

Podcast 14 – Getting the Most from Your Team



In today's podcast we change things up a bit. We're not going to talk about you and your business. Instead, we're going to talk about your staff. Yep, it's all about them. We're going to explore why keeping your staff happy will make you more money, and vice versa. We'll look at how to find them, what you're legally obliged to do, what on earth company culture is and why you need to become a great leader.

If you want to grow your business, you can't do it all on your own, so you will need people to help you. Yet many business owners cite staff problems as their biggest ongoing issues. The key to employing and managing staff, like any other part of running a business, is to find out how to do it well – so you nip issues in the bud and end up with a great team who love your business like you do.

Joining me is HR expert Claire Harrison – CEO of Harrison Human Resources. Claire and her team provide HR advice and services for companies throughout Australia in areas such as HR strategy, policies and audit; workplace relations; training and development programs; organisational change; recruitment and selection; remuneration and benefits; and performance management. Claire comes from a family of builders and is married to a builder, so has lots of experience when it comes to managing trade staff and contractors.



Claire Harrison

Interview with Claire Harrison

Annette: Hi, Claire. Let me start off by asking you a bit of a curly question. What's the biggest HR horror story that you can think of?

Claire: Probably the two that I can think of, specifically more to tradies, is one client of mine who is a roof restoration company. They employ people as well as using a number of contractors around

roof restorations, whether they're painters or roof repairers or whatever they may be. They had an employee who has been working with them as a contractor. So a sub-contractor, they were paying him by invoice for a couple of years. This employee then decided that he was going to leave. They agreed to that. He finished. But then the employee came back and launched an unfair dismissal claim against them.

So that went to the Fair Work Commission. The Fair Work Commission, after a long drawn-out process, basically found that the contractor was not in fact a contractor but an employee, which had a couple of ramifications for them. So it meant that he could now have his unfair dismissal claim heard, and because that had gone through due process, they did have to pay up money for the unfair dismissal claim.

But as well as that, they went back and looked at his pay over the period of time and because he hadn't been paid such things as travel allowance and tools allowance specifically, although his hourly rate was well above the award, they were found to be in breach of the award so they also had to do back pay for the couple of years in regards to all of the allowances. So that was another several thousands of dollars that they had to pay the employee.

Annette: Whoa! It is a horror story.

Claire: Yeah. And the problem they had is this. They were calling him a contractor but the guy was turning up to the office every morning to collect his jobs for the day. I think 90% of his work was coming from them and, yeah, it's like regular systematic sort of work and didn't make the test of a sub-contractor.

Annette: So that's a good lesson, isn't it? Gee whiz.

Claire, I've got a question for you that a lot of our listeners and our clients have asked me, which is where are the best places to find good trade staff?

Claire: I think the best place always, whether it's trade stuff or anyone else, is if you can get a referral. So if you know someone in the industry whether it's an existing employee or a supplier or your other contacts in the industry, if they can refer you someone that they know who had done really good work, not just because they're a friend or a mate, then I think a referral is always the best way to go. I think if you are looking for someone, you should always put the word out to everyone you know in terms of supplies, the contractors, and employees that you have and anyone else that you know.

Annette: That's good advice. You could even send out a quick e-mail to your list and put something up on LinkedIn or Facebook, I suppose.

Claire: Yeah, definitely. I think the other one that's now becoming quite popular with tradies is Gumtree. It's becoming quite the recruitment tool. My understanding is that it's free of charge, you can post ads. There are quite a few companies I know who've been successful in recruiting people through Gumtree.

You've mentioned SEEK. I do think SEEK, depending on the position for tradies, could be useful, possibly not depending on the job.

Newspaper ads – I think the local newspaper ads could still be applicable to tradies because generally they do go local. People do still read local newspapers. So I think depending on the role they're probably worthwhile looking at.

I think the worst case scenario, because it's more expensive, is agency. But understanding that it's often the quick and easy way to get someone is to go through an agency. At least, normally, you have checks in place and they've done some references and hopefully they already know someone who has done work for another client.

Annette: Fair enough. With agencies, you're talking about employment agencies and also labor hire agencies?

Claire: That's right. Another one I suppose too would be, depending on who you're recruiting from, is the high schools and tech colleges because there are people going straight onto do their qualifications full-time now, so that would be another way of posting the ads there, as well.

Annette: Good one. Another sort of fear that I know a lot of people have is can you sack them if they don't work out?

Claire: They can. But there are steps you need to follow to sack people if you don't want to end up with more than paying lots of money. That applies to small businesses as well as large businesses. Small businesses definitely are a little bit easier in terms of the hoops they need to jump through, but it's not just you can sack someone if you want to. There are still requirements under the law. There are eight key steps that I would normally always walk clients through in a disciplinary process.

1. Collect the facts.

If someone hasn't been, for example, let's think of absenteeism. They've been turning up to work late or not turning up to work at all. Before you take any action is make sure you've got all that information from what day and when, so that you can present that.

2. Give them the notice of the meetings.

I'm talking about a form of process here, while it's getting close to dismissal. For the notice of meeting you'll be saying to them, "Tomorrow morning at 8:00 I'm going to meet you and we're going to talk about you're always turning up for work late or you're always taking Friday's off," for example.

3. At the meeting, you explain what your concerns are.

So you can say, "On Friday the 15th, the 22nd and the 29th you had all of these days off. That's a concern to us for whatever reasons."

4. You have to allow them an opportunity to respond.

5. You listen to what they've got to say. You do need to listen and consider. That's step five. You're willing to consider what they've said. You can't walk into the meeting with a predetermined outcome.

6. Provide the outcomes to the employee.

That may mean, depending on the meeting, that you may need to go away and think about it or get some advice.

7. Always document it.

It may be that you decide to issue a bit of warning. Or if you do decide to dismiss them then you need to issue a termination letter on the day of termination.

8. If they stay with you then you need to monitor the situation.

This applies to anything. So if it's stealing, if they've stolen some equipment or some materials or they've punched another guy on the job site, then you still have to go through a process. I know it sounds ridiculous for many. You still have to sit down and say, "Whoever saw you hit Johnny and Johnny had said this but there was no reason to punch him, did you do that? What's your side of the story? Blah, blah, blah." You have to listen to what they have to say. You need to give them the opportunity to respond before you decide what the outcome is.

Annette: Now does this also apply to sub-contractors or just full-time or part-time staff?

Claire: Not just sub-contractors but I say that assuming they are true sub-contractors because sub-contractors aren't eligible for unfair dismissal claims.

Annette: That really sage advice, Claire. I would suggest then that people who have got staff and may have some issues going on that they get some professional help from a company like yours before they go too much further.

Claire: Definitely. With all of my clients, we just ask them, which often happens. I just ask them to call me before they make that decision. We just work through what they've done and what they haven't done so we can just cross and dot all the I's and T's before they make that final decision.

Annette: Fair enough. That's hiring staff – and sacking them if they don't work out.

Let's change gears here a bit, Claire. Just quickly, if a trade business owner or any kind of business owner really is looking at taking on staff and growing the business, it is important that they're aware of their legal obligations with staff, isn't it?

Claire: In Australia, I think, unfortunately for small business, there are a lot of legal obligations and not just around employment but around a whole lot of things, especially tradies and building construction area like Workplace Health and Safety. It's just out of control to a certain extent. But legal obligations that need to be considered.

There's a national piece of legislation law that applies to all employees in Australia, sets a fair workout. They need to understand or be able to get some advice around that to know about how that relates. The most important probably part of that is called the National Employment Standard, which has 10 standards that apply to every single employee in Australia. They're around things like annual leave requirements. They're the same to everyone. They have to understand that.

Probably the second one is modern awards. Probably a lot of the people who would be listening to this podcast, given they're tradies, are probably mostly covered by the Building Construction Onsite Award, which is quite a complex award. So they really do need to be getting some advice around what they need to pay people and allowances, whether they get that from companies like mine or they get it from their industry associations such as HIA, but it is quite complex. They need to really understand their obligations because they can get into trouble if they don't follow that.

You need to understand that pay claims – they can go back seven years on a pay claim. That can add up and once you put allowances in as well, they're big claims.

Each state in Australia has its own Workplace Health and Safety legislation. And separately to that, there's also Workers' Compensation legislation. There are also laws around discrimination and harassment. They're probably the main employment type legal obligations.

Annette: Ignorance is no excuse. You must know that is.

Claire: Unfortunately not. If it gets taken to court or whatever, you can't plead ignorance, unfortunately.

Annette: Of course. I know, Claire, from sometime that we've spent together and I know that you're actually a bit of an expert in this area and it's something that's very dear to your heart – and that's company culture. Let's have a chat around what on earth is company culture.

Claire: The easy definition and the one I learned that you need and I think is applicable is that culture is defined as "the way we do things around here". It includes the way that you talk to your staff, whether that's the way you talk to them or if you're sending out any written letters or communications to them, it's how you celebrate any wins. That might be at the completion of a job.

I know one builder – actually, it's my husband's building company - he's a builder – I don't know if it's a New Zealand thing but they were in the habit of every time they finish a job they used to to smash a champagne against the side of the house.

Annette: Gosh.

Claire: It might have been a beer bottle. There was a name for it but they would all get together like all the guys who were involved in building that house, all the sub-tradies, the suppliers, they're all invited, as well as the owners of the house. That would be the celebration of having completed that house.

Culture is around things like how you celebrate.

Annette: That's a little bit like launching a ship, isn't it?

Claire: It is. Yeah. They'll say things like, "Do you recognize birthdays?" When one of the guys' wives has a new baby, so what do you do around that? Do you send them a gift or do you give them time off? Whatever it might be.

The physical environment – do you provide them with shirts? Is there an expectation around the way that they maintain the uniform and the way they look? The way that you, as the business owner, talk to them? The stories that are told, too, in your business. All of those things are what makes up the organizational culture.

Annette: It's something that you obviously need to work at. Do you think in a trade business environment where you got a bunch of blokes out in the sun or in the weather and things can be a bit tough, is culture in a trade business really worth it?

Claire: Of course. There's a lot of research that shows happy employees equals happy customers because the happy employees will do great, they do good work, which equals bigger profits for you as the business owner. I think it's just being a decent person to the people who you're working with. They all have their own lives. You've got your life. But they're there working hard for you, for your business, for your clients.

Everyone comes to work wanting to do a great job. It's not about throwing lots of money and rewards and benefits at them. I think it's recognizing when they do a good job, saying thanks, appreciating if they do a great job. If they do something extra for a client, then I think that needs to get recognized. It's things like what I say with celebrating some of the wins. It might be like those hot days that you're talking about. Make sure the guys if they're doing a long, hard day, making sure they get cold water onsite or whatever it might be, and having to run hot water from the tap that's onsite.

In my experience is that both companies that do and the business owners who care for their employees are the businesses that go on to grow and succeed.

Annette: Good point. It also to do around leadership, isn't it? It's an interesting thing that you start off as a plumber or an electrician or landscaper or whatever and you're working for the man and then you decide, "I'm going to go out on my own. I'm going to build my own business and I'm going to stop making money for somebody else. I'm going to make it for me." Then the business starts to grow. You can't do it all yourself so you hire some staff and all of a sudden, you're expected to be not only a business owner but a good leader.

How can you be a good leader? How does that come about? Are you born a leader?

Claire: I think that transition you talk about is really hard for a lot of people. There's a lot of argument around leadership in terms of whether or not you're born with it or you can develop it. I truly believe that you can develop it. Saying that I do think there are people that it does come easier for them.

I know a lot of business owners who I've worked with, they've got really good watch. It's called emotional intelligence. So they're very aware of how their behavior impacts on other people. They may not be in the habit of being someone who does say thank you to people when people do a good job but they've learned that to get the most out of their people and to build a great business, that's something that they need to do.

The first part of what I think is you need to have really good serious look at yourself. That's hard to do sometimes. I think it's good to get other people who are close to you and that could be your

existing employees or other advisers who you're working with or people who you have worked with before to give you feedback on your leadership style and suggest ways that it could be improved.

I truly believe successful organizations and businesses and culture and whatever else all starts with the leader of that business. You're not going to have a successful business without you being great at what you do and being a good leader is just part of that. I think some self-reflection is important.

You have to make that effort and it won't come easy to everyone. Not everyone is a people person. But it's just putting the ones that do well, the ones that put in some structure around that. That may be also if you're quite an unstructured person, you don't like having face-to-face meetings or whatever it might be. You have to acknowledge that your people need that. They need that for clarity around what you expected them. They need to build that in. "Monday morning, every 6:00 on site, we have a meeting to talk about blah, blah." You just build that into the structures of your business.

If it's things like you don't really like celebrating stuff, you just build that in. At the end of each job we do or whatever, or we do a half-year family day or whatever it might be, but you just have to put some structure in place to make sure that happens.

I think the other important point is a good leader – what you were saying before when they start to transition and they have to hire other people because they can't do it all – is making sure that you hire people who fill the gaps of what you don't have. It's so important to hire fantastic people around you. It's in your best interest. That's a really important thing, as well.

Annette: A very good point that you've raised. There's plenty around on leadership. I guess to be a good leader, you have to walk the talk, too, don't you? There's no point telling people how to do stuff and how to drive the car and how to pack the van and how to appear if you're not doing it yourself.

Claire: Yeah.

Annette: Claire, your company looks after HR for a lot of different organizations and businesses who don't necessarily have the in-house ability or the skills or the staff to take on and understand and fulfill the legal obligations and to hire people and to manage people properly. You are a specialist in this area and you do that for them. Is that correct?

Claire: Yeah. A recent client we had who was a builder, we went in, they used mostly sub-contractors. Plus they had some office people, a salesperson. We went in and looked at their existing systems and then we helped them develop some systems and give them advice over time. Such things like their employment contracts, some of their policies, looking at their pay in terms of what they are paying people and then give them advice over time if issues come up.

Annette: Cool. What's the average or the minimum size company that you work with?

Claire: We probably look at 10-15. It's the minimum.

Annette: Fair enough. Claire, I'd like to thank you so much for your great words of wisdom and sharing a lot of that fantastic information with us today. I'm going to put a link through to your

website so that if anybody was interested in having a chat with you further about issues that they're having or how you might be able to help them with your services. Just have a look in the show notes for this episode and the full details on Claire and her services.

Is there anything you'd like to finish off with, Claire? A couple of tips that you'd like to give our listeners on helping them with this stuff going forward.

Claire: Probably the key things are: recruit great people. As much as we spoke about before in terms of referral, is to make sure if you bring great people on to start with. It takes more time. You have to pay a little bit more. Then for you in the long run, that's a great thing. It pays off for your business.

The other thing that we haven't touched on too much is around the setting expectations and clarity. I think you need to set KPIs (Key performance Indicators) for people. They need to know what you expect of them. I think that's really important. I think we touched on all the stuff in terms of recognition whether or not that's money. I think it's more around the thank you and celebrating wins.

Annette: Great talking to you, Claire. Thanks for your time.

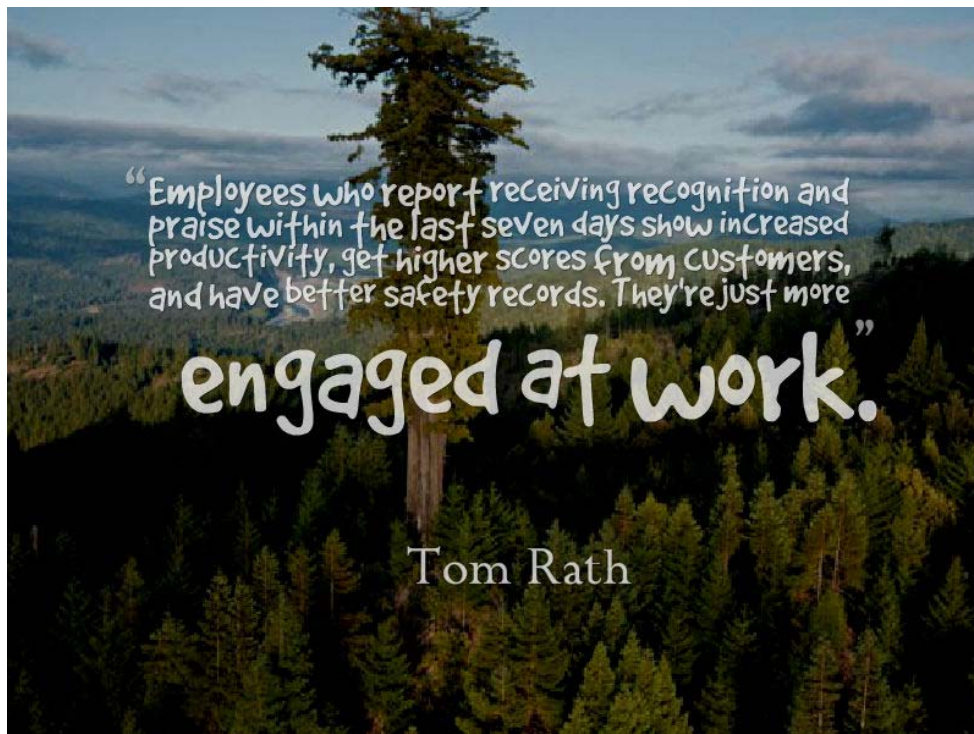
Claire: Thanks, Annette. Thank you. Bye-bye.

Key Take-Aways

1. Ignorance of your legal obligations when it comes to employing staff is no excuse. Get it wrong and it could cost you a lot of money, as the roofing company found out. Contractors and employees are very different.
2. Your team culture is all about "how things are done around here". What kind of team culture do you have at your place?
3. You need to be a good leader and walk the talk – set an example. Some people are born leaders, most of us have to learn how to do it. Be the kind of leader you would like to have managing you.

Whatever you do – don't muck around when it comes to recruiting and managing your staff properly. Disgruntled staff will damage your company and reputation in many different ways. Happy motivated staff will help you grow and survive. Hey if you have the right team, you could even get to take some time off. How good would that be!

Let's finish up with a quote. This one's from Tom Rath – author of six books – the latest being 'Are You Fully Charged?' where he delivers the three keys that matter most for our daily health and well-being, as well as engagement in our work.



Resources

Get in contact with Claire at the Harrison Human Resources website - www.hhr.com.au

Want to Grow Your Business?

Why not invest in some personal development for you or your team? No-one knows everything. In fact the day you stop learning is the day they put you in a coffin.

You can get all sorts of practical business training and marketing how tos – head over to tradiemarketingsecrets.com. For just \$20 per month you'll get access to all our fabulous lessons, tools and quizzes to help you become a gun marketer – plus we'll add you in to our members only Facebook group where you can meet other tradies and get answers to your burning marketing questions. I'm in there every day.

If you want to step things up a bit and get some stuff done in your business – get your own personal business coach and implementer here: <http://commonsensemktng.com.au/services/marketing-mentoring/>. You'll achieve more than you've ever achieved before, because we make sure you do. And for things you can't implement yourself, we can help. Our marketing team becomes your marketing team.

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