

FACTSHEET 2: BUSINESS GROWTH



2 The People Problem

Growing businesses need people. You only have 1 pair of hands and unless you want to spend all of your time bogged down in admin and firefighting problems, you will need people (whether employees or subcontractors) to do all of the things that you either do not have time to do or to do the things that you do not have the *skills* to do.

When we talk to many small business owners, we often hear that they have problems finding **good** people. But *finding* good people is not the only people problem that you, as a small business owner, needs to deal with effectively to help your business to grow.

Once you have good people in place, you need to ensure that you keep them so that they don't leave you. Otherwise, you get stuck trying to find another good person to replace them, oh the bitter cycle.

And why leave it at that? You need to make sure that your good people are working well together and performing as a team to help your business to achieve its goals and make a profit.

That would be good, wouldn't it? So, what is the solution to these people problems?

Finding Good People

Before you even start thinking about filling a vacancy, you need to have a plan on how you will find that good person:

Step 1 – Look at the job and make sure you know what you want and need to be done. From there you can write a job and person specification – you need to clear about the skills, experience and behaviours that you need from the person who takes the job on.

Step 2 – choose your recruitment method – you should make the most of referrals from people you trust or place an advert in an appropriate place using the language that best fits your business and its values. Compare your advert to the current ads for similar roles in the job market and make sure it stands out and ensure the salary and package competitive, yet fair.

Recruiting can be a bit like fishing. You can cast a wide net and get lots of applicants that might not be what you want, or you can choose your bait more carefully and get fewer, yet better fitting applicants.

Also, I've seen many business owners that take on a "fish" that jumps out of the water at them with a timely CV attached to an email. It's very easy to do. But, remember, there might be tastier fish out there to try to catch.

Step 3 – Have a fair and thorough selection process – a basic job interview is outdated and doesn't give you the work you need. When conducting an interview, you need



to think about gaining information from the candidate about their relevant experience with them giving you examples of when they have used the skills you need them to have or demonstrated the behaviours that you want them to exhibit. Also, think about work trials, try some relevant ability tests and don't forget to follow up on the references. Consider how you will score each candidate and compare their selection results.

Step 4 – Make your reasonable offer. Negotiate with what you can afford and make sure your offer is fair to your other staff.

Step 5 – Make sure that you have a planned induction process that brings your new person into the heart of how you do things. So many people leave after a short period because of "induction crisis" where the job doesn't live up to the expectations given at interview, and they feel over or underwhelmed during the first month or so by the work and other team members.

TOP TIP – RECRUIT FOR

ATTITUDE. If you believe that you have a good person that will fit and has the behaviours that reflect the values of your business, go for them, even if they are a little short on practical experience. You can train someone for skills (given a little time), but you can't give training on having a great attitude.

TOP TIP – THINK TRAINEES.

If you are struggling to find people with the right skills, and there may well be skill shortages in some fields, then think about apprentices and trainees. Funding is available for apprenticeship schemes (which are not only for young people) and, as long as you recruit someone with a great attitude and do the things below which build loyalty and motivate, you could sort out your skills issues that your competitors are still facing!

Getting the best performance out of individuals and teams

For you to get the best out of your people, you need to understand what most people want and expect from work. Most of these things are pretty straight forward, but as a business, are you providing these things to your team?

- **Job Security** – No one expects a job for life anymore, but people want and expect to have a level of job security: that they will be given work to do and can meet their mortgage payments.
- **Performance Appraisal** – People want performance feedback. They want to know that they are doing a good job, or what to do to give a better performance. They also want to know that their colleague's performance (whether good or bad) is recognised.
- **Career Opportunity** – A chance to progress and move upwards. Not being stuck in a dead-end job.
- **Training and Development** – A chance to increase their knowledge and skills so that they can be better at their job.
- **Recruitment and Selection** – A chance to apply for any opportunities that do come up – knowing that the decision will be fair and based on knowledge, skill and experience.
- **Pay Satisfaction** – Being paid fairly for the work and effort that they put in. This doesn't mean high pay, but people compare what they earn to others and to how they feel they perform. They expect to be paid fairly.
- **Work-life Balance** – People want to be able to spend some time with family/at the gym/ socialising/etc. No one expects to be a slave to an employer.
- **Job Challenge** – People want a level of autonomy and some challenge to their work, making it more interesting and stretching their minds. This makes them feel more valuable to the business.
- **Team Working** – People want nice people to work with. Having a sense of comradery and a team that share their goals and experiences goes a long way to keeping people happy at work.
- **Involvement** – People want a chance to have their say. Whether it be contributing to making improvements to processes or products or that they have a voice to let you know that something isn't right.
- **Communication** – People want to know if something is happening that will affect them — clear communication routes from conversations to more formal methods. Poor communication lets people feel let down.

These things are known as performance drivers and have been identified as things that can lead to staff giving **discretionary behaviour** – that going the extra mile to give a great service that in **turn leads to increased outputs and profit for your business**. And, if you can give those things to your team, they will love working for your business and try their best. However, you also need to have the following things to make it work:

- Good managers that manage people fairly and reasonably
- Good systems – policies, processes and procedures for people to follow
- A Vision for your business that you share with your people

It's also worth noting that if your business has most of the performance drivers in place, but you do one of the other performance drivers really badly – whether it be poor pay, poor communication, poor managers or whichever, your people will not withhold their discretionary behaviour, but may also look to leave you.

There is so much more to people than just payroll and disciplinaries.

