



Hiring the Right Team

A small business owner will often start as a sole-entrepreneur and then add employees as the business grows. While a large corporation will hire people to run a Human Resources department to set up and sometimes manage the process for hiring, a small business owner needs to add this to their own repertoire of skills.

Often hiring is based on an urgent need; to get someone on the job fast. When that happens, the chances of hiring the right person for the right job drop drastically. Hiring someone to fill a role based on how quickly they can start will result in higher turnover of employee.

The cost of high turnover:

Factor	Cost
Lowered productivity: what is the value of the revenue was that person generating?	\$
Overworked remaining employees, or you: what is the value of the work not being done because you or your remaining employees need to pick up the slack?	\$
Hiring costs: How much will it cost to hire the new employee? This includes the hard costs of recruitment and your time.	\$
Training costs: How much will it cost to train the new employee? This includes any hard costs, and your time.	\$
Total	\$

Investing the time to hire and train new employees is a challenge for the small business owner because they are responsible for running the business. When they spend time working in the business, opportunities to grow may get missed.

Hiring for the Right Job

To ensure you attract the right candidates, it's important to have a role description. If you are hiring a replacement employee, it's still a good idea to go through this step. It asks to you think through what you really want as a candidate.

The role description will need to be clear of jargon, unless knowing the jargon is a part of the requirements. For instance, technology jobs have more acronyms than full words, but the right candidates will know what the acronyms mean.

Remember that the role description you are creating will be how you market to the candidates, so it can be more focused on that audience than on an existing employee. When

you've selected the right candidate, you can revise the role description, but be careful you don't change it.

Another thing to keep in mind is that in a small business, most of your employees will need to do more than just the duties in the role description. As the owner, you can delegate anything to your staff. The trick is to find the balance between key responsibilities and other duties. Too many other duties may get in the way of the key duties and not delegating enough can mean that you are working in your business more than working on it.

Your role description answers these questions:

- What outcomes do I need this person to produce?
- Can I combine other tasks into this job?
- Do I need specific experience in this position?
- What skills exist in my current team
- What weaknesses do I need to strengthen

Now you have your role description, you can write an ad and start recruiting. The ad is your marketing tool for attracting candidates. You can include a statement about your company culture, the things the applicant needs to be passionate about, and then the key duties.

There are many free ways to get new employees, LinkedIn, friends, family, and job boards. For more complex and higher paid jobs, you may want to work with a recruiting agency.

The Interview

When you prepare to interview your candidates, it's important to know what you want to hear. Not so that the candidates can give you 'right' answers, but so you can keep focus on what you need rather than on the great stories that candidates tell you.

Before you set up interviews, you need to make sure you have a manageable list of applicants. If you attract more applicants than you can interview, reduce the list to a manageable number by taking these two steps:

1. Remove any applicant who doesn't have the qualifications.
2. Do a phone screening interview and remove any candidates that didn't fit your expectations.

First, remember to check the laws of your province about what you can and can't ask in interviews. You don't want to face a lawsuit or get a reputation as a biased employer.

Next develop your questions:

There are two types of questions – behavioral and specific skills.



Specific skills questions are ones that can be answered by yes or no. For instance, if you need someone who can drive a truck, the question will be to ensure they have the right category of driver’s license.

Behavioral questions require a story. They also allow the less experienced applicants to give you information from outside their work world. Everyone has non-work experience that can be valuable to the job. Sometimes that gets missed if you don’t ask the right questions.

Behavioral questions start with lead-ins like; tell me about a time when you had to lead a group of people to complete a task. They can be answered with examples from experiences coaching a little league team for example.

Another example is to ask about a situation in which the applicant had to recover from a mistake. You follow up with, how did you handle it? The answer to this question can show you how the applicant deals with challenges, and what kind of errors they are liable to make on the job.

Asking the applicant if they have any questions is a good way to end an interview. The questions they ask may help you with your choice. And often the questions are about the applicant’s priorities, not yours.

After the Interview

Take notes during the interview and perfect your notes afterwards. You want to take notes to ensure you hire the applicant you wanted. Conducting multiple interviews for one job opening can leave you confused when it comes to a decision. And you don’t want to hire Jane when Mary was the applicant who had the experience you were seeking.

Making your decision can be easy if only one applicant fits the role, but often you have a choice of two or three people who will be a good fit.

Using a decision matrix can help you clarify which applicant is the best choice.

		ALTERNATIVES					
Model		Option A		Option B		Option C	
Criterion	Weight	Rating	Score	Rating	Score	Rating	Score
1	1	4	4	2	2	3	3
2	2	2	4	4	8	3	6
3	3	3	9	4	12	2	6
Total	6	9	17	10	22	8	15

Rating	Description
0	No fit
1	Low fit
2	Fit
3	Good fit
4	Excellent fit

Score = Rating x Weight



Pick 3 criteria that are important. Too many criteria and the weighting will be watered down, too few and you won't get a picture of the whole candidate.

Rank each applicant against the criteria and calculate their score. One should rise to the top.

Check references. Before making the offer, you will want to do some due diligence, at minimum that means checking references. While you can ask any questions you want, the past employer will probably not answer all of them. Because of privacy and fear of liability, most employers will not give a bad reference.

By asking open questions, you may be able to get what you need by reading between the lines. Asking if the past employer would hire the applicant again is one way to access information. If an employee left under good circumstances, you would expect the answer to be 'yes'.

When you decide to make the offer, you need to be clear on just what you are offering. This may be the first time you talk about remuneration or benefits. So, review what your expectations are before making the call. If you get into negotiations with the applicant, know where your limit is and stay within it.

On-Boarding

Take the time to on-board new people because you want them setup for success, and because you spent a lot of time and effort in hiring them.

Be ready when the employee starts. You are setting an example for the employee and if you aren't ready for them on the first day, it sends a message about how you run your business.

On day 1, this is when you introduce the new employee to your organization. Giving them information on where you've come from and what your vision is for the future. This helps them align with your goals.

Introducing them to the other employees, if you have them, and finding a buddy is a great way to integrate new people to the team.

At the end of the first week, there may be paperwork to fill out, but it's a good time to check in with the new employee; let them know if they are doing a good job. By this point, the new employee will have some perspective on the work environment, so you can talk about your expectations for their development and ask them what expectations they have.

The expectations can be very detailed at this point, like how long a lunch hour should be, or how to fill out a time sheet. This is the opportunity to reinforce the performance expectations.



At the end of the first month, you'll have a good idea if the new person is working out. They will still be developing their competence on the job, but you have the opportunity now to build a development plan and talk about your expectations.

Managing performance

When you hire someone, you are never quite certain if they will fit in with the team or get the job done the way you expect it to be done. The only way you know is to set some expectations and then review them with the employee. That's what the probationary period is about.

In the first 3 - 6 months, the employee is learning required skills and about expectations. It's important for the employee to know that they are on probation, for how long, and what the expectations are, so that they can work to achieve an appropriate level of performance.

The performance checklist is a table that you fill out at the beginning of the probationary period setting the expectations for the job. You use it to communicate to the new employee. At the end of the probationary period, you assess the employee's performance. Having the new employee do a self-assessment is a good way to understand their expectations.

When your assessment concludes that the employee isn't a good fit, be honest about that too. Follow the legal steps you need to take, and let the employee find a more suitable job.

The performance partnership is intended to help you set up and then review some performance expectations. When your employees know what is expected, they can work to meet goals.

Three step process for a full year of performance

- Step one – the beginning of the year, set up the goals and measures.
- Step two - review progress at least once throughout the year. If an employee only receives feedback once a year, there are too many opportunities to get off track.
- Step three - at the end of the year, you finalize the results and start again.

Correcting Performance

Why would you want to work with someone who isn't working out? Why not just let them go and hire someone new? Remember all the work you went through to hire a new employee. If you have to replace someone, you have to do that all over again. It's worth a little effort to help someone meet your expectations before you take a chance on a new employee.



When your employee isn't meeting expectations, you can start with a new performance partnership, one that covers a limited time period. Discuss the gaps with the employee and identify the problems.

- Is it a misunderstanding?
- Is it lack of training?
- Is it lack of capability?

When you've identified the problems, work with the employee to create a plan to close the performance gaps in a reasonable timeframe. The employee needs to clearly understand the outcomes whether they improve or not. Don't forget to meet with the employee periodically to review progress.

Most employees will improve their performance, or realize they are in the wrong job and leave.

Role Description Form

Job Title:	
Reporting relationship:	
The purpose of the job:	<i>This is one sentence that will help an applicant understand the role.</i>
Responsibilities and Accountabilities:	<i>A list of clear duties</i>
Key measurements of performance:	<i>If possible, identify what the measures of performance will be in the job. For example, a sales person may be measured on sales to existing customers and new customers. In addition they may be measured on a satisfaction rating.</i>
Specific skills or experience:	<i>Here you would list anything that is critical to the job. For instance, a call center employee may need to have experience selling the product they are expected to support/sell.</i>
Other duties:	<i>List the possible other tasks the person may need to take on.</i>



Interview Questions and Notes

Candidate name:
The goals: <i>This is where you will put the information to remind you what you expect from the candidate.</i>
Question:
Notes:



On-Boarding Plan

The first day:

In this section, enter the key things the new employee needs to know on the first day:

- The company
 - History
 - Vision
 - Goals
- Safety procedures
- Training
- Get them any security passes/access
- Introduce to others
 - Do they have a buddy for the first week?
- Their workspace
- Procedures/tools they will need

The first week:

In this section, list the items that the new employee needs to have learned/done by the end of the first week:

- Paperwork related to the job
- Basic duties
- Expectations
- Are they doing a good job

The first month:

In this section, set the expectations of what the employee will be doing/level of performance by the end of the first month.

- Expectations of results
- Development opportunities



Performance Checklist

Assess the employee against the agreed criteria.

Performance criterion	Measure	Below expectations	Met expectations	Exceeded expectations
Clear statement of task	Measurable outcome for an employee meeting expectations			
Clear statement of task	Measurable outcome for an employee meeting expectations			
Clear statement of task	Measurable outcome for an employee meeting expectations			
Clear statement of task	Measurable outcome for an employee meeting expectations			



Performance Partnership

Employee Name:		Position:		Start Date in Role:	
Division/Department:		Name of Reviewer:		Review period:	
Individual Performance Goals & Measures	Priority/Weight	Mid-Year Review	Year-End	Year-End Rating	
Goal:					
Measures:					
Goal:					
Measures:					
Goal:					
Measures:					

Summary of Discussion at Mid-Year Review	
Comments:	
Reviewer's Signature: _____	Date: _____
Employee's Signature: _____	Date: _____
Summary of Year-End Review	
Comments:	
Employee's Signature: _____	Date: _____
Manager's Signature: _____	Date: _____