



indigo | HR

The Ultimate Small Business Guide to HR

*People, Systems, Productivity &
Performance*

Just when you thought it was safe to go back in the water.....

Are you a small business owner that feels like this when you hear the words Human Resources?

Or even worse stop the growth of your business to avoid employing staff and having to deal with any potential employee issues.

Human Resources doesn't have to be so scary and feel like you are being chased by the jaws of the law once you understand the value of Human Resources within your business.

You may be saying I am a small business though, so why do I need HR?

The simple answer is:

- ❖ Do you employ one staff member or more?
- ❖ Are you sick and tired of working in your business, instead of on your business?
- ❖ Want to grow and scale your business?

Then yes, you need HR!

Human Resources is all about the people. The people create your vision and grow your business.

How many times have you heard the saying.....

“Your people are your greatest asset.”

I am sure you have heard it hundreds of times.

Well, I'm going to shock you and tell you that this statement is not true.....Why?

The right people are your greatest asset, but ONLY when you continue to empower them.

- ❖ Don't hire the right people, they are a liability.
- ❖ Hire the right people without a proper onboarding, they are a liability
- ❖ Hire the right people without a proper onboarding and you do not continue to develop, motivate and empower them, they are a major liability.



I'm Bernadette Beach

Empowering People & Systems

The soul of a business is the vision and success will come when people commit their heart and souls to it.

I have spent the last 25 years working in Human Resources leading from the heart and committed to changing the face of HR.

Because of my passion for empowering people and helping small businesses grow and multiply profits, I established Indigo HR 15 years ago with the sole purpose of educating small businesses on the powerful impact HR provides and how to embrace HR as a main driver for success in business.

Where did the words Human Resources come from? Wikipedia states that:

*Pioneering economist [John R. Commons](#) used the term "human resource" in his 1893 book *The Distribution of Wealth* but did not further build upon it. The term "human resource" was subsequently in use during the 1910s to 1930s to promote the idea that human beings were an object of worth, that should be promoted to realise human dignity, but this changed in the early 1950s as "human resource management" developed viewing people as a means to an end for employers.*

Personally, I find the words 'Human Resources' too clinical and uninviting. I like the term 'People Impact'; it resonates more and inspires a greater sense of power and support for people. Yes, there are most definitely systems that have to be in place, but they provide the support and foundation to ignite the people impact.

Whatever name resonates with you and your business, it needs to be received by your people as more than a compliance aspect of your business. And that is what this guide is all about.

Mantra

“When you realise that HR is about your people investing into your vision, you will naturally want to do everything in your power to invest in them.”

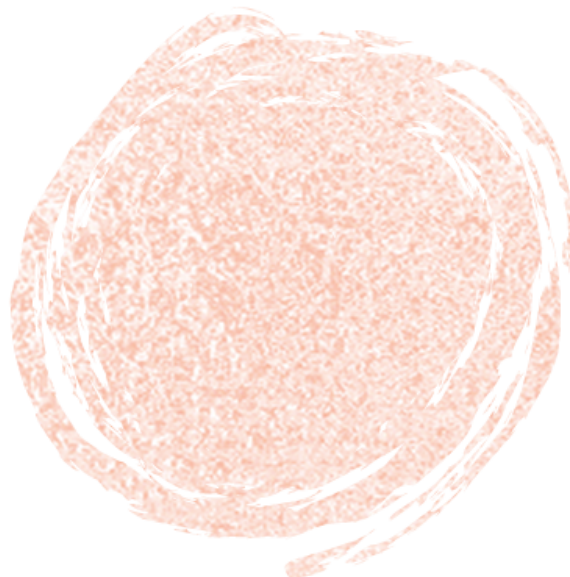
The Purpose of this Guide

My mission is to alleviate the fear, obstacles and challenges that you as a small business either perceive or experience within your business relating to HR. By viewing HR as a business driver to success rather than purely a compliance aspect, it will provide a whole new perspective on how successful your business can be when you start focusing on your employees.

With my 25 years of experience in humanising (yes that's right humanising) Human Resources, I wanted to share my personal experience in working with thousands of businesses and employees, how to bring the best out in your employees and my secret sauce to HR Success.

This guide will help you understand how HR can improve your business, learn how to implement a proven and successful HR model and power up your employees like a US Fighter Jet to build a high performing business.

**Let's get started and
dive in.**



A Thought

“Could your business function without the advice and services of an accountant or IT provider? Think the same way about Human Resources.”

The Secret Sauce - The HR Model to Success

We have all heard the advertising for Kentucky Fried Chicken – the 11 secret herbs and spices that create the amazing flavour of KFC chicken. If one of these herbs and spices were missing, it wouldn't create the taste that brings customers coming back for more. A recipe for success.

I like to use this analogy as HR has its own recipe for success. Leave out one of the important ingredients, it will minimise the success of your business and create problems and liabilities. Follow the recipe and HR model of success and your employees will remain with you and keep coming back for more and more.

Every area of a business has a system. It is like an eco-system. All the systems cross over and interact with one another to achieve results. Without proper systems, a business is disorganised and constantly putting out fires.

Systems + People = Success and Profits

People can't perform productively without systems and processes. People drive systems and systems drive people functions.

The 4 Steps in the HR Model of Success

Step 1 - Start with Why (Clear Business Vision)

Step 2 - Leadership

Step 3 - Systems & Processes

Step 4 - People

A business' success depends on many driving forces and Human Resources (HR) plays a vital role in making this happen.

There are 16 powerful drivers of HR that contribute to the 4 steps in the HR Model of Success and the overall business success.

The Secret Sauce

The secret sauce is bringing your personal touch and uniqueness to the HR model.

The secret sauce is the cherry on top, the icing on the cake, the movie that keeps you captivated and the game that makes you a champion. All these bring about amazing experiences.

Each and every moment is an experience and you need to build upon these amazing moments to create an employee experience, employee engagement and a culture that rocks your business.

Your Secret Sauce

“How can your business create a unique experience for your employees? What do you do for your customers that you can also do for your employees?”

The 16 Drivers of Human Resources

Driver 1 - Brings the vision and mission to life through employees

Driver 2 - Creates a workplace culture that embraces the vision, the why and values of the business

Driver 3 - Develops an employer brand that attracts the best employees

Driver 4 - Links business goals to teams and individual employees by developing Key Performance Indicators to achieve results

Driver 5 - Implements an effective system for maintaining employee files and documenting employee events and incidents

Driver 6 - Formulates recruitment strategies to recruit employees (a structured recruitment process commencing from

Driver 7 - Recruitment of employees

Driver 8 - Prepares Employment Contracts, Positions Descriptions and Employee Handbook

Driver 9 - Maintains HR documentation and HR Policies

Driver 10 - Onboarding program of new employees (prior to commencement and through to the end of the probation period)

Driver 11 - Manages ongoing performance management of employees (ongoing process consisting of establishing goals, motivating and empowering employees)

Driver 12 - Employer retention (employee experience, engagement, empowerment, development and compensation benefits)

Driver 13 - Training and Development

Driver 14 - Compensation and benefits

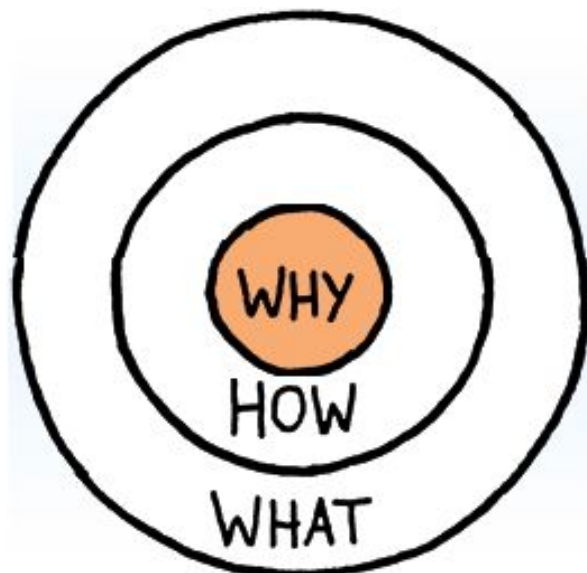
Driver 15 - Workplace Health and Safety

Driver 16 - Effective communication channels throughout the business

How to implement the HR Model for Success into your Small Business

Step 1 - Start with Why (Clear Business Vision)

If you haven't yet read Simon Sinek's book "Start with Why", I would highly recommend this. Simon Sinek bases his concept on the golden circle.



- ❖ **Why** - This is the core belief of the business. It's *why* the business exists.
- ❖ **How** - This is *how* the business fulfils that core belief.
- ❖ **What** - This is *what* the company does to fulfil that core belief.

You need to define your why, your vision, your purpose and your business values. This is the roadmap to business success as it filters through every single aspect of your business and you can't implement systems and recruit the right people until you have the utmost pure clarity around your why.

Manifesto

“Create your business manifesto outlining your intentions, beliefs, values and what you desire to create.

Let your employees be an extension of this manifesto.”

Step 2 - Leadership

A good leader inspires and makes things happen.

A good leader has the following skills

- ❖ Visionary: they can clearly see the future
- ❖ Pragmatic: they can practically transpose the theoretical
- ❖ Inspiration: they inspire and motivate employees
- ❖ Project Managers: they can clearly delegate and judge priorities and schedules
- ❖ Credible: they are seen as being credible in their job and their knowledge by their peers.

One of the important roles of leadership is to ensure that employee's goals are aligned with the vision and business goals.

Vision – Operational Goals – Employee Goals

Goals may also impact several areas of a business at one time, so it is important that all the areas move in the same direction at the one time.

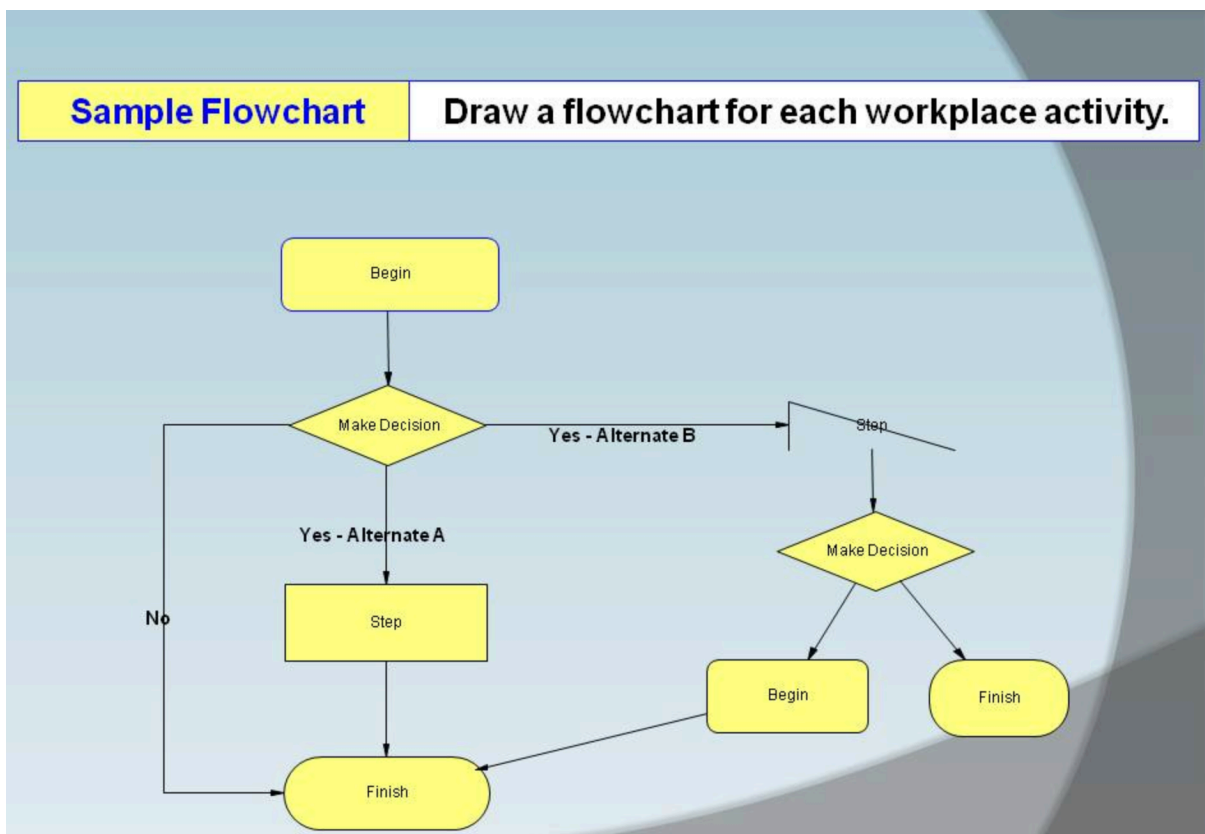
The biggest weakness in business is not linking top level business goals to employee goals. This prevents businesses from achieving high level performance.

Employee goals need to be reviewed on a regular basis. A monthly or weekly review of employee goals should be set up as a business wide system.

Step 3 - Systems & Processes

Every business requires systems and processes that outline the 'how to do' things. These are formally known as Policies and Procedures or Standard Operating Procedures (SOP's).

When creating policies and procedures, flowcharts are a helpful resource as they provide a clear representation of workplace activities.

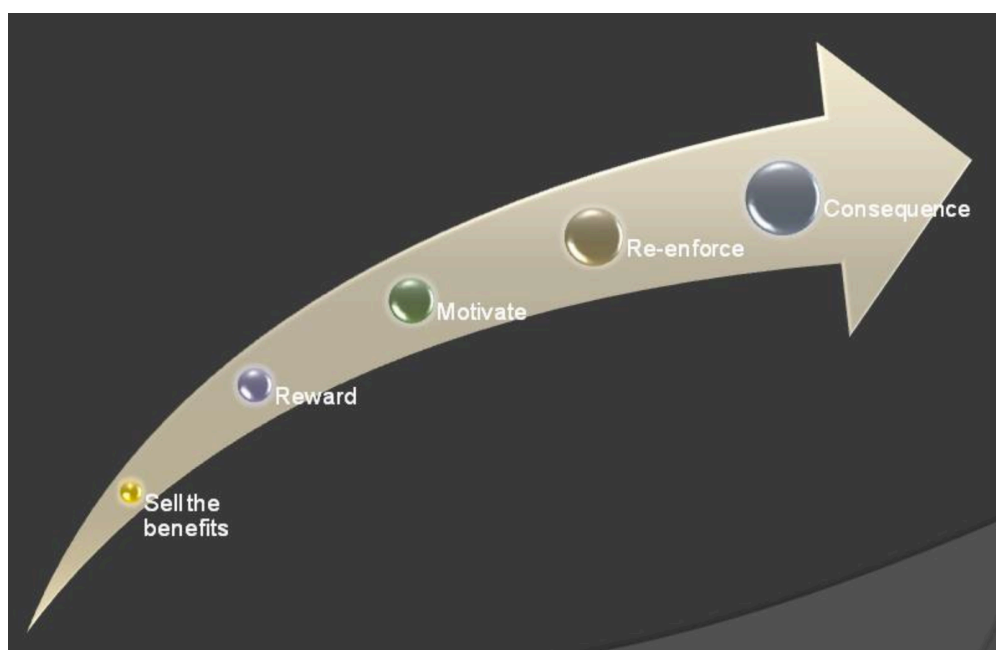


Below is a list of systems that you might consider implementing in your business.

Milestone/Project Accountability <ul style="list-style-type: none"> ✓ Develop projects and tasks to achieve the goals ✓ Make sure that people are assigned and accountable. ✓ Implement a weekly/monthly reminder system 	Tidy-up the business: Document Workflow/ Procedures <ul style="list-style-type: none"> ✓ Identify tasks that can be delegated away from the CEO ✓ Establish policies and procedures and workflows ✓ Standardise the business – if a question needs to be asked by any employee – then add a policy!
Customer Service/Operational accountability <ul style="list-style-type: none"> ✓ Every time an issue arises, document it ✓ Solve each issue and look for resolutions so it does not recur ✓ Assign accountability ✓ Review the CRM system 	QA/ Health and Safety/HR <ul style="list-style-type: none"> ✓ Review any possible threats of litigation and company obligations ✓ Every company needs to have a health and safety register ✓ Every company should have a set of employee policies and procedures
Budgeting and Accounting <ul style="list-style-type: none"> ✓ Business financial modelling ✓ Financial forecasts ✓ Financial ratio 	

Employee Systems

Employee systems are better designed around rewards (than on consequence) and on constant constructive feedback i.e. a coaching format.



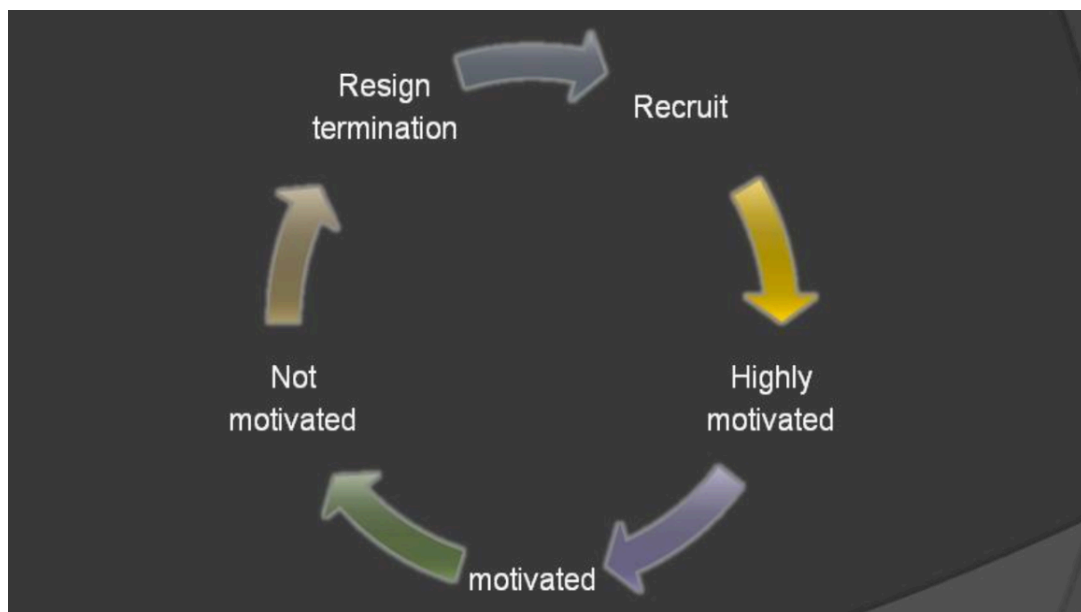
Step 4 - People

As mentioned earlier in this guide, the success of a business all starts with recruiting the right people.

Effective hiring is the fastest way to meet profit targets by

- ❖ Hiring the right people
- ❖ With the right skills
- ❖ Motivation and then
- ❖ Manage them effectively

If we look at the flow chart below, an employee cycle looks like the following.



A good workplace culture has motivated employees who enjoy working for the business, but do so

- ❖ In a well disciplined and accountable environment
- ❖ Where achievements are recognised and rewarded and;
- ❖ Failures are analysed so they are not repeated



To create a productive and motivated workforce, it is important to develop a plan.

The more productive and positive staff are, the better the business will perform.

Motivate

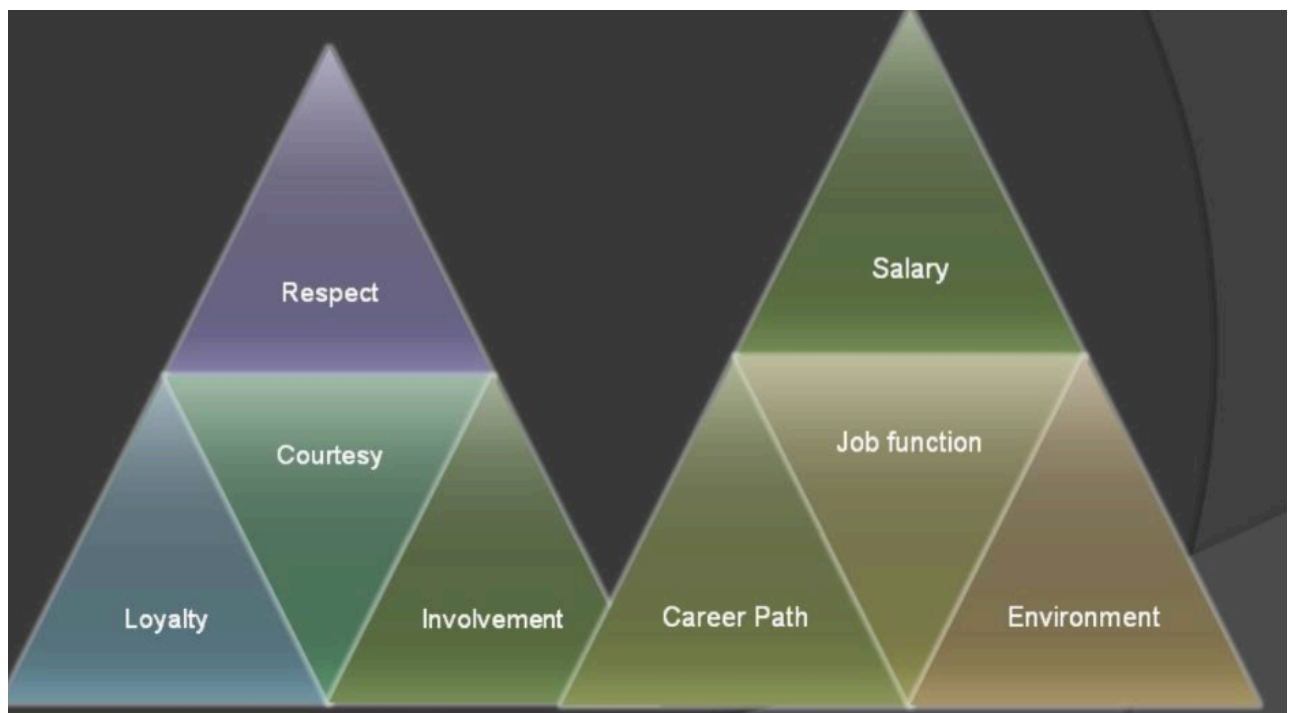
“Get to know your employees. What motivates one employee, may not motivate another. Why not ask your employees what motivates them?”

It does not matter how good a product or service is, an unmotivated and negative workplace can turn a positively performing business into an unprofitable business overnight.

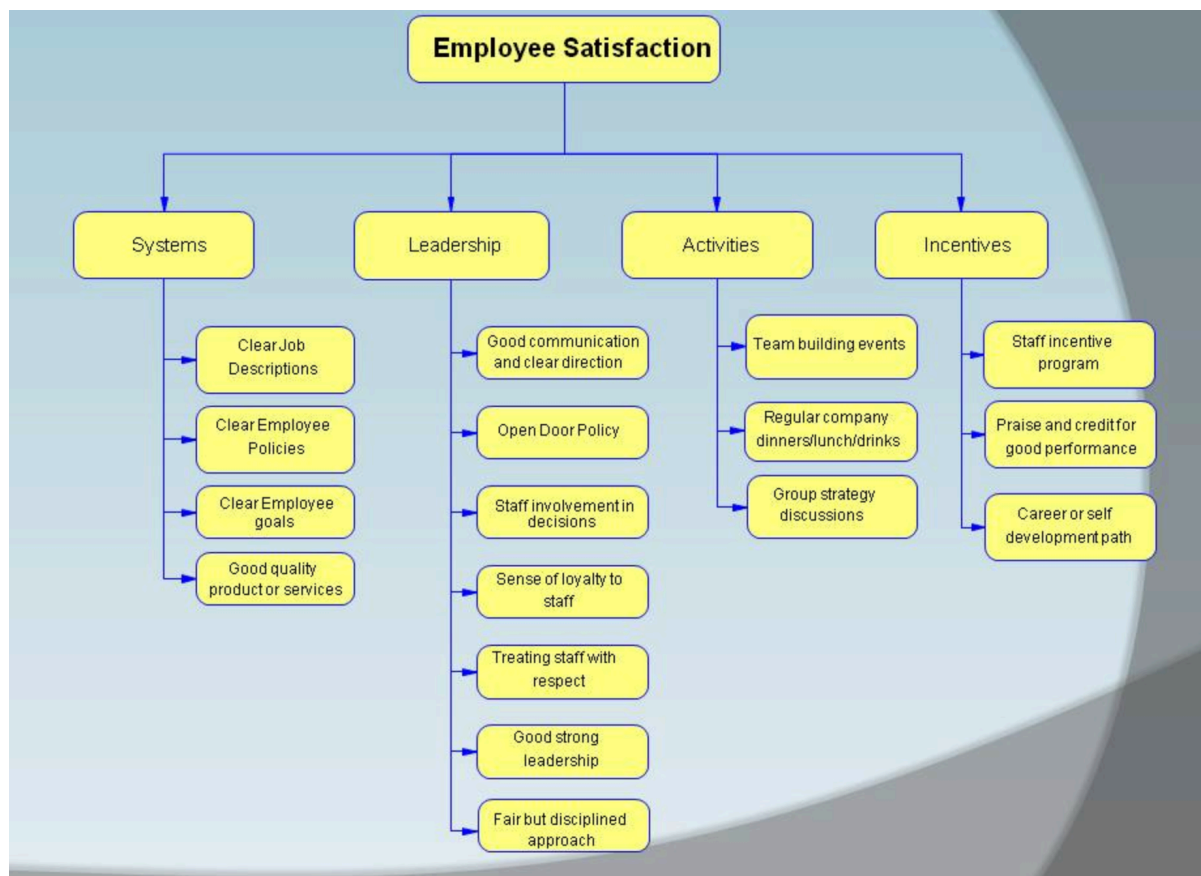
This is why employee morale is of high importance in your business.

Employee morale can be achieved through:

- ❖ Respect
- ❖ Common courtesy
- ❖ Loyalty
- ❖ Staff involvement and communication



Below I have included a chart to brainstorm ideas for your business to create an employee morale plan relating to systems, incentives, activities and leadership initiatives that are likely to lead to improved employee morale.



Employee Communication

Communication is the key to staff motivation. Have regular team or business weekly meetings. This could be an 8.30am discussion for 30 minutes on any one day of the week.

Having an “open book” business works.

Involving employees in the decision-making process is the key to building the feeling of ownership by employees.

Make employees feel a part of the direction of the company. Ask their opinion and respect their point of view.

HR Software – the system to drive your Human Resources Functions

The best investment you can make in your business is to invest in HR software referred to as a Human Resources Management System (HRMS).

HR software will integrate all your HR functions into one cloud-based management system saving you time and automating tasks.

HR software incorporates:

- ❖ Employee files and record keeping
- ❖ Position Descriptions
- ❖ HR forms and documentation
- ❖ Recruitment of staff
- ❖ Onboarding staff
- ❖ Staff training
- ❖ Staff Weekly Planner and KPIs
- ❖ Performance Reviews
- ❖ Performance Management System
- ❖ HR Policies and Procedures
- ❖ Operating Policies and Procedures
- ❖ Workplace Health and Safety

Having worked with small businesses for so many years, this is one of my first questions I ask. Do you have HR software? It is the first recommendation I make when establishing a HR foundation and best HR practices.

If you would like to know more about HR software, Indigo HR has an award-winning HR software platform that is a perfect solution for small business.

Accidental HR Manager or HR Outsourcing

Business owners wear a lot of hats. Your role may incorporate HR or you have passed the baton to an employee. You are then known as the Accidental HR Manager.

An Accidental HR Manager is someone that doesn't have the expertise of HR, but has been given the sole responsibility.

Sound like you?

You can see from the 16 drivers of HR that it requires a diverse range of skills and expertise to fulfil the role of HR.

Luckily you have 2 options.

- ❖ Continue being the Accidental HR Manager or;
- ❖ Outsource HR to qualified HR professionals

The advantage of outsourcing HR is it allows you engage the services of qualified HR professionals at the fraction of the cost of employing a HR Manager and it allows you to focus on growing your business. It is a win-win situation for your business.

You can have ongoing access to advice, guidance, systems, tools and years of HR expertise at your fingertips.

Want to know more about outsourcing HR? Let's chat on the phone, over virtual coffee or face to face.

I hope this information has been helpful to you!

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