

Hiring the Right Employees For Your Small Business

How to stop wasting money on bad hires and transform into the company that everyone wants to be a part of.



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AN INTRODUCTION

"A single bad hire for an entry level to mid level position can cost a company \$7,000 to \$10,000 on average!"

- CareerBuilder

Brief Intro

As a small business owner, have you ever caught yourself saying, "I just can't find good work anymore." If so, you're not alone. NFIB reported that 48% of small businesses report there are few or no qualified applicants for the positions they are trying to fill.

We are here to tell you that good help still exists! You just have to know where to look. If you want to attract and keep top talent, surround yourself with people who care about the business as much as you do and create a team that seamlessly works together, then this guide is for you!

Employee turnover can be a nightmare for small business owners. With most small businesses operating with 10 or fewer employees, the absence of one person can hit hard. Guard yourself and your business, by implementing the simple strategies outlined in this guide!

Here's What You'll Learn

1. How to **set yourself apart** and become the company that everyone wants to work for.
2. How to **find** and **attract** passionate, talented and loyal employees.
3. How to create a **performance based** compensation plan.
4. How to build an **onboarding process** that sets up new hires to win before they even begin.

STEP ONE:

Attract the Right People

"Thoroughbreds run with thoroughbreds. Not with donkeys."

- Dave Ramsey

Your Brand Is On The Line

Your team members are the face of your company. From the janitor to the rock star salesman, their actions, and more importantly, their attitudes all reflect back on your organization. You want to make sure that the candidates you are bringing in are the types of individuals you are looking for. If not, you're just wasting your time. Our goal is to get your business to a point where you are no longer recruiting, but instead attracting the right kind of employees.

Write a Compelling Job Description

Start with the job description. If you put out something bland or boring, you are not going to be attracting the right kind of people. Be creative and show candidates what sets your business apart! Think about the characteristics needed to excel in that role. Does the individual need to have a larger than life personality? Or is it more important that they have a detectives mindset and never let things fall through the cracks? Make unique job descriptions for each position that gives a clear understanding of the personality traits you are looking for.

Incentivise Referrals

Most customers do business with companies because they were referred by someone they trust. The same can be true with attracting the right kind of new hires. Your current employees are your best resource! Set up an incentive program that rewards your rock start team members for bringing in more rock stars. Put some actual cash on the line for new hire referrals that make it past a certain grace period. When your staff realizes they will be rewarded for bringing in their hard working friends, they will become walking, talking HR recruiters!

Opportunity

It's been reported that 76% of the workforce in America is disengaged! Your company has a real opportunity to become the place everyone WANTS to work!

STEP TWO:

A Better Way to Interview

What to Look For

Herb Kelleher, CEO of Southwest, once said, "You don't hire for skills, you hire for attitude. You can always teach skills later." We couldn't agree more with his opinion. When interviewing a potential candidate, you want to discover whether or not they are passionate about what your company is passionate about. If they aren't, they will be a waste of your time. So many business owners are so enamored by resumes, and the skills listed on them, that they fail to realize if that person actually cares or not about what you do.

Process for interviews

The more time you spend with the candidate the better. Have as many people involved in the interview process as possible. Your company is run by a team, so make sure they are a good fit for your entire organization, not just you personally. A giant mistake we see many business owners make, is dominating the entire interview conversation. We suggest asking a few open ended questions and letting the candidate go. Try to gain insight on what their true passions are and what motivates them in life. Their answers will show whether or not they are a good fit.

Anticipate the Need

Small business owners often say, "I have to fill this role immediately!" While the need may be urgent, short term fixes will cost you more money in the long run. If you are the head of a growing organization, scaling your workforce to handle the new orders being placed should be a top priority. Anticipate your labor needs by staying up to date on sales volume and by knowing your business' capacity ahead of time.

Sample Interview Process

Interview 1 - 30 minute introduction

Interview 2 - Meeting with a current team member

Interview 3 - Second meeting with yourself

Interview 4 - Interview with the team they will join

Interview 5 - Dinner with candidate and their family

STEP THREE: Compensation

Compensation and Core Values

The way you pay your team says a lot about your company's core values. Compensation will either fire your team up or demotivate them. Small business owners often times think they can't compete with the large corporations for top talent. And that they don't have the resources needed to compensate rock star team members properly. We are here to tell you that you do!

Performance Compensation

Ken Coleman once said, "Reward what you want repeated." An employee's paycheck is their scorecard. With the right compensation plan, an employee can easily track how well they are performing at their job. If their performance is tied to certain actions, provide them with the resources to track those actions on a daily basis. Above all, make sure it is simple to understand! You don't want to have your workforce taking time out of their day to calculate pay.

How Performance Compensation Works

Compensation packages should be uniquely made for every position at your company. Positions like sales, technicians or operators are easy to base pay off of performance. Administrative tasks such as bookkeeping can be a little more tricky. For these types of positions, where you can't directly draw a line between the individual and revenue, we suggest setting a base salary and add profit sharing at the end of the year. That way these administrative team members still feel included and will be incentivised for decreasing unnecessary costs!



STEP FOUR:

Onboarding

Start Off On The Right Foot

The way your company handles onboarding will largely determine the success or failure of a new hire. Think back to the last time you started a new position. It can be nerve racking! With so many questions about the new position and fears over the thought of doing something wrong on the first day, new hires are in need of someone to lean on. Provide them with that person. Whether it is you or one of your team members, make sure they are greeted at the front door with a warm welcome.

Have A Process

The goal of onboarding is to set up new team members with the tools needed to succeed before they ever start their jobs. To do that, you're going to need a process that keeps onboarding consistent across the board. Prepare a new hire checklist that outlines all the steps needed to successfully onboard new team members. So many times we see companies allow the little things to slip through the cracks. You want your new team member to hit the ground running, so tasks such as setting up their computer or installing a new phone should be completed way ahead of their arrival.

Set Expectations Early

Your new team member's first day will set the tone for the rest of their employment. Set expectations early and outline exactly what winning and losing in that position looks like. Surround this new hire with your company's winners and watch them follow suit. The old saying is true, birds of a feather flock together. Make sure they are flying with great examples who can show them the way! When you are assigning responsibilities to the new hire, assign results not tasks. There is a huge difference! For example don't write, sweep the floor for a janitorial position. Instead write keep the floor clean. Allow your team members to come up with their own solutions to the problem. Assigning results, not tasks, will keep them engaged and give off the feeling of ownership in your organization.

Quick Tip:

Set a 90 day grace period for all new hires. Evaluate them after 30, 60 and 90 days and give clear specifics on their progress.

Conclusion

Next Steps

Small business owners often struggle with finding the right employees, so we created this guide to show you how to transform your organization into the company that everyone WANTS to work for. Building a process that attracts the right people, interviews candidates in a meaningful way, compensates employees fairly and onboards new hires for success, is not something that can be done overnight. We do hope, that this guide at the very least, gets you started. If you are interested to know more about how we've implemented these strategies for our clients in the past, schedule an appointment on our website at www.stillwaterfo.com.

What You've Learned

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