



HR for Small Business

Our Outside Environment

In the 1990's, a change occurred in the labour market where technology and other innovations in many businesses resulted in a change in focus by employers. Employee skills and knowledge became the critical asset sought out by perspective employers. Almost 20 years later, we still feel and hear the consequences of this trend. I do believe that people are a significant asset to businesses of all shapes and sizes and for me, that's what makes working as an HR professional exciting. "Employees are the most important resource to a company", "Talent is the key to competitive advantage", "Engagement" and "Organizational Knowledge" are common phrases in the business world today.

Today, most businesses operate in the global world of competitive knowledge. Organizational ideas and having the ability to produce, market and bring those ideas to the attention of your customer more efficiently than your competitor, will make your business successful. These ideas come from people who are committed and engaged in their jobs – and these individuals are going to become harder to find and retain as our workforce shrinks in size due to our inability to replace the Baby Boomer generation as it retires. In addition, no matter what their role, all employees are walking advertisements for their companies. Naturally, sales people and front-line service workers are the face of your organization as they directly work with your clients. At the same time, your "backroom" employees or those less visible are telling their friends and relatives (your customers) about your product, about your business methods and about how you treat them. There's an old adage that says a satisfied customer will tell 1 person about the service he received, while an unsatisfied customer will tell 10 or 100. Are your employees goodwill ambassadors?

Our Inside Environment

The strategies for effective utilization of human capital may differ for small businesses as compared to their larger counterparts. I would like to offer the following suggestions and ideas for small businesses:

- **Make HR part of your strategic plan.** Most businesses set targets and goals for themselves on a regular basis - you can't achieve what you can't measure. This is just as true for your employees. Come up with metrics that support your business goals. If production targets are key, create a system where the outputs of teams can be measured and rewarded. If low employee morale is an impediment, ask your employees what can be done to increase their job satisfaction - then make it happen. Doing this will build their trust. Asking the question, then following with inaction or indifference will exponentially aggravate

the problem. You hear all the time “yes we told them, but they did nothing about it”....

- **Operate with 3 core values – respect, fairness and open communication.** I find that many HR issues go back to common sense or basic rules of conduct. Find ways to show that you remember that your employees are people with lives outside of work. Treat people fairly and equally. Encourage people to make suggestions, speak with you directly and share with them your business plans. A basic human need is satisfied when people feel a sense of belonging and that they are needed. An innate part of them wants the chance to make a meaningful contribution to your business.
- **Look outside for specialized HR help.** I believe that most small businesses with less than 100 employees do not need a dedicated HR professional on staff. Office and General Managers are generally equipped to manage the operational HR function. However, at a certain point, organizations do benefit from external assistance for particular projects that require expert knowledge such as HR audits, case management related to WSIB and employee relations, policy writing, etc. When selecting your consultant, consider the level of expertise the consultant has in the area you need support with, contact previous and current clients of the consultant to find out what results have been achieved on similar projects, and ask for a detailed quote outlining deliverables, timeframes and costs. I would also suggest looking for a consultant who will coach your staff members and help to develop their knowledge around the HR project subject matter. A good HR consultant will look for the chance to impart knowledge and develop your organization as effectively as possible. Finally, search out a consultant who you believe will be compatible with your organizational needs. Sometimes that means fitting in with an existing team or being able to “shake things up”.
- **Employers often need to become more effective leaders.** Most small business owners are entrepreneurs by heart, however, the moment they engage the help of others, they must give thought to leading their team. To become more effective as a leader one must model great thinking, inspire performance with good vision, challenge existing processes and enlarge employees as individuals.

Giving some thought to your HR practices and perhaps working with an HR consultant does not have to change the nature of your business. Business owners may be wary that doing so means more paperwork and bureaucracy. When it comes to your human capital investment return to the basics of common sense - treat those in your company as you would want to be treated. If your organization engages its employee, treats them equitably and in a dignified manner, and you continue to embrace innovation and the ability to quickly effect change that only a small business can, you will certainly add positive growth to the value chain of your business.

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We optimize personal, professional, and organizational development. Our areas of expertise include:
HR Consulting, Career Management, Mentoring, Retirement Lifestyle Planning, Executive Coaching and Mediation.
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