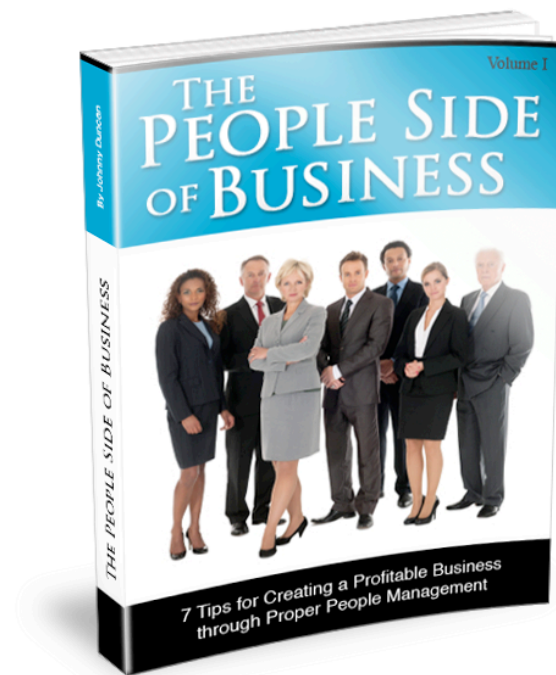


# The People Side of Business

## Volume I



### *7 Tips to Creating a Profitable Business through Proper People Management*

By Johnny Duncan

A *Wisdom of the Ages*<sup>™</sup> Production

## Introduction

I see no use in beefing up the book with a long introduction that states the obvious. What follows is 7 of our top techniques for bringing in -and keeping- top performers.

This book, *The People Side of Business, Volume I, 7 Tips for Creating a Profitable Business through Proper People Management*, is the first in a series produced by Duncan Consulting, Inc. Duncan Consulting, Inc., consults with small businesses helping them with the people side of business: employees, customers, vendors, management, stakeholders and community.

Please contact us with any questions, comments, concerns, or hysterical observations.

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## Bring in the Best and Keep 'Em



There are hundreds of books available on how to hire good employees and there is good information on the various State and Federal law requirements for placing ads, interviewing candidates, and the whole hiring process. I won't go too deep into those areas. But what I will do is provide a guide for getting the employees you desire for your business; the employees that will "fit" your company, and how to keep them.

As with most great advice, the ideas are extremely simple. But, have you noticed that it is the simple ideas that get overlooked? It is usually the obvious that gets stepped over, and sometimes leaped over in order to make a task or process more complicated than it needs to be.

My suggestion is that you print this eBook and keep a hard copy as a quick reference guide for you, your HR staff, and anyone in charge of bringing on board new team members. Feel free to email this to others in your organization or those in your industry you think might benefit from these seven simple tips.

If you are like me, you might read something like this eBook and think that it is useful and offers good points, then put it aside and not act on it. The only way any good comes out of any business book with good pointers is if the advice is acted upon. My hope is that with this eBook, and the rest of them in the *People Side of Business* series, is that your action in implementing what you've learned (or been reminded of), helps your business become more team and goal-oriented, and as a result, more profitable than ever.

## *“I Know a Guy”*



If you're hiring your first employee you're going to hear from friends and relatives that they know someone who can help you. The conversation will begin, "Hey Joe, I know a guy who you might like. He is looking for a job now." The kind of information by someone who is familiar with the potential employee can be helpful in many cases. In addition, it can help eliminate a lot of legwork, frustration, and headaches.

But you have to be careful not to blindly trust your cousin Vinny or your neighbor's brother-in-law. Due diligence is required here. Make sure you check all references given. Also, check out the social sites such as LinkedIn and Facebook to see what your candidate has been up to. If he has excessive entries like, "Drunk again while enjoying my unemployment checks," you might want to reconsider hiring him.

Referrals from people who know you and know the culture of your business is the best way to get great talent on your team.

**Tip #1: *Use your trusted contacts for referrals, but do background checks***

# Effective Interviewing



**Employer:**

“In this job we need someone who is responsible.”

**Applicant:**

“I’m the one you want. On my last job, every time anything went wrong, they said I was responsible.”

Interviewing candidates for employment is one of those often-dreaded tasks a business leader faces. It is usually feared because of several reasons: We are afraid we might hire the wrong person, we are afraid of not hiring the right person, and we fear we may ask the wrong questions and receive a letter from an attorney within an hour.

***Tip #2: Take the time to thoroughly interview each candidate. Depending on the position to be filled, multiple interviews may be necessary. Consider taking the candidate to dinner with his or her spouse. You can learn a lot about how they will perform for you by watching how they relate to their spouse in such a setting.***

# Complete Orientation



Many businesses seek referrals from trusted friends, family, and peers and hire the candidate that is sure to fit in as a productive team member. Then, they are sure to cover all bases by conducting a thorough interview to ensure they are hiring the person that is perfect for the job. Then... they blow it! They throw the employee into the fire. They believe the work to be over after the interview and that the newest team member will simply pick up on how to get along with others, perform their job flawlessly, and be the greatest asset to the company since the purchase of the Keurig B100 coffee maker.

To really profit from proper people management, the new employee must receive the best orientation you can offer. Don't skimp on this step. The more complex the position you've hired for, the more time it will take to orientate this team member. Spend more time than you think to familiarize the employee with the culture of your organization and to explain not only how they are to function, but how their job fits into the whole scheme of the operation. Make sure that he or she knows how what they do contributes to the bottom line.

***Tip #3: Spend more time than you think is required to orientate the employee to their new position. Allow them time to get a feel for the atmosphere of your company and be sure to show them how what they do contributes to the success of the business.***

# Training for Profits



We've taken referrals, interviewed the candidate, made the offer, sent them through orientation, and we are now ready to watch them help us succeed. One of the biggest challenges we are often faced with when conducting a people audit in a business is that production (read profits!) is down because there has been no ongoing training for employees. Training is one of those areas that business leaders really want to see happen, but just cannot seem to make it so. They delegate it to others or throw training materials at the employees and tell them to make sure they know it.

Training needs to be conducted for all positions and provided by management. Other than the obvious fact of improving the performance of employees, two other reasons for performing ongoing training is that 1.) The importance of training coming from leadership is seen as management truly caring for the team members and; 2.) Continual training helps the employees to expand their horizons and improve their career path.

***Tip #4: Schedule training so that it is on-going. Place on a calendar for all to see the training periods and what type of training is included. Make sure that the training is relevant to the position and aimed at improving not only the team member's performance within the team, but for their individual development as well.***

# Throw Out Your Performance Evaluations



Business leaders that schedule an annual performance evaluation are setting themselves up for trouble. First, employees anticipate a raise at the end of the year, or whenever the performance evaluation is scheduled. When they don't get one, or don't get what they thought they deserved, their future performance is hampered and morale decreases. Second, the acts of annual performance evaluations have been used in court cases to prove that the employer discriminated against the employee especially when it was spelled out in the employee handbook that performance evaluations would be used to determine pay raises.

Finally, most annual performance evaluations are based on a rating system that puts the manager or evaluator in a tough spot. The original use of performance evaluations was to help point out where the team member shines and where they might need some help improving. Over time the evaluation got skewed and did nothing to help the employee or the business.

***Tip #5: Perform performance evaluations on a regular basis and don't tie them to a raise in compensation. In other words, take the time to review the performance of each team member regularly and informally. If the employee deserves a raise (we believe in pay for performance), then give it, but not solely based on an annual review.***

## Reward Regularly



Now that you know that annual performance evaluations are not wise to do, but improving the performance of employees through effective and timely training is, when should you reward your team members?

The most successful businesses have highly rewarded employees based on their industry and type of business. We've seen businesses do really well with really good people on board, only to fizzle out when their team members jumped ship for higher pay (rewards). In a nutshell: in order to keep the good ones, pay them well. Pay doesn't always have to come in the form of a weekly check. You can reward team members in some very creative ways.

Three examples to consider when rewarding employees: First, recognition. Recognize employees by publicly identifying them as someone to follow. Second, give the good performers the keys to the store for the day. Allow them to make some important decisions. Thirdly, pay not only for the employee's meal one evening, but for his or her family as well to show your appreciation for the employee and his or her family's support.

**Tip #6: Reward your good performers on a regular basis. Get creative in the process. For help, pick up the book, *1001 Ways to Reward Employees*, by Bob Nelson.**

## Keep the Communication Flowing



Even after doing all of the previous six tips correctly, businesses falter because they do not know how to provide effective, continual communication. Leaving employees in the dark about the big decisions of the business will kill morale. Team members began to feel that the leaders don't trust them and what loyalty there was begins to deteriorate.

Smart business leaders use every possible tool they can find to communicate with their team members. Some of these include updated mission and visions statements, employee manuals, emails, texting, business blogs, business intranet, company picnics, and holiday parties. The key is to constantly remind, refresh, and renew information to your team. A good rule of thumb is to never assume that your team knows what you are thinking or the direction you are heading. When in doubt, communicate.

***Tip #7: In order to keep your business on the track to success, you must communicate at every turn. Always err on the side of too much communication. I promise you, as long as it is relevant to their roles, it will never be too much.***

## Keeping the Best



*A middle-manager asked his boss for a salary raise because he was doing the work of three men. The boss said he couldn't increase his pay, but if he told him the names of the three men he'd fire them.*

Now that you have the best on your team, you need to keep them. If you've applied these *7 Tips for Creating a Profitable Business through Proper People Management*, you won't have to lose sleep over whether your team members are looking for other places to jump to. Yes, you will have team members leave for various reasons (e.g., spouse relocation, moving closer to family, winning the lotto! etc.), but it shouldn't be because they were not engaged in their job. It shouldn't be because they did not feel a sense of belonging, accomplishment, satisfaction, growth potential, or because they felt out of the loop.

You can keep the good ones by continuing to communicate what their job role is and how their performance contributes to the big picture of the business; by continuing to fairly reward them for those contributions; by providing updated training that will benefit them while helping the business; and giving them feedback that helps in their career development.

These 7 steps form the foundation for creating and keeping a good company team. There are other steps that can be taken to ensure a more engaged team as well as tips for staying out of court when it comes to hiring and firing employees and we will be addressing those within this People Side of Business series.

Wishing you a happy, productive, and profitable workforce!

Johnny Duncan  
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