

## THREE HR MISTAKES TO AVOID

Prior to understanding the impact of these three “HR mistakes,” we must understand the breadth of Human Resources. Many people understand this phrase differently based on experience or lack of experience, so what is the actual definition of human resources? William R. Tracey, in *The Human Resources Glossary* defines Human Resources as: “The people that staff and operate an organization.” Though this is a rather simple definition, HR encompasses a wide array of critical aspects including the following:

- Policies & Procedures
- Benefits Administration
- Career Development
- Communications
- Leadership/Management Training
- Laws and Compliance
- Recruiting/Staffing
- Team Building
- Change Management
- Coaching/Mentoring
- Motivation/Retention
- Employee Performance
- Payroll Administration & Taxes
- Safety/Risk Management
- Record Maintenance

Overwhelming, yes! Especially from the small to medium sized business perspective. From our experience with clients over the years, CBR has come up with three of the most common HR mistakes that may slow your growth and impact your bottom line! The toughest part about these mistakes is that you generally don't notice them until the damage has been done.

### The Top Three HR Mistakes & How to Fix Them

#### Mistake #1 - Playing Referee

Managers frequently spend a great deal of wasted time solving personnel problems instead of letting employees handle them on their own...playing a rather destructive game between teams or employees! When you play referee you encourage the childish behavior, increasing your headaches and reducing productivity. It is imperative that any type of conflict get resolved as soon as possible...unfortunately, this can include getting rid of a particular staff member when the situation warrants.

\*When conflict does occur, the following “Don'ts” are essential for proper resolution:

- **Do not avoid the conflict, hoping that it will go away!** It won't! Even if the conflict appears to have been put to rest, the tension will arise again whenever stress increases or a new disagreement occurs.
- **Do not meet separately with people in conflict.** Meet with both together to allow them to summarize their points of view and describe specific actions they would like to see the other party take to resolve the differences.
- **Do not believe that the only people affected by the conflict are the participants.** Everyone in the department or office will be affected by the stress and will feel as if they are walking on eggshells. This contributes to the creation of a hostile work environment for other employees!

The steps above assist with existing employee issues. But what are some ways to avoid future work conflict?

- **Create a work environment in which healthy conflict is encouraged by setting clear expectations.** If organizational goals are aligned and all employees are moving in the same direction, healthy work conflict about how to get there is respected. If you are a manager or team leader, ask others to express their opinion before you speak your own.
- **Provide employees with training in healthy conflict and problem solving skills.** Your staff will benefit from education and training in interpersonal communication, problem solving, conflict resolution and particularly, non-defensive communication. Goal setting, meeting management, and leadership will also help employees exercise their freedom of speech.



- **Be Proactive with Team Building.** Are there clear expectations from upper management ensuring that all members understand why they are participating? Is there complete commitment to participate with understanding of their goals and the teams? Does the team feel that all members have the knowledge, skill and capability to address the issues for which it was formed? Is there appropriate collaboration between members and does everyone understand the roles and responsibilities? Are team members clear about the priority of their tasks and is there an established method to give feedback and receive honest performance feedback?

## Mistake #2 - Poor Employee Communication and Documentation

Avoid the hassles and liabilities of communication issues between employees and/or departments with a proper paper trail. There are also many conflicts that can develop due to lack of or poor documentation. Follow through and document any type of personnel issues such as misconduct, poor attendance etc. and make sure that they understand the process and possible consequences of their actions. If documentation is not handled appropriately, terminations and other HR changes can be met with resistance and may often lead to lawsuits.

Develop an HR Handbook and have your new employees sign off on the company procedures as part of the hiring process. First and foremost, this will establish consistent expectations and standard rules of conduct for all employees.

The following guidelines will assist in determining if a policy is needed in the first place:

- If the actions of employees indicate confusion about the most appropriate way to behave (dress codes, email and Internet policies, cell phone use),
- If guidance is needed about the most suitable way to handle various situations (standards of conduct, travel expenditures, purchase of company merchandise),
- When needed to protect the company legally (consistent investigation of charges of harassment, non-discriminatory hiring and promotion),
- To keep the company in compliance with governmental policies and laws (FMLA, ADA, EEOC, minimum wage),
- To establish consistent work standards, rules, and regulations (progressive discipline, safety rules, break rules, smoking rules), and
- To provide consistent and fair treatment for employees (benefits eligibility, paid time off, tuition assistance, bereavement time, jury duty).

There may be other reasons, additionally, for why you may want to develop a policy. Remember, though, that one employee's poor behavior should not require a policy that will affect all other employees.

## Mistake #3 - Bad Hiring Practices

Bad hiring practices result in losses for the company...whether from theft, lost productivity or hiring unqualified applicants. According to the Harvard Business Review, 80 percent of turnover is caused by bad hiring decisions! And the U.S. Department of Labor calculates that it costs one-third of a new hire's salary to replace him. This includes money spent on recruitment, selection, and training plus costs due to decreased productivity as other employees fill in to take up the slack.

What is the most neglected aspect of hiring? Job analysis! You have to know what you are looking for before you can avoid hiring the wrong person. Performed correctly, a job analysis provides a list of the personal attributes required to work effectively in the role. This list is identified by first breaking down a person's job into logical parts. The next step is to analyze each job task according to the knowledge, skills, abilities and attitudes required to perform the job. Once a business knows what the position requires, the hiring process is faster and more effective because job candidates are evaluated on a common set of criteria. When you know exactly what talents are required, you know what to look and test for!

Once a business understands what the job demands, there are additional tools that can help identify the right people for the job. This includes candidate screening, personality and skill assessments, performance-based interviews and behavioral based interviews. Many companies utilize a variety of these techniques to ensure the right fit.



So, how do you hire correctly then? \*The following steps will help you to hire and maintain top-notch staff for your organization, avoiding the HR pitfalls that can have a negative impact on your bottom line:

Determine the NEED for a new or replacement position. Think creatively about how to accomplish the work without adding staff (improve processes, eliminate work you don't need to do, divide work differently, etc.).

Hold a recruiting planning session with the recruiter, the hiring manager and, potentially, a coworker or internal customer. If it is not a new position, it is critical to obtain input from the existing employee that is handling those duties or the manager of that new position.

Develop and prioritize the key requirements needed from the position and the special qualifications, traits, characteristics and experience you seek in a candidate. Agreeing on these ahead of time will keep you from compromising in the decision step.

Develop a job description and salary range – Work with the HR and the hiring departments to develop a proper job description and salary range. The correct salary range is crucial for attracting the right candidates. Don't be tempted to broaden your range too much.

Post the position internally on your job tracking bulleting board for one week. If you anticipate difficulty finding a properly qualified internal applicant, state in the posting that you are also advertising externally.

Phone screen applicants to determine if their qualifications, experience, workplace preferences and salary needs are congruent with the position and organization. The telephone interview saves managerial time and eliminates unlikely candidates.

Hold a behavioral job interview with each candidate – This will identify candidates who have the behavioral traits and characteristics that you have selected as necessary for success in a particular job. These interviews also allow you to pinpoint specific instances in which a particular behavior was exhibited in the past. In the best behaviorally-based interviews, the applicant is unaware of the behavior the interviewer is verifying.

Assess candidates following the job interview – Have each interviewer complete a “Job Candidate Evaluation Form” and hold a post-interview meeting to discuss the applicant's qualifications and ability to fit in with the team or department. Fitting in to your culture can be just as crucial as the skills for the job, in many cases.

***Good hiring practices will reinforce and strengthen your brand and your bottom line!***

Managing people is never a science, but addressing these three mistakes should greatly increase your performance as a manager/owner. Many times, people think benefits and pay are the only things that matter. Not so! Though these are important, candidates also want a work environment where they are respected and can be productive.

**For assistance in these, and all other areas of Human Resources, contact Creative Business Resources at 888-700-8512.**

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1 Compiled from the “Checklist for Hiring Employees” at [humanresources.about.com](http://humanresources.about.com).

