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# THE SEVEN SECRETS

Behind Recruiting Superstars, Nurturing Them Into  
Linchpins and Building a Super Successful Business  
***While Still Remaining Legal and Compliant.***

*By Donna Obstfeld, MD of DOHR*

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Discover the secrets behind Recruiting Superstars, Nurturing Them Into Linchpins and Building a Super Successful Business...

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**Hi there,**

Thanks for requesting a copy of my guide on recruiting and nurturing staff –  
**I'm positive that it'll be really useful for you.**

**I've crammed as much as I can into the next few pages, and I've tried to cover what I feel are the most important subjects.**

Whether you're just starting out in business or you've been at it for years, I'm sure that this guide will highlight a few things you don't know – especially when it comes to legality and compliancy.

Because, you see, this is where a lot of business owners fall down. Lots of business owners don't have the time or inclination to take this stuff seriously, but the reality is that although boring, making sure that your business is legal and compliant is absolutely fundamental.

Anyway, I'll stop preaching to the converted for now (you have downloaded this guide afterall) – I hope you find it really useful. If you'd like to discuss any of the points I raise in more detail, feel free to give me a call on **01923 866058**.

Happy reading!

A handwritten signature in a light grey, cursive font that reads "Donna".

**Donna**

# Why I've written this guide....

I've written this guide because the reality is that most business owners don't have a clue where to start with this stuff. That's not meant as a criticism, it's just a pure statement of fact.

## **Let me explain why.**

You see, first and foremost, business owners are entrepreneurs. Their focus is on sales, profitability, survival and growth. The last thing they want is to be held back by someone telling them what they CAN'T do. Entrepreneurs aren't 'can't do' people; quite the opposite in fact.

The trouble is, in the world we live in, there are some things that you just can't do. You can't just do an 'Alan Sugar', jump up and down and fire people willy nilly and expect to get away with it and you can't employ people without making an effort to avoid discrimination. Because if you do try those things, they may well come back to bite you.

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And the last thing you want in business is for those little things, that are easy to do right, to have a negative impact on your business's ability to succeed.

That's why I've written this guide. I don't want your business to have a single chink in its armour and, by providing you with the facts and some advice, I hope to help you make your business as strong as possible.

**So, let's get started.... Here are the seven secrets you need to help you recruit, nurture and manage superstars, for the benefit of your company while still remaining legal and compliant - enjoy!**

*"When dealing with people, remember you are not dealing with creatures of logic, but creatures of emotion."*

**Dale Carnegie,**  
*American Writer (1888 - 1955)*



# Recruiting the best staff

One of the biggest challenges for all businesses is recruitment. The cost of hiring staff and paying their salary - added to the headache of employment legislation – is often enough to put off many potential employers.



*“Whatever you do in life, surround yourself with smart people who’ll argue with you.”*

**John Wooden,**  
*American Coach (1910 – 2010)*

## **But this is a mistake.**

The list of millionaires and award-winning entrepreneurs who credit their hiring policy for the success they’ve had is as long as my arm. Bill Gates, Richard Branson, Steve Jobs; all of them are very clear and candid when they talk about the importance of staff.

But while hiring staff is a vital part of building a successful business, I won’t pretend there aren’t pitfalls.

**Here are a few: >>**

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## **Going down the 'family and friends' route**

A massive problem seen a lot in small businesses is the hiring of family and friends. "I trust who I know and they won't let me down" quickly becomes "I can't tell my brother what to do" or "my Mum thinks she knows best". While they may be willing to accept less money, in most (but not all) instances they are not the best person for the role.

## **Poor interviewing**

Failing to interview properly will drastically increase the chances of you hiring the wrong person for your business. The well known mantra of 'hire slowly, fire quickly' is a very good lesson for all business owners.

Most business owners talk too much in their interviews. Best practice suggests that as the interviewer you should let your candidate do 75% of the talking

while you listen. Ask the questions – what have they done in the past, how and why? Are they the BEST person for the job you need them to do.

Ensure that your interview and recruitment process is thorough – it shouldn't just be a 15 minute interview. Test them on the skills they claim to have and spend as much time with them as you can – this is the only way you'll have a good idea whether they're the right fit for your company.

## **Discrimination**

This can often be a risk with recruitment. As an employer, you can no longer advertise a job with an age range attached to it or specify the number of years experience you require. Care must be taken not to discriminate against anyone based on protected features such as gender, sexual orientation, marital status, race, religion or beliefs.

# Writing the **right** contracts

*“A verbal contract isn't worth  
the paper it's written on.”*

**Samuel Goldwyn,**  
*American Film Producer (1882 – 1974)*



I'll be frank, it's frightening how few small business owners actually implement a proper contract of employment in their business. To cut a long story short, not having contracts for your employees massively increases the chances of disputes, tribunals and fines. Here are some things you need to consider when implementing contracts for your staff:

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## Employee vs Worker

When you first start thinking about HR, it's crucial to establish the exact legal relationship between the business and its workers. Are they paid employees or are they contracted workers?

As a general rule, if a person carries out work for your business, using your equipment and facilities, takes direction from you and does not work for several other businesses, then the chances are that they are considered an employee. Conversely, if they use their own equipment, don't submit to your working hours, work for other businesses and are working for a specific amount of time, then the likelihood is that they should be considered and treated as a sole trader or a limited company.

Getting this right is vital. You may consider someone to be a contractor rather than an employee, but if you're wrong, this can have severe repercussions for your business with both HMRC and employment legislation requirements. It is not about how you want to employ them, it is about how they are engaged and the law then determines their status.

### The actual contract

If you employ employees, a statement of the terms and conditions of their employment is a legal requirement.

Within a small business, this provides you with an opportunity to provide a comprehensive contract of employment; making it clear where you both stand on specific matters. You can include your policies and procedures, so that your employees know what is expected of them and you and any managers have a mandate to manage.

# Implementing an **employee handbook**

Whilst an employee handbook isn't a prerequisite for every business; if you employ **10 or more** people or your staff are split over multiple sites then it's a really smart way to ensure that your employees are all singing the same tune and also giving you a mandate to manage if they're not.

Your handbook should outline, in plain English, your expectations and your employees' rights regarding certain aspects of working life. It will typically include policies, procedures and processes for absence management, performance management, health and safety, company cars, dress code, diversity and a code of conduct.

It's important that you write your handbook in a way that reflects your company culture – if you're a fresh, vibrant company and your handbook is dull as dishwater this sends a very confused message to your staff.

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All staff should be given a copy of your employee handbook and sign to agree that they will be bound by the contents of it. If you wish to make changes to the handbook, staff need to be informed. There are some elements where you will need to consult with staff ahead of making changes.

*“A productive employee who is kept busy working at his or her job is far more likely to be happy at that job and less likely to look for employment elsewhere.”*

**Zig Ziglar,**  
*American Author (1926 – 2012)*



# Managing performance

This really is a secret, and very few business owners ever really get to grips with this vital element of running a successful business.

*“My main job was developing talent. I was a gardener providing water and other nourishment to our top 750 people. Of course, I had to pull out some weeds, too.”*

**John Wooden,**  
*American Coach (1910 – 2010)*

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Even if you're amazing at what you do, you're never going to grow something big by doing it all yourself, which means that you need to maximise the performance of the people you get in to help you.

Performance management should begin on your employee's very first day. A clear job description, a proper schedule and a well-planned probation period with regular reviews are ALL essential. Without them, your employee will have little idea of what's required of them, and this could result in something of a mess if you decide to dispense with their services at some time in the future.

At all stages in a person's career, you should set SMART goals for your employees (specific, measurable, achievable, relevant and time-bound)  
**- this really is the best way to manage performance.**

If an employee is failing to perform as required, is failing to meet their goals or making lots of mistakes, then it's vital to put a performance improvement plan in place. This can be as part of a disciplinary process or as a stand-alone procedure and may include training, regular review meetings or more clarity and support from other people within the business.

**Ultimately, if performance doesn't improve, you may choose to dismiss the employee but, should you do so, be sure to follow a proper procedure. Even if your employee has performed poorly, you may still be in the wrong if you haven't followed the right procedure.**

# Creating a company culture

*“Developing a good, healthy culture is extremely important at a startup. Culture reflects the essence of a startup’s operation because it directly affects the success of a company’s hiring practices and overall strategy.”*

**Scott Weiss,**  
*American Businessman*



This is one of the biggest challenges facing business owners in today’s climate, but it’s absolutely vital that a lot of your focus goes into getting this right; with your existing employees as well as with new employees.

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Before you start thinking about your company culture, it's important to recognise that it's not just about the 'look and feel' of your business, but also the behaviours both internally i.e. between employees and / or managers and externally i.e. between the business and its clients, suppliers and stakeholders.

Having a conflict of culture results in a lot of mixed messages and ultimately this won't reflect well on the business as a whole. Companies can stand or fall by their reputation – as an employer, as a provider of products and services, or based on their approach to the environment or corporate social responsibility.

Ultimately, your business is your baby and if you want to work in a specific type of environment, if you want your staff to behave in a certain way and you want to be perceived by your customers to hold a defining 'something', you need to create that culture, it is not going to happen on its own. You need to define it, develop it and nurture it so that it becomes natural and part of the way we 'do things around here.'

# Training and developing **your stars**

Training, development, learning, feedback, performance reviews... whatever you want to call it, getting the best out of your staff is essential for businesses who want to succeed; no matter what size they are.



*“The best training program in the world is absolutely worthless without the will to execute it properly, consistently, and with intensity.”*

**John Wooden,**  
*American Coach (1910 – 2010)*

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Let's face it, you spend a lot of money on staff. Probably a sizeable chunk of your turnover once you take salary, taxes and pension into consideration. And if you're not getting the best out of them, then you're essentially wasting your money. All of this adds up to one salient point – if you're not investing in training and developing your stars, your business isn't as successful as it could be.

Too many business owners regard training as an obstacle to work. Rather than seeing the day in which their employee isn't in the office as an investment, they see it as a cost. This is the wrong way round. Business expert Chet Holmes sums it up really well with the analogy of two people chopping wood in a forest:

The first person chops wood all day, the second person keeps stopping every now and again. At the end of the day, the second person has chopped more wood. The first person is perplexed and asks the second person how he's managed to chop more wood. The second person answers by explaining that he regularly stopped to sharpen his saw.

**Give your employees time to sharpen their saws, and the results for your business will be vastly improved.**

# Rewarding your people

When your people do a good job, they should be rewarded. Broadly speaking, rewards can be divided into two groups – transactional and relational.



*“Paying your employees well is not only the right thing to do but it makes for good business.”*

**James Sinegal,**

*American Businessman, (1936 - )*

## **Transactional rewards**

Transactional rewards are very much based on the compensation and benefits you provide your staff with – base salary, bonuses, health insurance, pension, lifestyle discounts and so on.

It's important to ensure that the transactional rewards you offer are in line with what else is going on in the economy, your industry and your business – rewarding an employee poorly for a job well done when the economy is growing, your industry is

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booming and your company is making good money is not a great way to build trust, motivate, incentivise and retain good staff.

## Relational rewards

Relational rewards are less tangible than transactional rewards, but if they're done right, they can be just as valuable and sometimes more so. These rewards include learning and development opportunities and chances for career progression and the culture / environment in which employees are required to work including parking facilities, the provision of a games room, the working hours and the ability to work from home.

## When considering your reward package you need to consider:

- *What can you afford?*
- *What is industry standard?*
- *Are there any geographical impacts?*
- *What do your competitors offer?*
- *What motivates your staff? (Don't guess, ask!)*

# About The Author

***Donna Obstfeld*** graduated in Business and Psychology and is a Chartered Fellow of the Chartered Institute of Personnel and Development (FCIPD) with over ***20 years experience in Human Resources (HR) and management.*** Past employers include Dixons Stores Group, TK Maxx, Metronet SSL, Securicor, West Herts College and Hewitt Associates.

Donna does not use the term HR Consultant or HR Manager when describing herself; she is a businesswoman first and foremost and her specialisation happens to be HR – the management of people within a business and for the success of that business. As many of Donna's clients have discovered, this expertise and approach brings their business significant added value.

Donna is founder and Managing Director of award winning HR practice, DOHR.

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