

HR 101 for Smaller Employers

*Simple, understandable,
sustainable, and cost effective
HR answers!*

Sippel Glidden Bohan & Hicks, Inc.



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Simple, understandable, sustainable and cost effective HR answers...

For smaller employers, the HR problem is twofold. First, with limited or no in-house HR support, the CEO (or CFO in many cases) spends far too much time dealing with people issues. This is time that should be spent running the organization. Second, and perhaps more important, the organization's HR decisions tend to be disjointed, uninformed and without strategic focus. Given that success must be achieved through people, this approach to HR means that **the organization is very vulnerable**.

Less than favorable HR practices produce what are called 'profit grabbers'. These costs eat away at the bottom line and have a significant impact on profitability or financial productivity.

The 4 greatest profit grabbers are:

- **Turnover** - Employee turnover sabotages your bottom line to the tune of 150% of annual salary (or more) for each one leaving.
- **Compensation** - Paying too little (or too much). Both are equally dangerous. Subjective bonus plans have little value. Poorly designed benefits plans waste money with little ROI. Lack of attention to employee development and work environment breeds turnover.
- **Employee selection** - Not deliberately hiring the right people to sustain growth and meet future needs will soon result in capability gaps that will cost you money to correct or will result in missed opportunities.
- **Performance management** - Failure to align employees at all levels with business objectives and organizational goals results in lost productivity.

Additional profit grabbers lie in the myriad of laws, regulations, standards and employee policy issues to deal with. Who has time for all that? Diverting substantial management resources to handle these are themselves, additional 'profit grabbers'.

To see how your organization measures up, take a minute and take the **HR Vulnerability Test** below. If your score indicates that your organization is vulnerable, please contact Sippel Glidden today at hrr@sippelglidden.com or call 507-269-6878 for a no-charge, no-obligation consultation.

Be HR innovative, progressive and cost effective rather than HR vulnerable!

When you choose Sippel Glidden, you will be backed up by an expert team with many years of experience in human resource management services.

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Take the HR vulnerability test...!

	Yes	No
1. The company's mission, vision and values are well communicated	___	___
2. Pay is linked to performance for staff at all levels	___	___
3. Screening for all new employees includes behavioral competencies	___	___
4. There is a defined compensation strategy driven by specific business goals	___	___
5. Performance objectives for staff are regularly set and reviewed	___	___
6. Staff are formally involved in planning and resolution of workplace issues	___	___
7. Benefits programs provide 'value-for-money' and meet staff needs	___	___
8. Performance feedback is used to formally assess training needs	___	___
9. There are effective mechanisms for two way communication	___	___
10. Roles and expectations at all levels are well defined and communicated	___	___
11. All staff understand and apply privacy policies	___	___
12. New employees take part in a thorough orientation process	___	___
13. Performance reviews include feedback from several sources	___	___
14. Employees have safe access to confidential assistance for personal problems	___	___
15. HR policies are documented and consistently applied	___	___
16. Recognition programs consistently acknowledge employee contributions	___	___
17. Professional development activities are encouraged	___	___
18. Employees are coached for internal advancement and succession	___	___
Totals	___	___

If your 'Yes' responses total:

0 to 9 - Your organization is very vulnerable. Critical strategic HR processes are missing and there are numerous 'profit grabbers'.

10-14 - Your organization is starting to realize a competitive advantage through effective people practices. You are at risk, however, because all important HR considerations have not been dealt with.

15-18 - **Congratulations!** Your organization definitely realizes the importance of people to its success and is focused on achieving excellence. Programs must be sustained however, to ensure success.