

Hiring, managing
and rewarding
your employees:
**A guide for small and
growing businesses**





“The CEO is the curator of an organizational culture. Everything is possible for a company when its culture is about listening, learning, and harnessing individual passions and talents to the company mission”

– **Satya Nadella from his book Hit Refresh**

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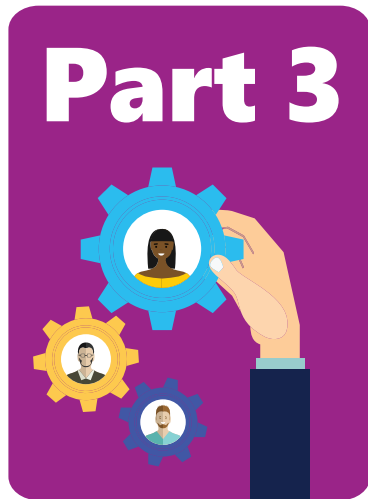
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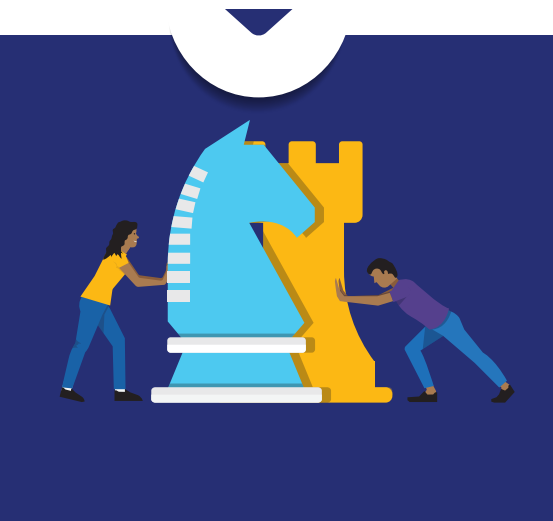
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Part 1



People Strategy Fundamentals

What is this?

This SME Toolkit has been developed by Microsoft to guide small and growing businesses through the critical areas needed to hire, manage and motivate employees effectively.

This toolkit will also assist the human resources department or business owner to optimize the team by empowering the team to do more extraordinary things on behalf of the organization, through motivating people in the company. The people strategy toolkit can assist in developing a fully-fledged human resource management plan as your business keeps on growing.

Tip: There could be points that may be common to all companies for developing an HR management plan, but like with all business, a one-size-fits-all does not apply, and some elements will be unique to your business.

What is People Strategy?

Your business is only as successful as your employees are. A people strategy helps you manage and nurture your employees to get the best out of them, in line with your business goals.

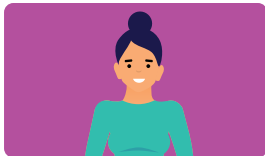
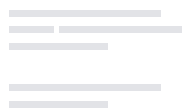
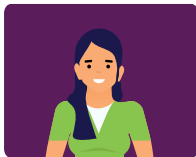
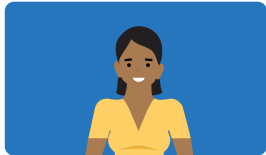
Commonly referred to as Human Resources Management (HRM) or Human Resources (HR), people strategy deals with how to:

- Determine the resources needed within the company aligned with the business goals.
- Attract talented candidates to work at your company.
- Create an ideal working environment for you and your workforce.
- Set clear expectations and deliverables for people in the company.
- Get the best out of your employees.
- Document process and procedures within the company with a clear view to nurture the company culture.
- Comply with legal and contractual employment obligations.
- Clarify the regulations that should be followed and the actions that will be taken if a contract is not honored.

Essentially, people strategy is employee management with an emphasis on employees as assets of the business. The goal is to make effective use of employees by reducing risk and maximizing return on investment. The person or department responsible for people strategy will also create, implement and oversee policies governing employee behavior and the behavior of the company towards its employees.

At the heart of it, people want to come to work, do a good job, feel like they make a difference and be recognized for their work. People strategy can help you achieve this – for your staff and your business.





Why do I need this?

When you think about your business' greatest asset, what comes to mind?

You may consider your fleet of trucks, your state-of-the-art coffee machine, or, perhaps the office building that you decided to buy, rather than rent.

While these items are vital to the running of your business, the truth is that if you don't have committed drivers behind the wheels, expert baristas creating the coffee and motivated, talented staff sitting at their desks, these material possessions are not worth all that much.

People – your employees – are the most important assets of your business. How they perform will determine your success.

The people strategy plan is essential to the written document that details the people side of the overall strategy of the business goals and outlines the company's approach and relationship with its employees.

Read more: [➔](#)

What are the risks if I don't do this?

Is HR an afterthought? By not planning your people strategy effectively, you are leaving your business open to potentially damaging risks. While some of the risks of not having an HR plan in place are tangible, such as legal and safety risks, most of the risks are more difficult to pinpoint but can be just as damaging.

Lack of employee motivation and productivity, for example, can hinder your business' financial success, as well as harm relationships with your clients. It is essential to build a relationship of trust with employees. The people strategy approach is one of the tools to accomplish employee trust. The business goals are communicated through the onboarding process. Clear communication about the role of the employee in the overall business should be shared as well. This will also form part of the culture of the company to ensure brand representation for the business.

Below, we have listed only a few of the key risks of not implementing a good people strategy plan:

When approaching your HR strategy, there should be a clear roadmap in the form of a detailed plan or matrix. This will include timelines, deliverables, tactics and channels. Most importantly, you need to focus on your goal, and the plan should map to this objective. This keeps everyone on the same page and ensures that your efforts are consistently mapping to the same objective and reinforcing it.



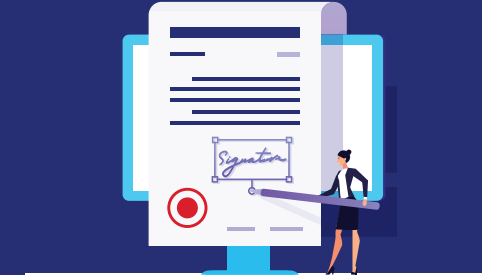
Critical Skills Shortage

- Not having the right employees in place with the skills you need to compete, innovate and grow, can hamper your business' future. An HR strategy and staff training plan ensure that you have skilled professionals working for you at all times.
- The skills required of employees in a small business very often differ from those skills required in bigger organizations. Employees are often required to have much broader skills as they multi-task and deliver across a wide variety of needs.
- Succession planning plays a critical role in leadership development. The business should invest time and money to develop the leadership pipeline.



Unethical or Unprofessional Employee Behavior

- While you may assume that your employees will behave ethically and morally when representing your company, this is not always the case.
- A people strategy will communicate what behavior is expected of your staff, and what is deemed unacceptable. Small business employees are often expected to deliver almost immediately without proper onboarding and training.
- It is highly recommended to have a guided onboarding process for all staff members, this will also convey the culture of the business and the communication channels to follow in a professional manner.



Intellectual Property Leaks

- If your staff are responsible for, or have access to, sensitive data, HR needs to make sure employees are aware of the confidential nature of the information and what the consequences will be if this is shared with others.
- It is important to cover intellectual property as part of the contract given to the employee.



Hiring Fraudulent People

- A good people strategy will include a hiring and screening process to help you find out if your potential employees have criminal records, bad track records with previous employers and other information that you need to be aware of before hiring.
- Avoid falling into the trap of avoiding recruitment agency fees by using your own family and friend networks to recruit. Even if these networks are tapped into, make sure you do proper reference checks. It is said that the first ten employees of any business often determines the culture of that business for the remainder of its lifespan.
- Fraud, corruption, theft and unethical practices are some of the contributors to companies losing large amounts of money and their reputation due to fraudulent hires.



Employee Contract Issues

- A contract of employment forms the backbone of the employee-employer relationship. You need to express employment terms and obligations clearly in writing. This includes working hours, annual leave days, sick leave, probation period (if applicable) and notice periods in the case of an employee's resignation, among other relevant points.
- It is important to consider a probation period in countries where these are allowed, as employees are often not able to manage the pressure that comes with working in a small business.
- It is essential to cover the operating procedures expected from the employee if the business operates remotely (work from home)
- The employee contract should also comply with the general conditions of work pertaining to the specific country to reduce the noncompliance and liability of legal costs if a contract is terminated.



Low Office Morale

- Good HR practice will help you to create a pleasant, nurturing and exciting environment in which your employees can thrive. Without this strategy in place, you could have talented employees who do not perform to the best of their abilities, or unsuitable staff members in key positions.
- People strategy sets the fundamentals for the culture of the business through the documentation process and onboarding. Poor talent management could lead to low productivity and employee dissatisfaction.
- Since small businesses are often made up of virtual teams, it is important to include a strategy around how these teams can effectively collaborate and remain productive while ensuring the upkeep of employee morale.
- It is important to communicate the virtual culture of the company

Read more [→](#)

Can I do this myself or do I need a dedicated department/agency?

While it might seem like an unnecessary cost when you are just starting your business, you will save time, and often money, in the long run, by utilizing a people strategy function from the start.

With this said, you must take a close, honest look at your own business to assess what is needed from an HR point of view. Depending on the size of your organization and the complexity of the legal landscape, you can choose whether to handle people strategy internally (by an individual or a department) or to outsource this function to an agency.

If the function is handled in-house, there are various people strategy technology platforms that can assist the HR individual or the department in your business. These platforms will complement the people strategy of a company to create a conducive environment for employees, managers and the business owner.

If you prefer to go the agency route, various agencies have tailor-made packages specially for start-up entrepreneurs to assist them with this important function in the business, selecting the right people for the job but also for the company.

Tip: While organizations might try to cut costs by not having a people strategy in place, the reality is that even small businesses need an HR approach. And will save a lot of money in the longer term.

You may not need to hire a full HR department; one person could handle the people strategy duties of a small business. Or, you could consider hiring a part-time HR consultant or choose to outsource your strategic people management to an external firm. A Virtual Assistant with an HR background could also be used.

As an employer or manager, it will be your job to ensure that you are managing your staff effectively in line with the people strategy in place. You will often be faced with the conundrum of finding time to manage people whilst delivering on requirements for clients. If you have skilled employees, your workload as a business owner will be less, so upskilling employees is essential.

Various HR management tools are available online to assist an employer or manager in managing the end-to-end process to recruit, employ, onboard, conduct exit interviews, and the daily HR management functions as set out in the company strategy. 



It will also be essential to include a policy to work from home (virtual working policy). This policy should also include and consider the company's overall communication plan, to ensure that employees have clarity and understand the requirements and what would be expected from them, especially when working in different time zones.

How do I ensure this meets my broader organizational goals?

STEP What does success look like?

01 People strategy must understand the business' broad strategic goals and direction. If these aren't clear to all parties involved, it will be an obstacle for the business. It'll also be challenging to align and support what should be considered when developing the people strategy to be aligned with the business goals:

- "What are the business' Key Performance Indicators?"
- "How can people strategy play a role in helping to drive those KPIs?"

The responses to those questions should present clear directives for HR, such as:

- Reduce cost.
- Increase productivity.

STEP Align and set your people goals

02 Once you've clearly defined success in your organization, it's time to articulate the goals of the people strategy.

STEP Set out specific actions to reach the goals

03 One of the goals may be to increase staff retention. This is a statement and not an action. To action this statement and measure the success, it could be a regular tactic such as distributing employee satisfaction surveys once a quarter to measure employee wellness. Some questions that may assist with this measurement can be:



- What's the most challenging part of your job?
- How can the company improve?
- Rate your satisfaction with your compensation.

Use the data from this survey to implement specific retention tactics. For example, if many people are saying that the culture needs to be improved, you could begin a culture club or team to address the issue. Also, evaluate the efficacy of the onboarding process and if the culture of the company is genuinely represented through the process.

STEP **Get everyone to buy-in and on the same page**

04

To achieve true alignment, you need to get everyone at the table more than once. Once you've created your people strategy plan complete with specific actions, that you return to your business leaders, get them involved and make sure they feel your system truly aligns.

STEP **Measure**

05

Whether this is your first or fifteenth time aligning your people goals with your business, it's of the utmost importance to measure your progress. If you want to demonstrate how HR is supporting your business definitively, you need to have the data to back it up. While this may seem obvious, only 25% of organizations have relevant HR data available to share with key stakeholders.

Here are some examples of the type of action measurement that can be helpful to stakeholders:

Employee satisfaction surveys:

- Conduct employee satisfaction surveys at set intervals (e.g., every quarter or year). Compare the surveys to previous ones to see if any progress was made and where.

Digitize onboarding paperwork:

- Compare time and cost for onboarding before and after digitizing to see where savings have been made.

Aligning HR goals and business goals don't need to be an overwhelming task if you break it down into steps, set clear goals, and measure along the way. So, why aren't more HR departments taking these steps?

The reality is if HR professionals are too busy filling out paperwork or answering benefits questions, they'll never have the time to do the crucial functions necessary for true alignment. Having one tool that decreases all this repetitive work is an efficient and smart way to free your HR owner to focus on more strategic tasks. Without HR fully at the table, your company is missing out on the perspectives and strategies that are necessary for success.

Tip: Making use of technology to streamline administrative processes can save a business time and money: →

Part 2

Hiring Employees

How do I go about hiring employees?

Finding the right person for a job takes time and can be a significant financial investment, especially if you rush the process and end up hiring someone who is not suitable, underqualified for the position, or who does not match your company culture.

There are two ways to go about hiring people. You can consider promoting an existing employee or look for someone externally. Both have their advantages. When recruitment / promotion happens internally, it is sometimes more productive, saves money and improves staff morale when they see there is an opportunity for growth within the business. Also, if someone is promoted within the business, less training may be needed as the employee already understands the company culture and processes.



VACANT

If you prefer to hire people externally because of a skills shortage or a new position being created within the company, there are several ways you can go about hiring people. You could do it yourself by placing advertisements or scout for talent at networking and career events, or you could hire a dedicated recruitment agency or consultant to do it for you. This is often the best option if you don't have a Human Resources department.

Whichever way you decide to recruit the following should be taken into consideration:

- The people strategy plan.
- The overall business goals.
- The company sales pipeline and current contracts.

If the company's sales pipeline is more project-based, it may be better to employ independent contractors for the duration of the project rather than a permanent employee.

Every country has its own set of laws when it comes to hiring people. In South Africa, for example, employers are governed by legislation relating to basic conditions of employment, labor relations, skills development, occupational health and safety, and employment equity.

Tip: You must familiarize yourself with the labor / hiring laws applicable in your country. Ensure that your business complies with the policies and procedures.



How do I develop and share a job advert?

A job advertisement means you're selling your company to potential employees. Know your audience, address them in a language they understand, and tell them what's great about the position and the company.

Think about your company culture and brand that are visible on social media. People want to be part of what they have seen online.

Remember, you're talking to people, so user-friendly, familiar phrases and addressing the reader directly for example, "You will work closely with the marketing department" sounds warmer than "The ideal candidate will work closely with the marketing department".

Long advertisements detailing every responsibility of the job can overwhelm candidates and deter them from applying. Keep your advertisement short and focus only on important requirements. This way will ensure that only the most qualified candidates will apply.

A job advert is often the first experience people will have of your business. Make it a positive one and try to respond to every candidate, even the unsuccessful ones.

Your hiring strategy should be targeted. If it's not, you'll likely be flooded with applications from unsuitable candidates. The recruitment platforms make use of data-driven processes in the backend to ensure that the advertisement is targeted to the right group of people so utilize this function to enable you to receive applications from top candidates.

There are various recruitment platforms. Depending on your company's needs and industry, the most suitable platform should be selected. LinkedIn is one of the most well-known platforms internationally:

Read more: [➔](#)

Tip: Remember to tailor your advertisement to the platform you're using. A job advertisement on Twitter will look very different from one on LinkedIn.

Next, write up a detailed job description for the position you want to fill. If your organization requires it, the job specification should be circulated internally. Set up an interview team comprising of people from various departments in your organization, if you have more than one department. You will get different viewpoints on candidates, and one person might pick up on something that others have missed.

Some tips on writing a job description:

Attract attention

The headline should convey something interesting about the position, to stand out between all the other advertisements. Remember the right keywords as positions are advertised on digital media so keywords are important.

Set the tone

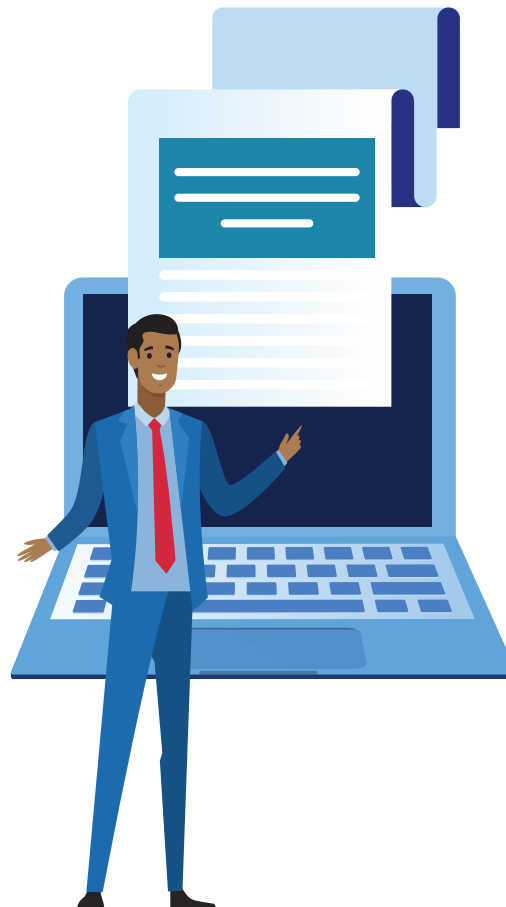
Depending on the position your are advertising for, make sure you speak like a person and write for the position. It may be a creative position or an administrative position so a different tone and specifics will need to be conveyed.

Give some background

Convey the company values and culture, also include some details about the immediate team that will be part of this position, but remember to keep it short.

Consult the experts

Research some other job advertisements to make sure you are up to date with current trends.



Determine role requirements

Be clear about the skills and abilities that are needed; this is different from the nice-to-haves that the person could bring to the position.

Format for success

Applicants normally browse advertisements on mobile phones so be brief and to the point by making the advertisement clear and concise.

Specifics that should be included

- Location (virtual).
- Equipment needed (laptop or will this be provided etc).
- Salary range.
- Submission deadline.
- Clear application instructions.

Share

- Proof read the advertisement before publishing
- Job recruitment sites
- Social platforms

Once you've written and placed the job advertisement, you can start screening applicants from their resume and setting up interviews.

Here are a few things to keep in mind:

- Decide how you will conduct interviews, e.g. over the phone or in person, virtual interviews (which platform will be used) and who will sit in on the interviews panel.
- With the shift to more virtual interview techniques, ensure you conduct your interview as you would have done in person.
- Ensure all interviewees and the applicant has a meeting invite scheduled and how to connect to the interview session.
- Make sure the technology and space used reflects the culture of the company.
- Conduct background checks on potential candidates. These could include criminal records, credit reports, educational qualifications, etc. (not necessarily legal in every country without the candidate's approval).
- If your company utilizes behavioral assessments it will be good to do these as part of the screening process.
- Request references to conduct reference checks, to get a sense of the candidate's abilities, work ethic and reliability, as well as to verify previous roles and to confirm employment dates. Make sure you check whether this is legal in your country before starting the process.
- Shortlist no more than three candidates for the position and conduct a second interview with each. Have different people sit in on this interview, and if possible, include people who the candidate will not work with, for a different perspective.
- Making hiring mistakes can be very costly, so consider including a practical component such as a simulation similar to what they would be doing in the interview process, to assess the capability of the potential new employee.

Tip: Entrepreneurs making use of the correct recruitment process will result in employing the right person for the fit in the business culture, team and position.

Contract:

Once you've found the perfect candidate, you'll need to make a formal offer of employment, in writing, via an employment contract. The following elements should be included:

- Name and address of employee and employer.
- Place of work (and whether they will be located in a specific location or located virtually).
- Date of employment.
- Regular and overtime hours, if applicable.
- Salary, benefits and overtime rate, if applicable.
- Deductions.
- Leave entitlement.
- Notice period.
- Work from home policy.
- Communication policy (as most people work from home) with clear lines of reporting and deliverables.
- Cybersecurity policy.
- Mobile working.
- Probation period.
- Termination clause.
- Percentage of travel (if applicable to the role).
- KPI's (key performance indicators): this is important to ensure that the employee delivers what is needed in the department/business.

Small businesses often hire part-time employees or external contractors or consultants, and these contracts will differ to a typical permanent employment contract.

Tip: An employee contract, signed by both parties, is a legally binding document. If you make use of part-time employees or external contractors, ensure that the deliverables are listed clearly in the contract.



What should I look for in a CV?

High unemployment levels and the fact that online job advertisements are so easily accessible means that you'll probably get a lot of applications. According to www.GlassDoor.com, the average recruitment agent looks at a CV for six seconds. This sounds absurd, but to make sure you receive the right CV, the candidate should respond accurately and that the CV is gripping your attention. If this does not happen during this time, move on to the next one.

To streamline the process, have a list of skills and experience that are essential to the position ready when screening candidates, check which ones tick all the boxes before reading further into the CV or calling them for the initial phone interview.

If a candidate has been unsuccessful, send an email acknowledging receipt of the CV and to explain that the application has been unsuccessful.

Read more: [➔](#)



For the candidates that made it through, it is time to look deeper

Take note of the following:

- In today's world, just like a company cannot go without a website, a potential employee cannot go without a LinkedIn profile. The LinkedIn profile should be professional. It's also worth cross-checking a candidate's CV against their LinkedIn profile, to check for inconsistencies and recommendations.
- Roles and responsibilities at past jobs and whether these align with the position you are trying to fill.
- Skills – these are often more important than a person's job title, look for consistencies of skills being built up with experience.
- Achievements ideally supported by facts for example, 'Increased traffic to company website from 200 visitors to 5,000 in three months'.
- Education and confirmation thereof.
- Soft skills such as communication, leadership, problem solving and foreign languages.
- Availability of references. Evidence of career progression showing increasing levels of responsibility.
- General logistics, such as location or eligibility to work in the country.

Beware of these red flags:

- Spelling and grammatical errors suggest that the candidate does not pay attention to detail. Spell checking tools are readily available.
- Inconsistent dates or gaps in employment.
- Formatting – the CV should be around two pages long, should not be overly cluttered, and should have clear sections and headings.
- Unprofessional email address.
- A lack of qualifications is often covered up by overplaying skills and job specification jargon.
- Job-hopping, where the candidate does not stay in one job long enough to add value, learn new skills or build loyalty with the employer.



Cover Letter

If you have asked candidates to submit a cover letter along with their CV, this should be tailored to the position, highlighting why the candidate is the best fit for that particular job. Generic applications show that the applicant did not take the time to understand the position or to research your company.

Tip: If somebody calls to introduce themselves before sending a CV, or follows up after they applied, make an extra effort to review their application and give them feedback. It shows that they are genuinely interested in the position and are making an extra effort to stand out.

Part 3



Managing Employees

Why do I need to do this?

- Get the most out of your staff.
- Align employee goals with company goals.
- Build a positive company culture.
- Retain well-skilled personnel.
- Attract talented future employees.

How do I onboard a new employee?

Have you ever arrived for the first day at a new job, only to find out that the company isn't ready for you?

Your computer hasn't been set up, your colleagues don't know who you are, and you can't find the restroom, let alone the boardroom.

If this has happened to you, you will most likely have felt disappointed, and a little unwelcome, and perhaps even questioned why you agreed to the job in the first place.

Tip: What does ONBOARD mean? The word 'onboard' might sound like a bit of a strange term in this context, but it is a popular word to describe how to initiate a new staff member to your company.

As the old saying goes, a first impression is a lasting one, and it sets the tone for this employee's experience at your company.

It all starts with a plan:

By taking the time to ensure that your new hire feels valued and welcome on his or her first day, and putting in place an onboarding plan, you will be setting the scene for a happy, motivated, engaged staff member. Share these important elements with your new employee:

- Culture of the organization.
- Overview of the business.
- Core priorities of the role.
- Communication protocols externally and internally.
- Day-to-day expectations of the employee.
- Key meetings to be attended.
- Key individuals to meet.
- Assign a buddy to support the new team member. This person will provide peer support. It will be a colleague that the new employee can rely on other than their immediate manager.

Tip: Even if you are a small start-up with two or three people, this is something you should start from day one and keep as you grow. Every employee likes and needs to feel valued.

The four C's of onboarding your staff:

Depending on the size of your organization and the complexity of the legal landscape, you can choose whether to handle people strategy internally (by an individual or a department) or to outsource this function to an agency.

Company:

Give employees information about the company's mission, strategy, goals, customer and operational structures, and how their job fits into that bigger picture.

Career:

Outline employees' objectives and how those will be measured, as well as set expectations for success and advancement.

Culture:

Ensure that employees not only understand the company's culture and environment but can thrive in it.

Connection:

Help employees forge relationships with their new colleagues, both formally and informally.

Onboarding mistakes to avoid:

Too much too soon

Joining a new company can be daunting, and there will be a lot that a new employee will need to learn and become familiar with. While you may want to get your new hire involved right away, try not to overload them before they are ready.

Assumptions

While the office buzzwords, nuances and procedures are very familiar to you, you cannot assume that your new employee will understand the jargon. Avoid any acronyms and clearly present the procedures and information. Allow time for your new employees to digest and absorb the information.

Lack of company communication

Don't surprise your current employees with the arrival of a new person, rather communicate the new person's start date and job role in advance. Before a new employee's first day on the job, all relevant staff members such as HR, the person's manager, and direct teammates should be prepared for his or her arrival.

Read more: [→](#)

How do I monitor employee performance?

There are various performance monitoring tools and platforms available today. By assessing some of these platforms that fit into your business goals and budget, may be a more streamlined approach and option, especially for smaller companies. Also, taking into consideration that most teams work remotely, these tools can assist with remote monitoring.

Read more: [→](#)

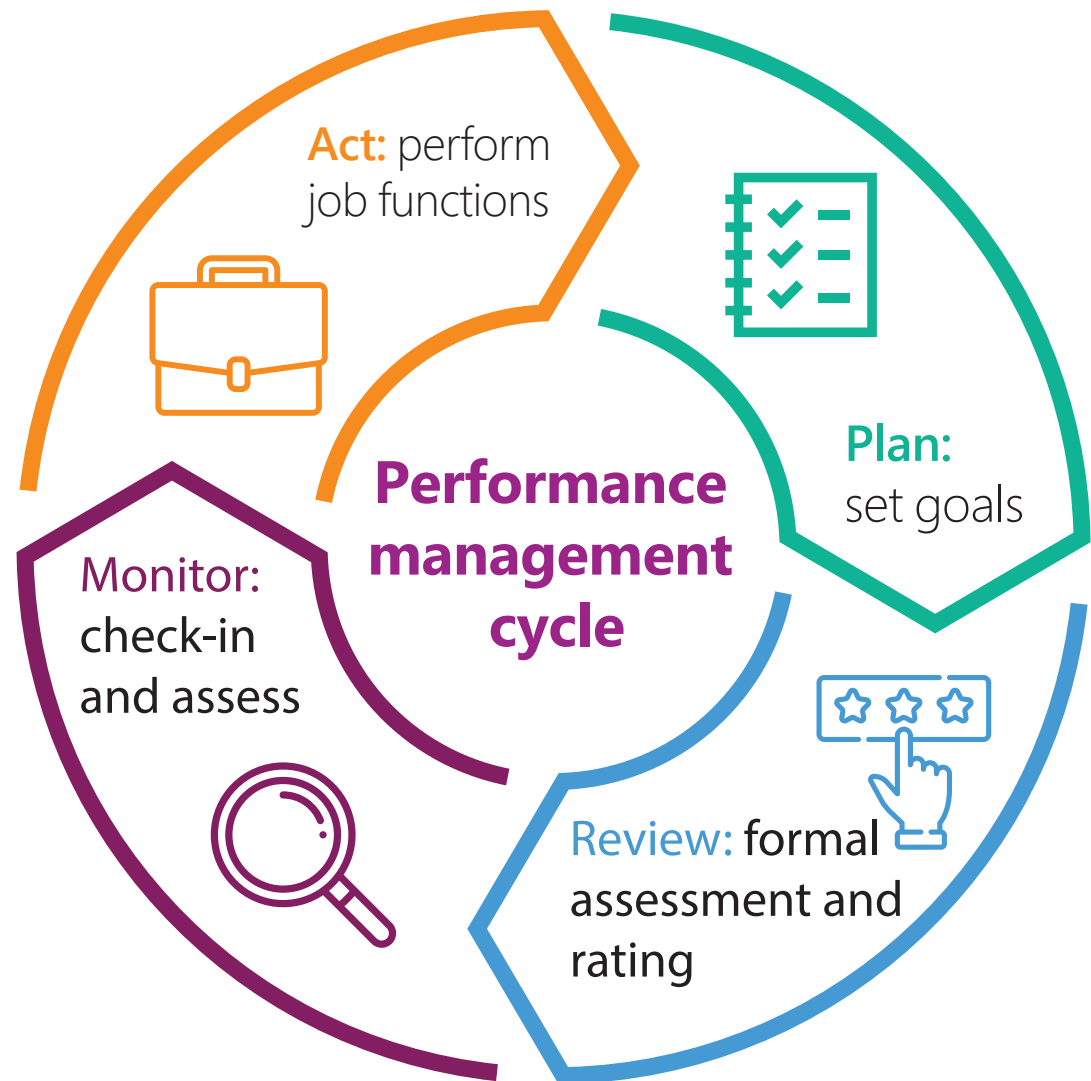


But remember, your employees are the lifeblood of your business. Their productivity levels will result in the success, or failure, of your organization. As such, monitoring your team's performance is important to ensure that they are reaching targets and completing work to an excellent, rather than mediocre, standard. The way that you monitor your employees will vary according to the job role.

It will be a combination of daily observations and interactions, and clear performance objectives and measurements, which can be formalized using a 'Performance Objective Setting Form'.

You will need to observe your employees at work to take notice of things like attitude, body language and punctuality. If you start to see bad habits forming, like tardiness, missing deadlines, or a lack of motivation, you might want to intervene early to see if there is an issue. This is sometimes harder to monitor with virtual teams, but as mentioned there are online tools that can be used for this purpose. Keep in consideration the culture of your business before implementing any online monitoring tools and platforms.

Performance Objective Setting is a practical and beneficial way of setting and measuring employee productivity. This ensures that the staff member knows what is expected of them and what goals and targets need to be met.



How can I build employee loyalty, commitment and motivation?

"Our research continues to show that a well-substantiated relationship exists between employee engagement, the extent to which employees are committed, believe in the values of the company, feel pride in working for their employer, and are motivated to go the extra mile, and business results." - **ISR Global Research Director, Patrick Kulesa**

Engaged and motivated employees are loyal employees. You need to drive engagement to create a culture of loyalty and willingness to stick around for the long term.

For your workforce to be engaged, enthusiastic and loyal, there needs to be a trusting employer-employee relationship in place that is based on honesty, transparency and respect.

Tip: Retention of entry-level employees can save the business 16%, retention of employees in midrange positions can save the business 20%, and retention of the upper level and senior management can be as much as 213%.

Read more: [→](#)



Five steps to better employee engagement:



Make use of employee strengths

So many employees have talent and drive that are unique to them. Using the opportunity to empower an employee and place him/her in a position where they can fully utilize their strengths will have a significantly positive effect on employee engagement. An added benefit for employees is they get to see their own personal growth and enhanced career objectives.



Provide the right tools

Listening to what employees need to do their job better is another way to encourage employee engagement. It might be a quieter work environment, more communication between departments, more frequent meetings, or fewer meetings. It may be as simple as not understanding some processes that may need some clarification.



Acknowledgement

Do not let good work go unnoticed. Some employees do a great job daily, and sometimes this is taken for granted or becomes commonplace. For successful employee engagement, make sure the right people get credit for doing the right things.



Creating and maintaining trust

Promoting an environment of trust is essential to good employee engagement. Trust is the foundation upon which all solid employee relationships are built. Better employee relationships mean better employee engagement in the long run.



Encourage employee participation

Employee engagement is about listening to your workers. You should actively seek and encourage the views and ideas of your employees. Things can look very different from another tier in the organization, so it is important to view things from another perspective. For teams working virtually, this may be connecting with your teams more regularly or have fun-filled online team events to bring people closer.

What are common employee issues and how do I handle these?

Every organization will inevitably have their share of employee issues.

Rather than waiting for problems to arise, be proactive and have policies and systems in place to deal with any concerns.

Some of the typical employee problems include frequent absenteeism, a lack of punctuality, missed deadlines, mistreatment of others and policy violations.

Managing problem employees is one of the most challenging aspects of running a business, but if you are equipped to deal with the issues when they arise you will be in a good position to resolve and rectify the problems quickly and effectively.

Tip: Be proactive, not reactive. One of the best ways to neutralize employee problems is to take an objective look at your company's policies and practices. Amend any policies that are outdated, unfair, or could potentially open you up to legal issues. Ensure that your employment contract stipulates the consequences of employee issues and how these issues will be dealt with. This should also include the dismissal process in the business.

Four steps to managing the risks associated with employees:

1. Establish policies in an attendance policy with varying levels of disciplinary measures that address unacceptable levels of absenteeism and tardiness appropriately.
2. Implement a performance management review system that rewards excellence and uses strategies to improve employee performance as well as enhance employee development.
3. Establish a three-step disciplinary process that includes formal notices such as verbal warning, the first report in writing, and second/final report in writing.
4. Train your supervisors to deal effectively with problems when they arise and not wait until it gets out of hand.

Tip: Start right

Effective hiring and interviewing techniques, as well as valid job descriptions, provide the foundation for preventing unsuited employees from becoming part your workplace.

How and when do I dismiss an employee?

While you do not want to keep an employee on board who is affecting your business negatively, the dismissal should be your last resort, and should only happen after you have carried out thorough investigations, intervened when necessary and conducted the necessary warnings outlined in the disciplinary process.

You must familiarize yourself with the different legal requirements that relate to termination of employment within your market / country.

Every country will have different policies, procedures and standards, so you will need to refer to your local employment standards act or similar legislation document, to understand this fully. It is crucial that you are familiar with, and comply with, the legal requirements relating to employee dismissal in your country.

What is employee dismissal?

A dismissal occurs when an employer terminates the employee's contract. Formal disciplinary action should only be necessary if informal methods have failed to resolve the problem. Employee dismissal is the last resort and final action, in terms of your company's employment and dismissal procedures.



Points to keep in mind when it comes to disciplinary issues:

- Set out in writing your rules and procedures for handling disciplinary procedures.
- Ensure that employees and managers understand these rules and procedures.
- Try to resolve any issues informally first; often a quiet word is all it takes to sort out problems.
- Employers should use a fair and consistent procedure when taking disciplinary action or going through the dismissal process.
- Employees have the right to contest unfair dismissals.

Document it:

If you find yourself in the unfortunate position of needing to dismiss an employee, the accuracy of your documentation will be important. Your performance evaluations and any disciplinary action that is taken needs to be documented so that you can substantiate the reasons for dismissal in a clear way.

Read more: [➔](#)

Reasons for disciplinary action and / or dismissal could include:

- General misconduct (continually missing work, drug or alcohol abuse, theft or dishonesty)
- Poor performance / capability (the ability of someone to do their job e.g. long-term persistent illness, inability or unwillingness to get along with colleagues etc.)
- Redundancy (the job you hired someone for no longer exists or is replaced by technology, need to cut costs, closing business units etc.)



How do I develop policies around paid leave, sick leave, maternity leave etc.?

Employees have the rights to various statutory leave however many employers are now introducing special leave policies to deal with the plethora of unusual requests for leave. Leave and vacation policies are an essential part of any employment contract and each market / country will have different legal requirements surrounding the different types of leave (both paid and unpaid), so be sure that your contracts comply with this. The policies also need to be clear on who the policy applies to (e.g. full / part time employees, subcontractors etc.) Leave is not only a legal requirement, but it is also important that your employees take vacations and time off when they are sick to relax and recharge so that they can function at their optimum and avoid burnout. A fair Maternity and Paternity leave policy can also assist you in attracting and retaining talented employees, who are interested in starting a family in the future.

When thinking about putting employee leave policies in place, remember that there are five main types of leave:



Annual leave

This type of leave is known as paid time off work, which every employee is entitled to. There will be a specific number of days allocated to this.



Maternity leave

Time off work (paid or unpaid depending on the company's policy and what is legally required) for pregnant women to prepare for, give birth to, and look after their newborns.



Sick leave

Paid time off work to recover from an illness or injury. There will be a specified number of days allocated to sick leave, depending on the regulations in your country.



Family responsibility leave

Family responsibility leave applies when the employee's child is born (Paternity Leave) when the employee's child is sick, or in the event of the death of a close relative. This form of leave is in addition to annual leave but does not accumulate if not used in the stipulated period.



Study leave

Time off work to study. This is usually not legally stipulated in the contract, but rather a matter arranged between employee and employer. Often the employee will use Annual Leave for study and examination purposes.

Tip: Paid leave improves worker retention, which saves employers money through reduced turnover costs.

Leave policies can have a real impact on small businesses, especially where teams are small. Consider this carefully when planning and allocating leave with employees.

Read more: [➔](#)

What business information do I share with employees?

While some companies have chosen to be very open with their employees, other CEOs use their discretion as they feel that sharing too much information might compromise an employee's focus.

When deciding on how much, or how little, business information you want to share with your staff you need to take into account the positions and responsibilities of different employees and think carefully about who needs, and will benefit from, this information.

When sharing information, be sure to have a privacy and confidentiality policy in place so that employees know when confidential information cannot be communicated to people outside the organization.

One thing that should never be shared openly is information about employee salaries. In a small business setting, sharing salaries can lead to internal conflict. Each business owner should have a fair and consistent method for determining salaries based on seniority, experience, and other factors specific to each situation. Sharing salary information without an explanation behind each case is asking for trouble.

Read more: [➔](#)



Part 4



Rewarding Employees

How can I attract and keep the best talent?

“The real competitive advantage in any business is one word only, which is, people”

Kamil Toume, Writer and thought leader

The first step in bringing in quality employees and holding on to the ones you already have is understanding what they are looking for. Generally, what they are looking for is the opportunity for professional development.

This is more important than salary and benefits and is followed closely by the desire to understand where they fit into the business’ overall goals. The balance between finding quality resources and the affordability of resources for small businesses is often difficult to navigate. Attracting the right people is, therefore, important.

Tip: It is equally important to look beyond potential employees’ ability to hit the ground running. Consider their soft skills, such as flexibility, the ability to learn quickly, adaptability, personal accountability and resourcefulness.

Working in a small business requires great resilience and hard work. Attracting top employees is only one piece of the puzzle. Once you have a quality worker, you need to work to keep them.

An employer can do everything right to attract candidates through the hiring process, but if an employee feels undervalued, they will take their talent elsewhere. Top reasons why employees leave their jobs:

- Lack of advancement opportunities.
- Lack of salary growth.
- Negative work-life balance.
- Poor organizational culture.
- Poor management, which is often responsible for all the above.

To hold on to employees, you need to start their retention planning as soon as they start.

“... the single biggest constraint on the success of my organization is the ability to get and to hang on to enough of the right people.” **Jim Collins**

Ten ways to improve employee satisfaction and retention:

1. **Give employees autonomy.** One of the main things that reduce employee satisfaction and happiness is the feeling of being micro-managed and controlled.
2. **Challenge employees.** Show that you believe in employees by giving them assignments that will challenge and motivate them.
3. **Engage with your employees.** Ask the right questions, both personal and professional, and then listen.
4. **Be transparent.** Happy employees know the direction of the business.
5. **Support employees' ideas.** Show you value your employee's involvement and contribution towards your business.
6. **Acknowledge employees' accomplishments.** Regularly meet with your team and call out specific staff for their accomplishments.
7. **Treat employees individually.** Happiness is not 'one size fits all', so spend time with each employee and find out what they need from their leader, colleagues, and the business.
8. **Be social.** Frequently bring employees together for team activities to help develop critical connections and social ties that keep employees happy and engaged.
9. **Provide the right resources.** Remove any obstacles to employees' work success and give them the tools they need to grow, from improved technology to continuous skills development.
10. **Watch your body language.** Ensure your behavior and body language is sending out the right message to set the tone for the culture of your business.

Another important way to track employee satisfaction, development and performance is by conducting annual performance reviews and awarding bonuses where applicable.

The performance review and bonus payment process are a joint responsibility for employees and managers. The process provides an opportunity for employees and managers to work together to identify performance objectives, identify and describe work expectations, provide feedback, review overall performance and plan for future individual and organizational growth and development.

Think about these areas of development when reviewing and employee's performance:

- Quality and quantity of work.
- Communication and interpersonal skills.
- Planning, administration and organization.
- Leadership.
- Job Knowledge and expertise.
- Attitude.
- Ethics.
- Creative thinking.
- Self-development and growth.
- Adaptability.



Three steps to help employees reach their peak performance:

1. Involve them in setting goals

- Rather than blindly dropping project goals, individual goals or your business' goals onto your employees, start by asking what they think they can achieve. This is particularly relevant if you are a new business.

2. Keep the goals realistic

- Any goal needs to be difficult, desirable, and doable.

3. Avoid micromanaging

- You may want to lay out every detail of how employees should achieve their goals, but you must trust them to take ownership of these goals and allow them to be part of guiding the company's success.

Remember:

Bonuses are not guaranteed and should be based on your business meeting its financial objectives for the year. They are also contingent on satisfactory employee performance. The value of the bonus should be consistent with the approved budget.

Tip: Incorporate an employee self-review into the performance review process. If you ask employees to grade themselves, you'll find that they're often harder on themselves than you. This also helps in giving you the role of a career mentor rather than unilateral decision-maker.



How do I go about investing in employee training?

“The only thing worse than training your employees and having them leave is not training them and having them stay.” **Henry Ford, Founder, Ford Motor Company**

Investing in employee training can benefit your business in multiple ways.

Train your employees in areas that will add to your business offering:

- If you offer social media services to your clients, ensure your employees keep up to date with the latest trends and platforms. Your employees will appreciate you upskilling them rather than bringing in new talent each time a new skill is required.

Train your employees in areas they have expressed an interest in:

- If an employee has shown an interest in learning about Microsoft Excel or improving their presentation skills, invest in this training so that they feel valued and can apply their newly acquired skill in your business.

Train your employees in areas that will enhance your working environment and culture:

- Investing in a first aid course for your employees is a great way to ensure the health and safety of all your employees while offering them a useful skill and introducing an element of fun in the workplace.



Despite the initial costs, training your employees can also pay back your investment in the following ways:

- Training helps your business operate more efficiently as trained employees are more equipped to do their jobs.
- Training is a recruiting tool. You are more likely to attract and retain good employees if you can offer development opportunities.
- Training promotes job satisfaction by helping employees to develop their skill sets, in turn helping them to contribute to and engage with the business.
- Training is a retention tool by offering employees continuous opportunities to learn and grow, you will instill a sense of loyalty and commitment, while also creating promotable employees.
- Training adds flexibility and efficiency as you can cross-train employees in more than one aspect of your business. This is particularly valuable in a small business where you often can't recruit different people for different skills.
- Training is essential for knowledge transfer because if only one person has a particular skill, you're at risk should they decide to leave. Set up in-house training to spread the knowledge



How do I develop a promotion or growth plan?

A well thought out plan provides your employees with opportunities and a clear direction on how to increase their skills and advance their careers. And with an expanded skill set, they have more tools to help your business grow. It's a win-win for you and your employees.

How do I go about investing in employee training?

Step 1: Consider your business goals

Before you set objectives for employees, try to align their development plan with your company's needs.

Step 2: Talk to your employees

Don't just assume you know your employees' skill level and career aspirations.

Step 3: Decide what skills your employees need

Once you've looked at each of your employees' abilities and their experience, as well as your company's needs, decide exactly how each employee should develop.

Step 4: Create an action plan

Now that you know what the objectives are, it's time to figure out how your employees will achieve them.

Step 5: Apply the new skills in the workplace

Your employees need to be able to put those new skills to work in your business. Create opportunities where they can quickly apply the new skills and get feedback.

What is a company culture and how do I create/maintain an attractive one?

Company culture is the personality of your business. It defines the environment in which your employees work and includes a variety of elements, including work environment, mission, value, ethics, expectations and goals.

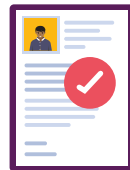
“Corporate culture is the only sustainable competitive advantage that is completely within the control of the entrepreneur. Develop a strong corporate culture first and foremost.” David Cummings, Co-founder of Pardot

Therefore, having an attractive company culture is crucial for businesses that want to keep employee turnover rates down while keeping morale and trust high. When employees enjoy the company culture, they are likely to be happier and will perform better overall, thus helping to improve their bottom line and reach your goals. Replacing an employee is also costly and time-consuming, so it's important to avoid this as much as possible.

Five ways to create an attractive company culture:



Maintain open communication. It's important that employees feel that you share information with them, and equally important that they feel you listen to them.



Hire the right people. Some businesses use personality tests to see if a potential employee will fit in with the rest of the team; others get team input on whether the candidate would make a good fit.



Be a good leader. Be there to listen, guide and provide leadership that makes your employees feel comfortable and brings out the best in them.



Empower your employees to give each employee some power when it comes to making certain decisions. This demonstrates your trust in them and allows them to use their own creative and leadership skills.



Reward your employees because everyone likes to be recognized when they've done good work. You may not be able to afford a big party but do what you can to offer positive feedback and reward your employees for their efforts.

Tip: A company culture cannot be created and maintained by a single person. It is a collective process that is built day by day. Though it may be tempting for the CEO to try and shape the culture alone, the entire company must be on board and included.

Notes

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