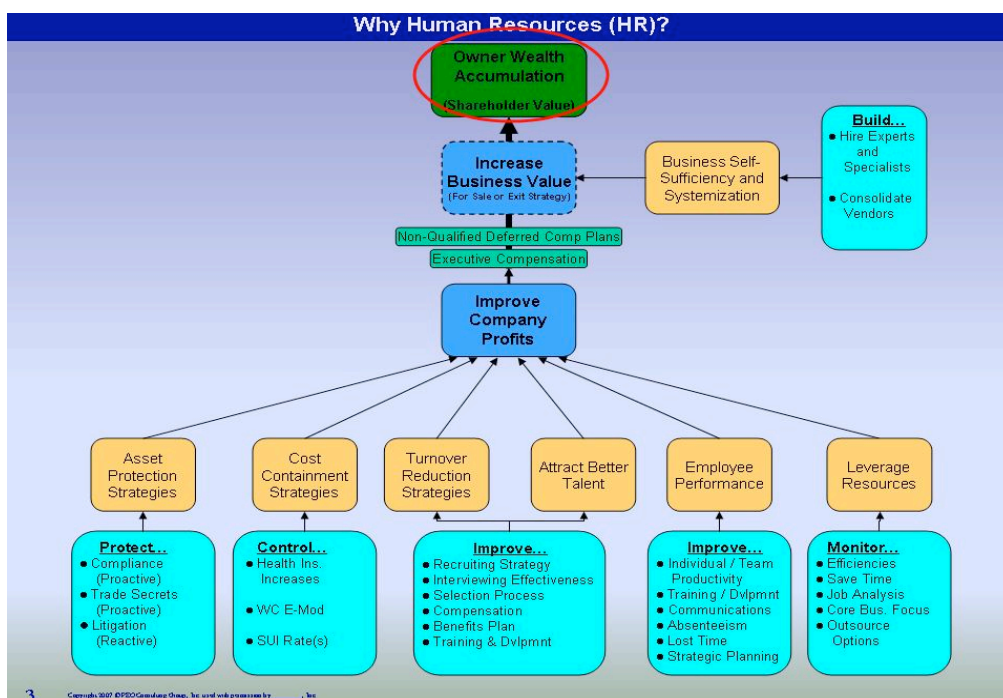


How Human Resources can improve Business Owner Wealth Accumulation and Shareholder value

This is the third in a seven part series which examines how human resources can improve Business Owner Wealth Accumulation and Shareholder value. In the last article I asked the question:

If a company could get verifiable human resources expertise, services and products for a reasonable investment, and the mission was to assist in going after some of the profits being left on the table, and proactively work to minimize the chances of the disaster happening would that a sound business decision?

Based on the following model this article will address the issue of attracting better talent.



Attracting the best talent available is the single best way to reduce turnover leading to increased shareholder value. When confronted with the issue of attracting key talent the first question I would ask any business owner is simple. Why would someone want to work for you? Do you offer outstanding pay, benefits, and working conditions? Hard to do you say? Of course it is, so how do you compete?

On the issue of pay it is unlikely that your small business can compete with larger organizations. Certainly not for every position but perhaps for key ones. Employees work for much more than pay, such as the opportunity to work for a company where you can make a difference, a boss you respect, an enjoyable environment, just to name a few. I would suggest that key jobs be compensated as close to the market as possible, and if you are unsure what that the market is there are a number of free resources available to you such as websites like salary.com.

Offering competitive (big company) benefits creates yet another challenge. Since you do not get the benefit of buying in volume one alternative might be to hire a Professional Employer Organization (PEO) to increase your buying power. Some associations can also assist you in this area.

The good news is that great working conditions and the ability to create an enjoyable work environment are entirely under your control. Have you thought about your culture? What kind of company are you to work for? While there is no right answer here, consider what most employees are looking for. The ability to have input into the decisions of the company as well as job flexibility is also a key. I would consider what large companies cannot offer and perhaps you can.

The next issue is how to find that “great employee” I would recommend the following steps:

1. Review and/or write an accurate job description without one how will you know what areas to cover in the interview?
2. What are some of the projects you expect the candidate to complete in the next six months? Knowing this allows you to ask questions which will show if the candidate has completed such tasks in the past.
3. What personal attributes do you need? Will this person fit the culture you are trying to create?

4. Consider the “Gotta Haves” vs. “Nice to Haves”. A “Gotta Have” is something that the applicant must have or they will fail. I would identify 3-5 such items and concentrate on these in the interview. A “Nice to have” is an ability and/or trait that you would like to see the applicant possess but is not critical to their success on the job.
5. Remember, they must have ALL of the “Gotta Haves”. Unlike baseball 1 out of 3 does not put you in the hall of fame.

Now it is time for the interview. For more on this see our four part interview series on the GHRO blog at www.ghrogroup.com.

In our next article in this series we will look at Employee Performance and ways of ensuring the most productivity from every employee.

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