of those challenging "people" situations.

We also offer tips on how to better engage your employees, to improve communication, and for finding the right fit for your employees and your business. Low Cost Motivation gives you strategies to motivate your employees in ways that won't break the bank. Motivation also includes strategies like Flexible Job Descriptions and Positive Performance Evaluations. Finally, you'll find some Tips for Avoiding a Bad Hire – something that every small business owner wants to avoid.

Whether you have a small staff of one or two, or are employing a larger group, you'll find ideas in this anthology that will help you improve employee satisfaction, grow your own confidence as a people manager, and give you tools to manage those difficult situations.

Effective People Management – Valuing Your Greatest Asset is a quick and easy read, but the advice in these articles has the power to help you grow your leadership skills, resulting in a happier, healthier team and an increased bottom line.

Ingrid Vaughan
Business Writer

Seven Secrets to Being a Terrific Boss



Think back to bosses you have had over the years, before you became one. What made one boss terrible, and the other terrific? Did it have to do with their personality and how it did or didn't gel with yours? Was it their leadership style and whether it meshed with your values? Was it their training or experience? Or did your boss's impact have more to do with where you were in your own growth and development? Relationships are fluid and subjective, and chances are, that boss you thought was terrible, someone else in the company found terrific. This begs the question of whether it is possible to have a set of standards that makes you a great boss to all your employees. While there will always be some people you just don't connect with, there are skills and strategies that will make you a better boss as you lead your team. It may not

be possible to be considered terrific by everyone who works for you, but these skills will definitely narrow the gap between those who do and those who don't.

Terrific bosses are approachable and inclusive.

Do you inform your employees about what's going on in the business so they get the big picture and can buy into your vision? Do you listen to their feedback, value it and use their ideas? Do people feel comfortable talking to you about their concerns, ideas, or goals? Are you a good listener – can you read between the lines? If you've done a good job of hiring great people, you need to trust their judgment and value their contribution to your business.

Terrific bosses have a big vision.

A terrific boss knows there's more to life than 9 to 5, and appreciates that those who work for him or her have visions for their lives as well. A terrific boss also understands what motivates people, and that it's not always money. Clearly demonstrating how each team member contributes to the business vision inspires and motivates employees. At the same time, understanding what your employees value and need, and being flexible in meeting their needs will empower them and increase their level of performance and productivity.

Terrific bosses are growth-oriented.

A terrific boss never stops learning. He/she is constantly taking courses and attending workshops and seminars to increase their skills (both technical and management). A terrific boss encourages employees to continue learning as well, and supports professional and personal development opportunities. That means putting your money where your mouth is. You can't expect your staff to value continued learning if you don't do it yourself, and if you don't support their efforts to do it. This may mean giving them a designated number of paid days per year for professional development, or contributing a certain dollar amount per person to their development activities.

Terrific bosses understand coaching as part of their leadership strategy.

Think of a professional sports team. The role of the general manager is quite different from that of the coach. While the manager's job is to think of the externals – of what's best for the team on a global level – the coach's job is to try to get the best performance from each member of the team. That requires coming alongside them, knowing their strengths and weaknesses and working to maximize one and minimize the other. It means understanding what inspires them and working to keep them inspired every time they step out on the playing field. It also means knowing how to make

each player recognize their role and value on the team, and facilitating the synergy of that team. As a small business owner, you must be both. Your job certainly is to manage your business for the big picture, but you must also have the mentality of a coach to get the greatest performance from your team.

Terrific bosses have a high degree of employee awareness.

Getting to know your employees beyond the work environment can make your employees feel valued. Remember that Suzie's mother is having cataract surgery next week and make sure to ask her how it went. Recognize Tom for achieving a personal goal of running in the marathon on the weekend. Acknowledge that Cindy finished her diploma with honours. Ask James how his daughter is enjoying her new job overseas. They seem like little things, but your interest in the lives of your employees lets them know you care about them as people, and this is perhaps the greatest motivator of all.

Terrific bosses recognize that strong leadership is a process.

Some people are born to be great leaders. It's instinctive and as natural as breathing. But for most of us, becoming a great leader is a learning, growing process. That means you have to practice your leadership skills and learn continually what it means to be a good leader. Read books written by great leaders, take advantage of management courses and seminars and observe others whose leadership skills you admire.

Being a terrific boss takes effort, but when your team admires and respects you, they'll be willing to give you 110% every day, and you'll be a winning company in your industry! 

Entrepreneurial Employees

How to Cultivate an Entrepreneurial Attitude in Your Staff

Have you ever looked at your staff and wondered why some of them continually meet and exceed your expectations? They're always looking for ways to improve themselves and their performance. They seem to be full of great ideas and are enthusiastic about being part of your team. Have you looked at others and wondered why they constantly need direction and seem to perform to the most minimum standards? They lack energy and it feels as if the rest of the team is always pulling them along. The difference between these two types of employee is that the first one has an entrepreneurial attitude – the second, doesn't. Growing small businesses need employees who regularly demonstrate entrepreneurial characteristics and work habits. An employee with an entrepreneurial attitude exhibits positive characteristics that lift the company to a higher level. An employee who doesn't can drag down the other staff and the entire company. Here are the qualities entrepreneurial employees demonstrate.

They are able to deal with risk - Entrepreneurial employees are able to make decisions even when lacking all the information. They are not afraid to make wrong decisions, and if they do, learn from them and move on.

They are results-oriented - Entrepreneurial employees take ownership to get tasks done. They are “can do” people who demonstrate common sense in decisions and actions. They are able to resolve problems that often divert or distract others and see alternatives to every roadblock.

They display energy - Entrepreneurial employees have high levels of energy and enthusiasm. They consistently generate output that is higher than expected. They perform effectively with limited supervision, are able to motivate themselves, and are good at establishing priorities. They are not clock-watchers and don't need to be asked to stay late to finish an important job.



They have a desire to grow continually -

Entrepreneurial employees are constantly looking for ways to grow. They are willing to accept much higher levels of responsibility than the norm for a specified position. They are always asking for more challenges and new tasks. They act as strong role models, and find themselves training and coaching others.

They are strong team players - Entrepreneurial employees recognize how their role contributes to the overall effort and success of the organization, accept accountability and ownership for areas of responsibility and expect the same of others.

They have the ability to multi-task -

Entrepreneurial employees are flexible and able to accept new duties, assignments and responsibilities. They can perform more than one role until duties and functions can be assigned to others. They jump in to help co-workers when it's needed. They are also willing to dig in and do mundane or routine work tasks that others put off.

They are improvement-oriented - Entrepreneurial employees are more than willing to challenge existing procedures and systems in a constructive way. They suggest improvements frequently and encourage others to do the same. They are willing to accept constructive criticism as an opportunity to improve their performance.

Having entrepreneurial employees will raise your level of business success. Imagine if everyone who worked for you was the kind of employee who demonstrated these qualities; who continually exceeded your expectations. Here's how you can create a business culture that will encourage and develop an entrepreneurial spirit.

1. **Look for an entrepreneurial attitude when hiring.** Ask questions of potential employees that will give you a picture of whether they have the qualities you desire. Anyone can be trained to do specific tasks, but someone with an entrepreneurial attitude will continue to surprise you in a positive way with what they can accomplish in your business. The best time to discover this is when you're hiring. In fact, print

out this list of qualities. Prior to the interview ask the candidate to write down examples of times when they demonstrated these qualities in previous employment, volunteer activities or in their personal lives. It can be a great springboard for meaningful interview questions.

2. **Teach your existing staff what it means to be an entrepreneurial employee.** Take these qualities and let your staff know you want to establish a work environment where those things are demonstrated and rewarded. Have training sessions with your staff to teach them about what each of those qualities means in your specific business. Create a poster listing these qualities and have it displayed prominently in a variety of places in your office or workplace. They will likely begin adopting these attributes as their attention is drawn to thinking differently throughout the day.
3. **Reward those who take what you've given them and run with it.** Give incentives for those who do well at exhibiting entrepreneurial characteristics on a regular basis. Acknowledge and reward them in front of other employees to encourage them to do the same.
4. **Build these expectations into your performance evaluations.** If you truly want to build a company run by entrepreneurial employees, use those qualities as measurable elements of their performance evaluations. When they can see clear expectations, they can live up to them more easily.
5. **Demonstrate those qualities yourself.** Lead by doing. Make sure your staff sees you as someone who is able to deal with risk, who is improvement-oriented, who is constantly growing, etc.

If you're looking for a positive way to re-energize your staff, use the concept of growing entrepreneurial employees and see where it takes you. Be prepared to come out of the gate running, because those employees who embrace it will keep you at the top of your game, and you'll see your business grow because of it. 

Is Your Office a Toxic Dumpsite?

Effectively Handling Workplace Negativity



"I can't believe you made that mistake again. Can't you do anything right?"

"You'll never believe what Debbie did yesterday. She's in big trouble because she botched that huge order and sent the shipment to the wrong address!"

"Yeah, he's always losing his temper like that. You just need to learn when to duck and stay out of his way."

Nothing impacts employee morale more powerfully than negativity in the workplace. Negativity can be manifested loudly (by those who behave like bullies), or quietly (by those who gossip behind the backs of their co-workers). However it happens, if it is not dealt with swiftly and decisively, it will eventually destroy your team, reduce efficiency and productivity, and cause valuable staff members to seek employment elsewhere.

The Diagnosis



How do you know if negativity is a problem in your company? First you need to understand what negativity is and where it comes from. Negativity is most often a result of a loss of confidence, control or community. People don't generally set out to be negative, but when pushed with a fear of loss or control, they exhibit fight or flight behaviours. You can usually identify the 'fighters' fairly easily, but you might have to look a little harder for the 'flighters'. This is particularly

important if those people who cannot express themselves in the workplace take to complaining about your company to others outside of your business.

Here's an example of what it can look like.

Betty in your accounting department made a huge mistake with the financial statements last month. She may try to cope with her loss of confidence by loudly blaming a co-worker for her incompetence. Bob is the head of Marketing. He's heard rumours that the company is downsizing and that his position may be on the chopping block. Suddenly he turns into a tyrant, demanding absolute perfection from his department so he can look good to his superiors and protect his position. And Martha, the receptionist, has been feeling like she's not really valued, so she quietly collects information on what's going on with various staff members and then shares her juicy secrets with others in the workplace so she can feel important.

Chances are, if negativity is floating through your workplace, you've heard rumblings or whispers, seen bullying behaviours, or noticed discontent in your staff. Workplace negativity always results in a breakdown of the team and that may be your first clue that something is amiss. A decline in productivity or work quality from otherwise dependable employees, shifts in relationships (who hangs out with who in the staff room), a marked consistent change in behaviours, or a growing dissension at staff meetings are all signs that something is not right.

The Culprits

Negativity manifests itself in different ways with different people. Watch for these behaviours:

Bullies. They tend to be angry, hostile and unconcerned about the feelings of others. They don't hesitate to say what they think and feel, regardless of how it may affect their teammates.

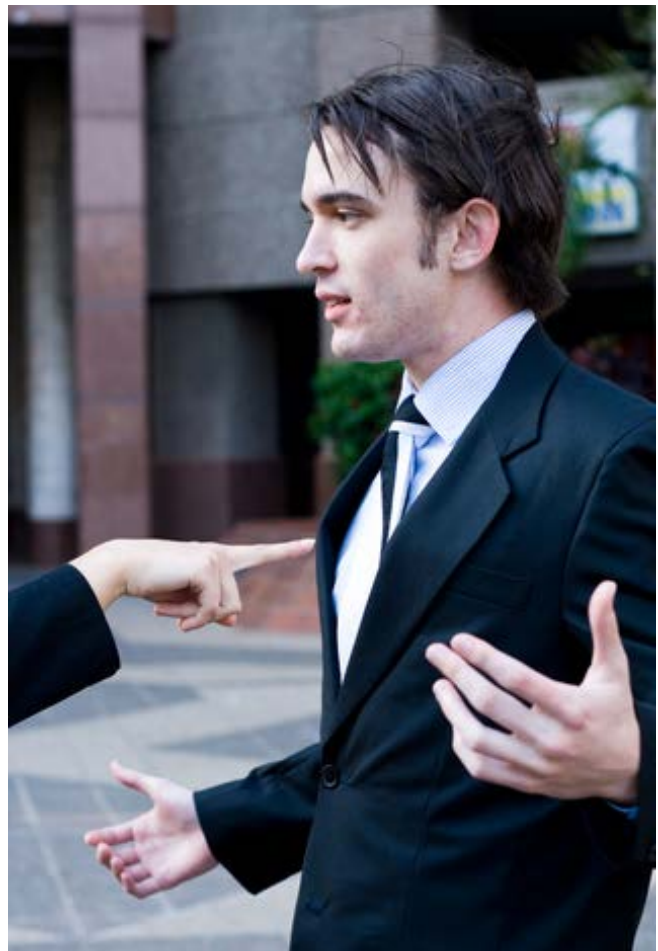
Passive/aggressives. These folks resist in subtle ways. Their behaviour can be difficult to pin down as they often don't do things to overtly express

their dissatisfaction but they let you know they're unhappy through sarcasm, criticism veiled as jokes ("I was just kidding"), and avoiding conflict by committing to actions they have no intention of doing.

Gossips. These people are fearful, mistrustful, and lack confidence in their own competence or place on the team. They can cause enormous damage in a workplace by undermining their team members just so they can feel better about themselves. They look for allies around the office so they can continually triangulate relationships and make themselves look good.

Criticizers. You can never do it well enough to make criticizers happy. They never have a positive or encouraging word to say to anyone, and can always find something wrong with what others are doing.

Blamers. No matter what's happened, it's always



someone else's fault. These people never take responsibility for their own actions, and are quick to blame someone else for their mistakes.

Martyrs. These are a portion of the people who come in early, skip lunch and leave late. They seem like such dedicated employees, but this bunch are also secretly complaining to anyone who will listen about how hard they have to work and that it's never appreciated.

Sensitives. Everyone walks on eggshells around these people. One wrong word, one sideways glance, one disagreement and they're withdrawing, hoping someone will pick up on how they've been offended and tend to their wounds.

The Cure

Now that you know what to look for, what can you do when you realize workplace negativity is affecting your business?

Open the Lines of Communication – Make sure you provide opportunities for people to express their feelings about what's going on in the workplace. Regular staff meetings or one-on-ones with them can be a great place to start. If people feel they will be heard and that their feelings will be respected, they will channel their energies toward positive communication rather than negativity. If you sense negativity is taking place but can't put your finger on what (or who) is responsible, hold a special meeting to address it openly and ask your staff for their honesty about what's going on. Be prepared for some painful and possibly hostile responses, but if you handle it well, it will result in better workplace communication in the end.

Reward People for Being Positive – It's easy for managers to get caught up in only addressing the things that are going wrong. It's a case of the urgent squeezing out the important. Make sure people know you notice their efforts to be positive. Have a monthly "positivity" award. Take someone aside and let them know you appreciate their

positive contribution, or better yet, let others in your office know someone has done something good.

Make Sure Everyone Fits – Negativity can come from people feeling as if they don't have a valuable place in the organization or that they aren't as important as others. Make an effort to ensure everyone in your company is feeling valued for the job that they do. Don't forget the quiet, diligent employees who never complain – they're easy to overlook. If someone is in a role that isn't a good fit for their personality and skill set, they may be better off working for someone else. If you want to keep them, use them in a way that plays to their strengths.

Deal with the Troublemakers Quickly – If you've identified some troubling behaviours in your workplace, you need to take a hard line against the negativity it is perpetuating among your staff. Take the negative person aside and clearly tell them how their behaviour is affecting the workplace, and how you expect that behaviour to change. Give a timeline and then meet with them again. Reward positive changes and reiterate your expectations if changes have not taken place. If negativity persists you may need to make a tough decision about whether to keep that person on. The damage they do may outweigh the value they provide. If your staff sees you taking a zero-tolerance stand on workplace negativity, they will think twice about how they behave.

If you want a positive workplace, you need to be a positive leader. You can't expect your staff to treat each other with kindness and respect if you're not doing the same. You can't expect them not to gossip if you're talking about people behind their backs (that includes customers, suppliers and competitors). Demonstrate the behaviours you want to see in others. By being aware of the signs and dealing with negativity right away, you can create a positive work environment where mutual respect is the law and negativity doesn't take a foothold. SBS

Effective Employee Evaluations



Are you doing regular performance evaluations with your employees? Do they know what you expect of them, where they're excelling and where they need to improve? Do you know how they're feeling about their job and their fit in your company? For many small business owners, regular performance appraisals sit in the "things I really ought to do" category, and often they get put on the back burner in favour of other more urgent tasks.

Employee evaluations can help you increase your efficiency and productivity, but sometimes small business owners don't know where to start. Here are some thoughts on how to conduct regular, effective employee evaluations that will impact your business (and your staff) in a positive way.

Schedule performance evaluations - and stick to your schedule. HR experts suggest some kind of review every six months, but if you can only manage them annually, that's OK. It's a place to start. Think about a time of year in your business cycle when it's reasonable to take some time to do employee appraisals. This process does take time, and scheduling them during your busy season may make it difficult to do them effectively.

Let your employees know what to expect. If you want cooperation from your staff, keep them as informed as possible, as far in advance as possible. If they know that every February and July they will go through a performance appraisal, it will be far less threatening than if you spring it on them at the last minute. It becomes part of your business routine - one that everyone expects. This sets up a more positive experience for everyone. Providing a formal opportunity for employees to address their concerns brings about greater confidence and productivity.

Find a format that works with your industry and your leadership style. There are lots of books and HR software online that provide performance appraisal templates. One size doesn't fit all because every business is different and every employer needs to gather information in a different way. Take into consideration how you need to process information. Use open questions that encourage dialogue. "How's it going?", might get a response of "fine", but it's more difficult for

people to use one-word answers for a question like: “What aspects of your job are you enjoying most/ finding the most challenging?” Some employers like evaluations that contain concrete metrics (numeric rating scale for different competencies), while others prefer a more casual, conversational approach. Use something that works for your management style, however, be sure that whatever approach you use provides you and the employee with a meaningful way to measure performance and set improvement or development goals.

Keep it positive - use both encouragement and challenge. It's human nature to want positive reinforcement, so it's important that your appraisals provide an opportunity to affirm the employee's work, in addition to setting goals around things that need to change. Sometimes this is difficult, especially if you are evaluating a person who isn't performing well, but it's vital that you find some aspect of their performance to praise. Using both sides of the coin allows the person to be more open to receiving the challenges.

Be approachable. Even if you're the kind of boss who is really approachable, you are still the boss, and people may be fearful of losing their jobs if they are honest about a problem they're facing in the workplace. Do your best to be open with your employees. The less you talk and the more you listen, the more approachable you will appear to be to your employees. When they are answering your questions, put your pen down and look at them (you can always make notes after they leave). Make eye contact. Use appropriate body language that lets them know you are hearing them. Respond to what they are saying and allow it to trigger more questions. If you practice this kind of approachability, you will find a much more honest response to your appraisals.

Recognize the different personalities who work for you. If you treat each person in your company exactly the same, you won't get the best out of everyone. You'll relate differently to your fun-loving, chatty socializers than you will with your methodical thinkers or your nurturing relaters. Recognizing each person's unique style and knowing how to

best relate to them, will help you immensely in getting the information you need. If people feel you understand their communication style, they'll be more relaxed in sharing information with you.

Schedule time to review, evaluate and strategize. After you've conducted your appraisals, schedule a day to go over each form and evaluate the information you've collected. Do you see any patterns that need to be addressed? Are there performance issues you have been neglecting? Are there specific people who need mentoring or training? Is morale high or low? What is the level of job satisfaction? When you've evaluated the information, come up with some strategies to deal with what you've discovered.

Plan to implement your strategies. If you've come up with specific strategies, make sure your employees know what you are trying to do, and what you expect of them. Set up a plan to increase staff morale, or decrease spending, or add training, etc. Put dates on your implementation strategy so you can keep track of how you're doing. If your employees go through evaluations year after year but never see any results from them, they are less likely to take them seriously. If you don't have an implementation plan, you've wasted your time.

An effective plan for performance appraisals is a must for business growth. The more you know, the more you will grow! Take this aspect of your business seriously and watch how great the impact will be on everyone in your company. 

Human Resources professionals typically spend a

He Said . . . She Said

Minimizing Gender-based Communication Mishaps

lot of their time dealing with employee conflict that comes from ineffective communication. Training is often provided on such things as understanding different communication styles, developing assertive communication skills, or dealing with difficult people. Another key component is understanding the basic issues involved in how differently men and women communicate.

Women: Do you remember a staff meeting when you made a particular point and felt it was not only invalidated by the men in the room, but that it was completely misunderstood?

Men: Do you recall the time when you expressed your opinion to a woman on an issue unrelated to your relationship with her and found that she took it completely personally?

In both these situations, the women and men thought they were clear in their communication; and, and had they said those very same things to someone of the same gender, those misunderstandings would likely not have occurred. The reality is that we do communicate differently as men and women, and those differences may cause a lot of unnecessary stress and conflict in the workplace.

The primary difference in the way men and women communicate has been described as “report” communication (men), versus “rapport” communication (women). Men communicate primarily to report information. Women communicate to build rapport with others. Here are some differences in speech patterns, facial expressions, body language and behaviours that are often different between the sexes. Once you understand them, you may be able to interpret



their messages more clearly. This research has been provided by Dr. Lillian Glass in her book *“He Says, She Says: Closing the Communication Gap Between the Sexes”* (Putnam 1992).

Facial Expressions

- Men generally provide fewer facial expressions than women, and fewer reactions, making them harder to read.
 - Men tend to display a frown, or squint when they are listening, while women tend to nod their heads when listening. (A note on the head nod - men characteristically nod their heads when they agree with what's being said; women nod to indicate they are listening. So when speaking to a woman who is nodding her head a man interprets her nod as agreement when in fact it may be that she's just listening).
 - Men generally stare more during negative interaction, whereas women tend to avert their eyes when in conflict.
- Men tend to make more direct statements about what they want or how they feel (say what they mean), whereas women may tend to give hints, or use indirect speech, assuming others will know what they mean based on social convention.
 - Men tend to make declarative statements (“It’s really cold in here”), whereas women often couch those same statements with questions to seek confirmation from others (“It’s cold in here isn’t it?” or “Don’t you find it cold in here?”).
 - Men tend to make statements to stimulate conversation, women ask questions to stimulate conversation.
 - Men may keep business business and tend to rarely discuss their personal lives in business conversations, while women tend to fortify their business relationships by discussing more personal things (report vs. rapport).

Body Language

- Women tend to take up less physical space when sitting or standing, with arms and legs toward their body, and with notes or books on a table piled neatly in front of them. Men tend to spread out where they are sitting or standing with their bodies and their stuff.
- Women tend to gesture toward the body, whereas men tend to gesture away from the body.
- Women are generally more sensitive toward the nonverbal cues of others, men are not as sensitive to the communication cues of others.
- Women tend to approach men with a greater degree of personal space than men do.
- Women tend to sit straight and lean forward, and men tend to recline or lean back.

Speech Patterns

- Men tend to speak more loudly than women. They also tend to interrupt more than women do.
- Men tend to not disclose as much personal information as women.

Behaviour

- Women tend to have a more collaborative and emotional approach to problem solving, and men tend to have a more analytical approach.
- Women tend to ask for help far more than men do.
- Women tend to talk more about how they feel and their relationships with others, while men talk more about what they did and their achievements.
- Women are generally more intuitive than men.

Understand that these are general principles. You will always find men and women who are exceptions and behave differently than what has been found to be the norm. Understanding the norm will help you to navigate the differences in communication more successfully and hopefully the gender styles will not become a source of conflict and misunderstanding between the sexes. Learn to adapt your style when speaking to someone of the opposite sex and always take the time to clarify rather than assume. A few simple adjustments can help you to increase your business success by improving communication with your staff, your customers and people within your industry. SBS

The Dreaded Task of Termination

Minimizing the Damage When Firing an Employee



It's often a business owner's most dreaded task – the day they have to look one of their employees in the eye and tell them they're fired. This usually takes place after many months of warnings and coaching without an improvement in performance. That means there has already been a certain amount of tension and uncertainty in the relationship, which makes that final task even more difficult. Employees are usually fired for two reasons - either they can't do the job they were hired to do, even after considerable training, or they can't (or won't) get along with other individuals on the team, even after considerable coaching. Because retraining is so expensive, small business owners tend to put up with a lot before they'll terminate an employee, however, there comes a time when keeping the person on becomes more costly than replacing them. When that time comes, here are some steps you can follow to minimize the damage that can come from terminating an employee.

Have a termination policy in place long before you ever need to use it. A policy will guide you through the process step by step when you need to terminate someone. If you know ahead of time just how it's going to happen, you'll be able to approach the situation in a calm and controlled manner.

Have documentation of past efforts to fix the problem on hand. Usually the person being terminated will have had several warnings, coaching, counseling, training and opportunities to fix the problem. Each one of these efforts should have been documented in writing. Having this documentation at the termination meeting gives you confidence and concrete evidence of the issues at hand if the employee begins questioning you or complains about unfair treatment or if they come back later with accusations of wrongful dismissal.

Plan the meeting ahead of time. Create a short agenda for yourself and write down the main points you wish to cover. It's important to have someone else to witness the meeting. Have an HR person present (or if you don't have one, whoever will be dealing with the severance pay, or other paperwork). This person is not there to speak or contribute, just to witness what transpires. Whenever possible, don't fire an employee and then expect them to continue working. It's better to pay them severance and have them leave the same day rather than have them continue to come to work and possibly do a lot of collateral damage in your workplace.

Get to the point quickly. Don't get caught up in mindless chit-chat or beat around the bush. Let the person know that they are being terminated, and why. Briefly review the things you have attempted to do to rectify the problem (refer to your documentation). Inform them about their severance and how long they will have to vacate their office or work station. This should be brief – the entire thing should take no more than 10-15 minutes. If they try to argue with you, or beg you for another chance, don't waiver, no matter how badly you feel. Look at your documentation to remind yourself that you really have tried your best to change things. Dragging it out will only mean you're going to have to do this again in a few weeks or months.

Be prepared for the worst reaction. No matter how well or badly things have gone in the workplace, your employee may react with shock, dismay, resignation, humiliation, denial, tears, or anger. If you are prepared for this it will be easier to handle the situation. Your employee may say absolutely nothing and leave the premises quietly. He or she may plead, beg, cry or tell you how badly they need the job. In some cases, they may yell or threaten. Stand your ground, knowing that these are normal reactions to being fired. Do not allow these reactions to cause you to change your mind or go back on what you've said.

Take responsibility for the decision. Even if others were involved in performance evaluations and in discussions about terminating the employee, make sure if he or she asks who influenced your decision, they understand the decision was yours, as the owner of the business.

Document the meeting. After the employee leaves, document what occurred at the meeting and have your witness sign it. If things do get ugly later on, you'll have a record of what transpired.

Communicate with your staff discreetly. If you've been making efforts over the months to correct a performance or attitude problem, some of your staff may already be aware of what's going on. After the terminated employee has left the office, call your staff together and simply tell them that the person has been let go. Do not get into discussions about why – it is unprofessional and may come back to haunt you later. Let your staff know that your decision is final. Be prepared for hurt, anger and insecurity from some of your staff – especially from those who may have been friends with the employee. Acknowledge their feelings, but don't buy into guilt or regret for your decision.

Be kind to yourself. No one feels good about having to fire someone, even if that person has caused you considerable difficulty. Give yourself permission to feel bad, but acknowledge that it doesn't make you a bad person. Do something kind for yourself – go out for dinner with a friend, treat yourself to something you love to do, share your feelings with your partner or spouse. Recognize that you did all you could to salvage the employee relationship and that ultimately it was the employee's inability to comply with your requests or to perform to required standards that was the cause of the termination.

Firing an employee is never easy, but if you're proactive and prepared, you can make a difficult task bearable and minimize the damage that can result from an unprepared, unprofessional termination. 

A Day of Contemplation

Out-of-the-Box Thinking for Performance Issues

Sam owns the most successful print shop in his town. He has a staff of six - a full-time office manager and bookkeeper, a part-time marketing person, and four full-time sales reps. Sam has a desire to keep good people and offers a sales compensation structure that has given him a higher retention rate over other similar businesses in town. Devon has been with him for seven years. He is a top producer and by far, consistently outsells all the other reps in the company. While he brings the numbers to the table each month, he lacks in discipline and attitude, often showing up for work late or leaving early, and trying to show up other members of the team. Sam appreciates Devon's way with the customers and his strong capacity for revenue generation, but he sees his team suffering because of Devon's attitude. The last few sales reps he's hired didn't last more than a few months and Sam has a strong suspicion it has to do with Devon. Sam has spoken to Devon several times about these issues, but there has been little change. Sam is beginning to wonder whether the value of Devon's ability to generate revenue outweighs what is happening to the rest of his team.

Sam's dilemma is not uncommon, especially in small business sales. When a company finds a strong revenue-generator, they are often willing to put up with a lot of behaviours they may never tolerate in other positions. This is partly because the sales aspect of the business is so important and also because it's difficult to find really good sales people. And yet, the longer this goes on, the more the entire team is affected and soon the small business owner is faced with a difficult decision.

Traditionally, the way to deal with a problem employee like Devon is to begin the process of documenting performance-related meetings, watching for improvement, and eventually writing a letter of warning that could ultimately lead to dismissal. Paul Falcone wrote an article titled "Days of Contemplation" that suggests taking situations like this and putting them directly into the hands of the employee, thus empowering them to make



a decision about their future with your company. Falcone suggests that, when facing a performance-related issue (especially in the case of a long-term employee that the employer really hopes to keep), the best action may be to give the employee what is, in essence, a decision-making leave. Unlike a formal suspension, this is a paid leave of one day, during which the employee is given some parameters from which to consider their future employment with your company. Falcone suggests that making people accountable for their behaviour without negatively impacting their personnel file or payroll tends to catch people off-guard. Most employees expect to be treated punitively says Falcone, and when given the opportunity to behave like adults they generally respond positively.

Falcone suggests having a conversation along the lines of what follows (you'd obviously have to make the words your own but this is the gist):

"Devon, we've had a number of conversations and coaching sessions about your conduct - leaving early and arriving late, and your egotistical behaviour toward your team members. Your behaviour is intimidating and demoralizing and we can no longer tolerate it on our team. Instead of giving you a formal written warning, I am going to offer you a one-day, paid decision-making leave. You will stay home on Wednesday to work out whether you want to continue working here. If you come back on Thursday morning and decide this isn't the place for you, I will be totally supportive of your decision and do what I can to provide support for your career move. If you decide you want to stay, I'm going to ask you to write a letter of commitment that tells me you are prepared to accept responsibility for the problem and do what it takes to fix it. I will keep the letter in your personnel file, and hold you accountable to its contents. If you violate the terms of this agreement, you will in essence, be firing yourself. I consider this a serious agreement. I'm willing to give you this opportunity because I truly value your skill and contribution

to this company. If we can resolve these issues, I would love to keep you on as an employee. Do you understand what I'm offering, and do you agree to take this leave with the parameters that have been set out for you?"

Putting this decision into the hands of the problem employee accomplishes two things. First, if the employee comes back with the letter, they will be far more invested in living out the agreement than if you had given them the ultimatum. It forces the employee to be introspective and self-critical without the threat of formal progressive discipline. It leaves them feeling valued and having choices about their own future. Second, it provides the employer with an opportunity to shift the traditional paradigm. The employer isn't seen as punitive but behaves in a supportive manner and puts the decision in the hands of the employee. The employer is seen as someone who's giving them a really great opportunity, as opposed to the bad boss who is disciplining them.

While you wouldn't want to use this approach with every performance-related issue, it is a good tool to put in your arsenal for those difficult circumstances where you really feel you have a winner, or perhaps a very long-term employee whom you value and want to keep, but with whom you've run up against barriers when dealing with their performance issues.

There's some real value in Falcone's Day of Contemplation. While it's a bit unconventional, don't be afraid to try this approach the next time you're faced with a similar performance problem. 

Engaging Your Employees

Jack, Sue and Tyler all work for Innovatech (fictitious name), a company that manufactures IT products. The company is owned by Brent who has spent the last ten years building a relatively successful enterprise that now employs 30 people. Brent has just done a performance review on his staff and is pondering its results.

Sue came through hers with flying colours. Brent found her to be 100% on board with whatever he asked her to do. She was happy and fulfilled in her position and always coming up with great ideas that contribute to company growth.

Tyler shows up for work every day and competently performs his job duties. He's polite with his co-workers and does his job but watches the clock and is walking out the door at one minute after 5:00. He's competent, but not enthusiastic. He appears ambivalent about his job. He's not doing anything wrong, he just isn't really engaged.

Jack is unhappy. Not only is he unhappy, but he'll tell anyone who will listen that he's unhappy. He's constantly complaining to others about the workload, the conditions, the pay, and anything else he can think to grumble about. He performs his job functions at the most basic level, but is a negative distraction to everyone who has to work with him.

Brent found himself wondering what makes one person so dynamically engaged with the company, while others were simply functioning within it, or even sabotaging it.

In a Gallup Management Journal article by Jerry Krueger and Emily Killham entitled "Who's Driving Innovation at Your Company", the authors address this common situation and how it impacts



business. Krueger and Killham propose that there are three types of employees – the engaged, the not-engaged, and the actively disengaged. Sue is an example of an engaged employee. She works with passion and feels a profound sense of connection with the company. Her enthusiasm and energy move the company forward. Tyler is a not-engaged employee. He is essentially sleepwalking through his job. He's putting in time every day but is not contributing energy or passion. He does nothing to actively propel the company forward. Jack epitomizes an actively disengaged employee. Even though he shows up every day, he doesn't like his job and regularly contributes to negativity that actually holds the company back.

Krueger and Killham also presented a Gallup poll that shows that, when asked whether their job brings out their most creative ideas, 59% of engaged employees answered yes, while only 17%

of not-engaged and 3% of actively disengaged employees gave positive answers. Similarly, 75% of engaged employees answered yes to the sentiment that they believed their company provided new ideas for their customers, with only 31% of not-engaged and 13% of actively disengaged employees answering positively. Furthermore, it is estimated that in the U.S., 15% of employees are actively disengaged, costing the US economy about \$328 billion a year. Although Canadian numbers may not be as high, I would venture a guess that the statistical percentages are similar. That means even as a small business owner, if you have 'not-engaged', and especially if you have 'disengaged' employees, they are costing you money and holding you back from true innovation and progress for your company.

Understanding the engagement level of your staff is necessary for you to move toward a healthy, progressive work environment. Identifying where each of your staff sits in those categories is the first step. Make a list of all your employees and try to assess which they are. You may have some that seem to be in between the three categories, but do your best. Your goal is to move everyone who works for you toward becoming an engaged employee, and increasing engagement of those who are already there. Here are some ideas on how to do that.

For Engaged employees

- Let them know how much they are valued
- Give them increased leadership roles within the company
- Validate their ideas
- Give them increased areas of responsibility

For Not-engaged employees

- Let them know that they are valued
- Show them the connection - that how they do their job makes a difference to your company's success and in turn, their success

- Give them small areas of increased responsibility, and reward achievement
- Encourage them to express their ideas, and be sure to engage with them by validating those ideas

For Actively Disengaged employees

- Let them know that they are valued – put a special focus on positive engagement with them
- Be honest with them about how their behaviour is affecting other employees and impacting your business and perhaps even their future with your company
- Show them the connection - that how they do (or don't do) their job makes a difference to your company's success – when you are successful, they are successful, and success depends on everyone pulling together toward a common goal
- Give them the opportunity to make small changes and reward success
- If they show effort in those changes, give them small areas of increased responsibility and reward achievement

In the end, you will need to decide whether those disengaged employees are worth keeping. Try to assess how much they are really costing you and whether keeping somebody in that position is better than the cost of training a new person who quickly becomes an engaged employee. In fact, engagement should become a hiring factor as well. When you're in the hiring process, ask questions that may give you an indication of how engaged a person is likely to be in your business. Hiring an engaged employee from the start makes this so much easier!

The goal is to continually coach your employees toward engagement. The sky's the limit for your company if you do! 

The Big Fit

Ensuring Positive Employment Goes Both Ways



Sharon has just been hired by Company Zed. She is replacing Linda, who had been running the HR department for the last 5 years. Joe, the owner of the Company, was very impressed with Sharon in the interview and has great hopes for her in this position. He is not disappointed, as very quickly Sharon finds her stride and begins making an impact. The staff loves her, and it appears she can get more done in a short time than Linda ever could. Sharon often finds herself looking for new projects or extra things to do to fill in her five days. After eight months with the company, she approaches Joe and proposes that she reduce her hours to three days a week. She demonstrates that the job really can be done in three days, and that she'd like to spend more time with her young family. She presents it as a win/win situation, as the company can actually save money by paying her for only 3 days, while still maintaining the

same quality of work. Sharon is willing to manage her time in a way that is most beneficial for the business. Joe, however, can't seem to get out of the mindset that this position should have someone in it five days a week. He can't look at the facts Sharon has presented in terms of task versus time and effectiveness, and in the end, denies her request. Two weeks later, Sharon quits and finds another company who is willing to be more flexible. It doesn't take Joe very long to realize he's made a big mistake and that replacing someone like Sharon won't be easy.

What was Joe's mistake? He was too stuck in a traditional view of work to realize he had the best of both worlds right in front of his nose. Sadly, too many business owners miss out on a vast array of possibilities for the same reason. Work is changing, and the employee/employer fit is changing too.

Unless business owners start recognizing this shift they will suffer the consequences. Employment doesn't necessarily look like Monday to Friday, 9-5 anymore. And with increased global mobility, employees have more opportunities for movement and as a result are not usually spending their entire careers with one company. The traditional view of the workplace is no longer the standard.

Step 1: Acknowledge that things are changing.

How the company fits the employee is equally as important as how the employee fits the company. In past years, only the second part of that equation mattered. In fact, if the fit goes both ways it spawns the most productive, positive and dynamic employment situations.

Step 2: Be flexible.

Had Joe recognized what a terrific employee Sharon was and how much value she provided to his business in just 3 days a week (more in fact, than Linda had in five!), he would have jumped at the chance to make the fit work. He could have saved himself 2/5 of a salary and afforded to hire the part-time tradesperson he'd been desperately needing to reduce the workload of his crew. Or, he could have used those funds to invest in the new computers and software he'd been looking at to improve productivity. He had a win/win situation on his hands but he blew it because he couldn't shift from his old way of thinking about employment.

Step 3: Hire better.

Use your interview process to learn not only what the employee can do for you, but what your business can do for them. When those two things are working toward a mutual benefit, you'll be amazed at what can happen. For most workers, employment is about more than just collecting a paycheck. It's about loving what you do. It's about wanting to grow personally and professionally. It's about how work fits into the rest of your life. It's about wanting to contribute your skills and abilities to something larger – the knowledge that what you do matters in the big picture. The more you know

about the person you're hiring and what's important to them in all areas of life, the more creative you can be about making sure it's a fit for both of you.

Step 4: Determine where there is a mismatch with current employees.

Chances are pretty good you don't have a perfect fit in every employee's position. If you can make some positive changes with the people who are already working for you, you may re-energize your workplace. Maybe Tom's been sluggish on the construction site lately. A bit of investigating may lead you to the conclusion that he's getting tired of the physical work. He's in his early 50's and although he's great at his job, he's getting to the point where a job inside is looking better and better. You've noticed that he has a great way with customers and wonder whether he might be suited to sales – especially since your sales department has been sagging lately.

Young Kyle, whom you hired as a sales executive is showing no promise in that area at all, and suddenly you realize that you may have a wrong fit. You set up a meeting between Kyle and Tom and let them know what's on your mind. Kyle leaps at the chance to just go and swing a hammer and not carry the responsibility of bringing in the company's revenue. Tom is intrigued by the opportunity to give up his hammer and join a team of professionals who work with people. He wants to speed up his retirement so he's also very interested in being able to earn more through commission sales. You've just avoided all sorts of problems by simply looking around at what was going on in your workplace and putting people where they fit!

What employees want and need is changing. Job seekers have choices and they'll gravitate to employers who are willing to BE a fit, as well as looking for someone who IS a fit. Are you going to stay stuck, or will you open your eyes to new possibilities? 

In challenging economic times it is critical that

Powerful Low Cost Motivation

Inexpensive Ways to Inspire Your Team



employees of small businesses are acknowledged for their hard work. In tough times it's easy for a company's focus to shift from great management and strong HR practices to an over-emphasis on money. Let's be honest – when the ship appears to be sinking – your natural response is to plug the hole and keep it afloat. But if your crew is jumping overboard and looking for another ship, or not working at peak capacity on the boat, you'll find it difficult to navigate turbulent waters. If on the other hand, you have a team that's fired up, even if it's a small team, and working synergistically together, you can accomplish more than many larger ships out on the water.

As a small business owner your product or service is your bread and butter, but without a solid and motivated team your efforts to succeed will suffer. Low morale equals shoddy production and

service. Fear and frustration results in inefficiency and apathy. That affects your bottom line so the efforts you put into inspiring your team will pay big dividends in the end.

Some small business owners claim they don't have time for all this motivation stuff. They say that they are in business to do business and that their employees are there to work for them. If they want to be motivated and inspired, they should do that on their own time. This attitude is short-sighted and unrealistic. People generally don't compartmentalize the way they used to 40 years ago, where work was work and life was life. People now want work to be fulfilling. They want to feel they contribute beyond simply their ability to complete a task. They want work to be fun too, and to enjoy what they do. Sticking your head in the sand and saying you want it to be different isn't

going to make it so, and small business owners who don't pay attention to these realities will find themselves constantly struggling against the tide to meet their goals.

Your team is vital to your success and motivating them is one of your greatest leadership challenges. Contrary to what you might think, you don't need a complicated employee recognition program. It takes very little to make your employees feel valued. Remember, they understand the situations you face in times of economic difficulty – they are facing them too on a personal level. They will see your efforts to provide recognition and pay you back through loyalty and commitment to your business. Here are two important ways you can do that without breaking the bank.

Motivating through increased responsibility

Nothing says “you’re doing a great job” like being trusted with greater responsibility. This costs you virtually nothing except perhaps some creative thinking, but pays you back in spades. *“Jim, I’ve been watching how you handled our customers during these last few weeks. It’s been challenging with all that’s been going on but you have maintained your composure with difficult people, remained calm under pressure and have represented our company well. I would like to give you the opportunity to take on some new accounts – these are some of our most important clients – and I believe you will do a great job.”* Just watch Jim’s face light up when you put that kind of trust his way. Where can you show your employees you value their contribution by giving them opportunities to do even more for you?

Motivating through relationship-building

Building relationships with your team costs you nothing but a bit of time, yet it establishes a foundation for how recognition will be received in the future. Someone once told me that every effort you make to build a relationship, whether it’s a kind word about their performance, an interest in

what’s going on in their lives, or a compliment, is like making a deposit in your relationship “bank”. A lack of recognition, criticism, an uncaring attitude or disinterest, are like withdrawals. Here’s an example. The time comes when you need your bookkeeper, Janette, to put in some extra time to assist you with putting together the financials for a new product line you’re launching. Let’s say you’ve built a strong relationship with her. You’ve invested time in building up the deposits in her account and she truly feels like a valued and important member of your team. Her likely response to your request is to say yes, without hesitation, and to take your request as a sign that you value her skill and trust her with this important task. She will more than likely make whatever adjustments are necessary in her personal life to get the work done.

If, on the other hand, you have been too busy to get to know what’s going on in her life, have offered more criticism than praise, have often been short with her and quick to point out her mistakes, she will more than likely take your request as a sign that you don’t really care about her. She will see her personal life as more important and be upset that your expectations require her to make sacrifices. If she says yes, it will likely be with a grudging attitude, and it is more likely she will say she can’t make it work. She will see you as being a hard-driving boss who’s just out for what he can squeeze from his employees.

Same request, much different result. The more deposits you make in that relationship bank, the greater your ability to achieve the things you want to achieve with a committed, enthusiastic team.

Motivating your team is less about money and more about creative communication. During tough times your staff will appreciate your efforts to recognize them in non-monetary ways. In fact, monetary recognition can have little meaning if the relationship bank account is empty! So start making those deposits. The payoff to your business will be great. 

Flexible Job Descriptions

Making the Most of Your Staff Resources



Jim is an excellent welder, but also has skills in mechanics and carpentry. Susan is a meticulous bookkeeper but is also an exceptional proofreader. Andrew is your best sales rep but he loves to design your marketing materials and has a flair for interior design. While most of us have jobs in areas where we've been trained and have developed specific skills and proficiencies, all of us have colourful backgrounds and a variety of skills (many of them hidden or undiscovered) that could potentially be used in our current jobs. As a small business owner, if you're not taking advantage of the many things your staff can contribute to your business, you're missing out!

One of the ways to do this is to create an atmosphere where job descriptions are flexible, and can be adapted to take advantage of the skills within your staff. Job descriptions used to be rigid and specific. The list of job tasks and expectations was generally narrow and business owners didn't stray too far from them. The old-school way of thinking is that keeping employees focused on a specific track will make them more efficient. We are learning now that the opposite is true.

With baby boomers being on the back end of the employee lifecycle, and Gen Y, X and Millennials entering the workforce, we need to look at jobs

differently. The generations coming in behind boomers are more interested in variety and job satisfaction. They want to use all their skills – not just a narrow representation of them. As a small business owner, it is to your advantage to use the skills available to you within your workforce.

You need to start somewhere and creating a job description for a specific position should be your starting point. Talk to your current employees and find out what else they have done and where they might be able to use their skills to help you grow your business. As a small business owner, you must wear many hats. Think of your staff the same way. Allow them to wear more than one hat and you may be surprised at how much richness and depth they will add to your business.

Susan's main task is keeping the books, and she's good at it, but those analytical and organizational skills also transfer into other areas. She never misses a typo and is a grammar aficionado, so why not have her be responsible for proofreading all your marketing materials, proposals, and sales letters? And while you're at it, after you learn how much she loves to organize events, why not give her the opportunity to plan your next staff party or put her in charge of customer appreciation evenings?

Sometimes a flexible job description means you add things to a person's existing job in order to use additional skills that are not part of their daily tasks. Sometimes it requires the opposite – paring down a job that has grown too large. Here's an example.

Joan is your receptionist. Because of her good nature and desire to help others, she has taken on too many tasks outside her primary job. Joan is constantly offering to help out her teammates in other areas; areas that she is in fact very good at. But in the end, it fractures her too much and adds too much to her plate resulting in her inability to keep up with her main job tasks. Removing some of the things she has taken on and refocusing her on the tasks she's really good at and wants to do, will help her to be able to be effective, while learning to say no to taking on new tasks without disappointing anyone.

Creating flexible job descriptions doesn't mean everyone does whatever they want. The business tasks still need to be done and will be the core of each employee's job description, but being open to providing opportunities for them to use their skills to excel in more than one area will benefit your business. It also gives employees a work experience that creates a higher level of job satisfaction, resulting in greater company loyalty and lower staff turnover.

Reviewing job descriptions should occur, at minimum, once a year. As your business grows and you see demands for new skills, keep in mind the areas where you can shift, add, remove, duplicate, delegate, share, and create job tasks in existing job descriptions, and start a wish list for the next new position for which you'll need to hire. A flexible workplace ranks among the top indicators for job satisfaction among incoming Gen X, Y and Millennials. It's pretty great that a flexible workplace is good for your business too! 

Tips for Avoiding a Bad Hire

Sandra showed up for the interview in a neat, tailored business suit. From head to toe she looked like the consummate professional. She was courteous, confident, and articulate. Within moments you have a great rapport and are talking like old friends. Part way through the interview you turn over the sheet of questions you were going to ask and put it aside. After all, things are going so well. Her resume has already impressed you, and it was obvious through your initial questions that her skill set was just what you needed. Before the interview is over you decide you're going to offer her the job – never mind the references. What could they tell you that you couldn't see for yourself?

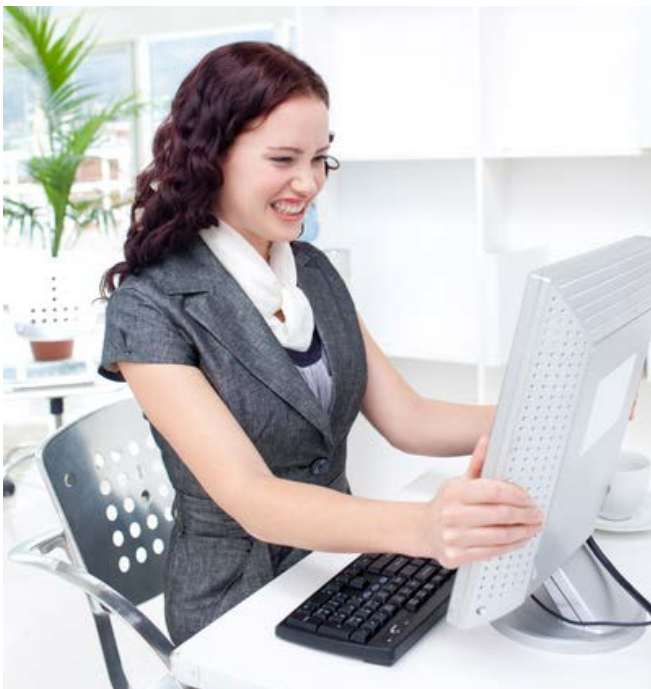
So Sandra begins work the following week. You have high expectations but it becomes quickly clear that something is amiss. You begin to suspect she may have over-sold her level of computer skill as she needs help with performing even basic functions. When asked to do a series of tasks, it

seems she has trouble prioritizing and it takes her forever to accomplish a simple list. To top it off she is showing herself to be quite a gossip, talking to co-workers about others on the team, affecting the atmosphere in the office. After three weeks, you realize you may have made a bad hire.

It's pretty common for business owners, at some point in their business life, to have hired someone less than ideal for the job. Making a bad hire is costly, so if you can learn a few tips to help you avoid making one, you can reduce the financial and emotional impact it has on your business and your staff. Here are some things to think about.

1. Do your homework

This may sound simple, and yet so many small business owners simply glance through a resume to make sure all the bases are covered, skip over the cover letter and schedule an interview. Carefully reviewing the resume will bring your attention to red flags, like whether the person's skill set really reflects their job experience. If they are telling you they can do xyz, but nothing in their work experience shows you how they have developed that skill, it leads to specific questions for the interview to address that gap. Similarly, a cover letter can let you know whether they can spell, how well they can write, and how careful they are in their presentation. Also, reading between the lines in a cover letter will give you a sense of whether the person is confidently presenting their skills and experience, or whether they are trying to oversell themselves (for example, using superlative words - fantastic, exceptional, or extraordinary - to describe themselves). The same goes for references. It's buyer-beware for employers who don't take the time to hear about their potential employee from others for whom they've worked.



2. Do the interview with more than one person

It's easy to get caught in a scenario like the one described in the introduction when all you have is your own perspective, especially if you're interviewing someone to whom you're naturally drawn (probably someone who is like you!). Another set of ears and eyes in the room will provide you with a much better and more realistic sense of what the person is like. In fact, make an effort to bring someone else into the interview who is NOT like you. They will perceive things you won't see, and between the two of you, you'll have a better perspective.

3. Avoid desperate hires – continuously fill up your candidate pipeline

Sometimes, hiring is a desperate task. Business owners are sometimes suddenly faced with a need and HAVE to hire someone to fill the role – their business depends on it. But a desperate hire is more often than not, a bad hire. When you're desperate you can talk yourself into believing that even though you're seeing red flags and have a bad feeling in your gut, you could be wrong and this person may be a good fit. The capacity to avoid a desperate hire comes from ongoing recruitment and filling your pipeline with potential candidates. Talk to people wherever you are about your company. Let them know that although you don't have any openings right now, you'd love it if they could send you a resume for when you might be hiring. The more people you have in your pipeline, the more options you have when you need to fill a position, and the less you'll be facing that desperate hire.

4. Use assessments – don't count on an interview alone

Some people are charismatic enough to fool you into thinking they are the best thing that's ever come across your path. But the proof is in the doing! Don't be afraid to use tests and assessments to truly determine the person's skill level. Are they going to be doing a lot of computer work? Set up a test that requires them to do some of the computer-oriented tasks they would do in their actual job. Their strengths and weaknesses will

become clear. Will they be selling? Do a role-play to see how well they can deal with objections and how confidently they can do a presentation. This could be a great springboard to further discussions on their level of comfort and skill in the sales process. Will they be required to handle a heavy workload with minimum supervision? Create a list of tasks and get them to prioritize and perform the tasks within a specified timeframe. When they are finished you will have an interesting discussion on how they processed the list and why they chose to do things in the order they did. Use a personality assessment as well that tells you what the person's natural strengths are – creative, verbal, detail-oriented, analytical, relationship-oriented, etc. This information can be invaluable in helping you to determine a good fit with the rest of your team and for the job itself. Very few small business owners take the time to go through this extra step, but it is perhaps the most important strategy for a successful hire.

5. Take personality into account, but make sure it doesn't win out over skill and experience

We all have a tendency to want to hire people like us, so people with similar personalities often win us over. A strong personality can mask a lack of skill. Personality is an important part of job fit, but it must be kept in perspective with the whole package. If they can't do the job, it doesn't matter how much fun they are to be around. And, sometimes the person you need to do the job is one who is least like you – and one with whom you don't necessarily establish a quick and easy rapport. If you are a fun-loving extrovert and are interviewing a detail-oriented, analytical introvert, you may find it difficult to connect, but that doesn't mean they aren't right for the project management job you're hiring for. Similarly, if you're the introvert you may find the very chatty, outgoing candidate overwhelming, but they are perfect for your customer service position.

Yes, it takes longer, and it IS more work. But in the end, these extra steps will ensure that you have far more good hires than bad ones, saving you valuable time in the long run. 

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