

ExpertAnswers:

Expert HR and Hiring Tips for Your Business



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People are the most important asset in every small business, yet few entrepreneurs are well versed in the nuances of human resources and the extensive range of laws and regulations governing hiring, compensation, and management.

That's why so many organizations rely on HR professionals such as **Mary Anne Kennedy**. As both an HR Director and consultant, Kennedy has worked with a wide range of industries to help implement tools and methodologies that have helped clients become more versatile and successful employers and enterprises.

Kennedy has conducted webinars and written books about the employment process, including *Finding the Right Job; A Step by Step Approach*. She is also a sought-after speaker on a variety of HR topics.



Q: We often think of human resources revolving around hiring employees, administering benefits, and complying with regulations. What is the “true” role of HR in a small business?

HR has to be an integral part of business strategy. This is true regardless of your size, and whether you do it yourself, have a full-time administrator, or use a consultant. You have to know the business in order to ensure that the proper systems and processes are in place. HR is not just a police department you bring in to address problems.

Q: The time has come for a small business to hire its first employees. What three things should the owner do to prepare for the hiring process?

- *Set the standards and expectations of each role.* What are the specific tasks, what's required to perform them, and how will performance be measured.
- *Compensation.* What can you pay for that work, and how does it align with similar jobs and experience requirements in your area and industry.
- *Decide how you'll source candidates.* Some jobs can be advertised in general media; others may require you to use more specific channels.

Q: What are some common mistakes small businesses make during hiring interviews, and how can they be avoided?

Interviewers often go in unprepared. Often, they haven't reviewed the candidate's resume or prepared specific, relevant questions. A similar mistake is asking inappropriate and illegal questions, such as race, religious affiliation, family obligations, and so forth. Nor should you ask future-oriented questions, such as “What would you do if...” Ask only behavior-based questions that cover what the candidate has done, and how it may relate to your current situation.

Q: Are there any other important hiring process issues that are often overlooked?

You should have at least three candidates to choose from, but make sure you evaluate each candidate against the work, not against each other. Never settle for someone who may not fully live up to your needs. It's better to do the work yourself than to have the wrong person. And think about what needs to happen after you've made your selection—welcoming the new employee and having everything ready to integrate them into the organization.

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Q: With only a few employees, a small business owner may want to be “part of the team,” but also respected as “the boss.” What are some tips for staying close to employees, yet also preserving a leadership/authority role?

You definitely need to set parameters. It’s great when a business has a hands-on type of leader, but the person at the top of the organization needs to maintain a polished, professional manner at all times. You want employees to respect you as a coach, a mentor, and the final authority.

Q: Family-based businesses often have a mix of family and non-family members. What can be done to prevent favoritism, and ensure everyone is treated equally?

Hire family members only if they’re the best qualified for the job, not because they need a job. This is why it’s so important to develop objective qualifications and performance measurement criteria for each position. If you hold family members to same expectations as non-family employees, they—and you—will be looked on with greater respect.

Q: What tools or methods are well-suited for fostering communication across a small business organization?

Schedule regular staff meetings, conduct one-on-one coaching, and use social media proactively to share information. A staff or group “huddle” at the end of the day is also a good way to make sure everything’s set for tomorrow. Also, document your communication. Even if it’s just a quick meeting, write down the outcome and the action items to keep the meetings productive with defined outcomes.

Q: It’s not always possible for a small business to reward good performance with higher pay. What alternative incentives/rewards can help keep employees motivated to do their best?

Most employees leave jobs because of the manager, not the money. But while raises may be out of the question, reasonable bonuses may be affordable. Look for ways to promote professional development—cross-training, leadership development conferences, webinars, and performance incentives such as gift certificates for dinners, movies, shopping, etc. Anything you do to recognize employees and show your appreciation will go a long way, even if it’s just a big “thank you” at the end of the day.

Q: Delegating tasks can benefit both the owner and employees tapped to take on the duties. What are some keys to implementing smooth and successful do their best?

Document what is required. Make sure you and the employee know what’s expected, the processes involved with the duties, and how the employee’s performance will be measured. Check in often to see how things are going with an eye toward giving support and guidance if needed. Don’t just assume everything is OK because you haven’t heard anything.

Q: What are some guidelines for dealing with “problem employees?”

This is another reason to have a well-defined performance management system that lays out what is expected from each employee, the process for issuing and responding to warnings, and what constitutes “sustainable change” in order to avoid dismissal. Be clear on what the employee is being held accountable for and give them a reasonable chance to improve. But don’t keep problem people too long.

Q: How can an exit interview help improve the quality of your HR program?

When I conduct exit interviews, I typically ask what the employee liked about working for the organization, and where it could improve. This is a great way to probe into specific areas or needs. I’ll also ask if they were satisfied with the compensation and benefits programs.

Q: Why is consulting with someone with small business experience, such as a SCORE mentor, a good idea before crafting an HR plan for a small business?

You don't know what you don't know, so go find people who do. Although I said earlier that HR shouldn't be solely about compliance, regulatory aspects remain very important. Discrimination claims or other problems could cause you to lose everything. You need to find people who know these critical components for remaining compliant.

Q: What do you foresee being the most important HR challenges in the coming years and what should small businesses do to prepare for them?

- Healthcare reform is critical. You have to do the homework, find brokers who are completely aware of the changes coming in 2014, and meet with them now so you can budget appropriately.
- With demand for talent so intense, look at what you are doing to attract and retain good people.
- Finally, are you keeping up with social media, and technology? The people you hire will likely be more tech-savvy and expect your organization to be current as well. Learn about the latest and greatest technology, and how can you use it in your business.