

Have you ever thought about...

BUSINESS

ALERT!

Hands-on help that works

Vol 12 No 4

HR Diary

HR in small businesses is not the same as in PLCs/Corps.

...overly nice managers?

AS AN OPINIONATED BUSINESS COACH, I keep running into people – journalists, employees, project managers, even a few CEOs – who pick a fight with me: They will argue that good bosses are more than caring human-beings; they make sure the job gets done. I respond by expressing agreement and pointing out my book “Good Boss, Bad Boss” which defines a good boss as one who drives performance and treats people humanely. Yet, as I started thinking about some lousy line managers (and CEOs) – I realised I hadn’t placed enough emphasis on the damage done, as one put it, by “a really incompetent, but really nice, boss.”

If you are a boss who is a certified jerk, you may be able to maintain your position so long as your charges keep performing at impressive levels. I warn, however, that your enemies are lying in wait, and once you slip-up, you are likely to be pushed aside with stunning speed.

In contrast, one reason that coach Leo Durocher’s famous saying “nice guys finish last” sometimes is right is that, when a boss is adored by followers (and peers and superiors too) they often can’t bring themselves to bad-mouth, let alone fire or demote, that lovely person. People may love that crummy boss so much they constantly excuse, or don’t even notice, clear signs of incompetence. For example, there is one senior executive I know who is utterly lacking in the necessary skills or thirst for excellence his job requires. He communicates poorly (he rarely returns even important emails and devotes little attention to developing the network of partners his organisation needs), lacks the courage to confront – let alone fire – destructive employees, and there are multiple signs his organisation’s reputation is slipping. But he is such a lovely person, so caring and so empathetic, that his superiors can’t bring themselves to fire him.

There are two lessons here. The first is for bosses. If you are well-liked, civilised, and caring, your charms provide protective armour when things go wrong. Your superiors are likely to give you the benefit of the doubt as well as second and third chances – sometimes even if you are incompetent. I would add, however, that if you are a truly crummy boss – but care as much for others as they do for you – stepping aside is the noble thing to do. The second lesson is for those who oversee loveable losers.

Doing the dirty work with such bosses is distasteful. But if rehabilitation has failed – or things are falling apart too fast to risk it – the time has come to hit the delete button. □

SOURCE NOTE: Bob Sutton, author “Good Boss, Bad Boss”

Here’s an interesting situation from a reader about working HR in a family-owned business (and not being part of the family).

“I was promoted last year to finance and HR co-ordinator at a small consulting company. We have some family members of the CEO working here in the office. There are some personality conflicts amongst the other employees,

“Since my promotion, I’m now associated with the ‘family members’ so I automatically get a bad rap. I try to talk with everyone but it seems like they don’t want to talk to me because they think I will run back to the family members. So ‘confidentiality’ isn’t there even though I’m not that type of person nor is it my job to do that,

“I’m totally capable of doing my job and handling confidential issues. I just haven’t been given the time of day. Now, I’ve been demoted to receptionist. Please help – I want my job back!”

There are several issues here. Let’s try to address them individually.

Blood is usually thicker than water. Our reader has experienced one of the downsides to working in a small family-owned business. Family members aren’t always held accountable to the same rules. Sometimes they bring the “home” part of their lives to “work”. I wish I could say this is an easy fix but it’s not.

HR can’t always keep confidentiality. Every once in a while, human resources learns about something going on in the company that they must tell senior leadership. These are usually situations that impact the liability of the company. When HR learns of them, they should tell the employee that they need to share the information with others. It’s not a negotiable matter.

HR must communicate with senior leadership. Confidential crisis aside, if your boss is the CEO, guess what...you have to tell him/her what’s going on. And if they own the company, they still get to hear what’s going on. The tricky part is when you have a CEO who can’t keep a secret. Another “not so easy” challenge to deal with.

Authority must come with responsibility. Whatever job a person is given, they must also be given the authority to carry it out. Responsibility without authority is setting an employee up for failure.

Even with looking at all these dynamics, there are still many unanswered questions. Things like: What’s the role of the HR co-ordinator? What was the reason for the demotion? And honestly, why would someone want to re-assume the HR role given what’s happened?

My suggestion to anyone that appears to be in a tough situation and trying to figure out how to change it, ask yourself a few questions (and allow yourself to come up with honest answers).

- **Why did this situation happen? Do I have to accept some responsibility?**
- **Why do I want the situation to change?**
- **What’s the outcome I’m looking for? Are there other outcomes that are acceptable?**
- **Can I accept the situation if it doesn’t change?**
- **What will I do if the situation doesn’t change? Am I prepared to take this action immediately?**

Stepping back from the situation and trying to take the emotion and frustration out of it is hard. But it’s often exactly what we need to address the matter. ■

SOURCE NOTE: from Ask HR Bartender blog: Working HR In a Family-Owned Business

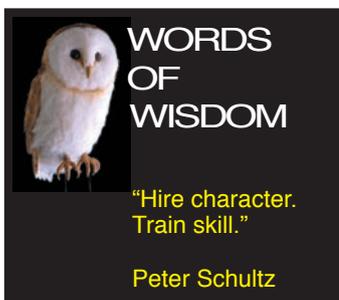
Google Plus is rapidly becoming more important for your business. It is becoming closely tied to how Google finds and displays search engine results. People who are logged into their Google Account (gmail, YouTube or other Google service) will have their search results influenced by who they are connected to on social media in general and Google+ in particular.

It's a simple and free marketing tool that will give you a big boost in Search Engine Optimization (SEO). SEO is one area of on-line marketing that many small businesses do little about, mainly, I suspect, because they don't understand it. And while Google+ is growing by leaps and bounds, too many small businesses, local businesses and solo-preneurs have not yet jumped on the Google+ bandwagon.

If that sounds like you, it's time to change that. Go to Google+ today and set up your account now.

<http://alturl.com/rqiin> - a short video produced by Google about what you need to know about setting up your Google+ profile.

SOURCE NOTE: The Baby Boomer Entrepreneur by Andrea J. Stenberg



WORDS OF WISDOM

"Hire character. Train skill."

Peter Schultz



Mark Desrosiers

The way I see it...

Management — Hands-on Leadership

"In the latter part of the 18th Century, a stranger was riding his horse close to a battlefield when he paused to observe a group of exhausted battle-weary soldiers digging a trench in what appeared to be an important defensive position. The leader of the section, though making no effort to help, was shouting orders and threatening punishment if the trench was not completed within the hour,

"The stranger rode towards the group: 'Why are you not helping?' he enquired of the unit leader,

"The soldier gazed at the stranger dressed in civilian clothes with a contemptuous look: 'I do not have to because I am in charge. These men do as I tell them, but if you feel so strongly about it you are welcome to help them yourself',

"To the unit leader's surprise the stranger dismounted, removed his coat and helped the men until the trench was finished,

"Before leaving the stranger congratulated all the men for their work, and approached the bemused unit leader,

" 'The next time your rank prevents you from supporting your own men you should notify top command - and I will provide a more permanent solution,' said the stranger,

"The unit leader now seeing the stranger's face properly for the first time knew that his perception of the stranger dressed in civilian clothes had been entirely wrong. Before him stood General George Washington, and with shocked realization felt the full impact of the lesson he'd just been taught."

Professor Colin Turner

I, and I suspect you too dear reader, have seen some shocking abuses of power over the years - from supervisor or junior management level up to members of the board. As Chairman / CEO the next time you come across such a situation, perhaps repeating Washington's actions might work!

Management — How poor lower management leadership skills might affect your business

"Poor Line Management Leads to Poor Business Results"

Research shows that poorly performing companies often suffer poor line management. That's not so surprising - but what is striking is the strength of the link between the two.

A February 2012 report by the UK's Chartered Institute of Management, for example, found that in low performing businesses, just 39% of 4,500 survey respondents stated that line management within the firm was effective. In high performing businesses, the figure was 80%.

First Impressions Count!

Bob's Red Mill, an employee-owned organic-foods mill, shop, and café is a phenomenally run operation. But don't take my word for it. Look through its windows.

They're so astoundingly clean that I thought, sitting inside Bob's café for half an hour, the windows were actually open (which would have been a strange situation in the middle of winter). It wasn't until I looked at the building's exterior that I realized no windows were open. They had just been cleaned to the point of utter invisibility.

Clean windows, of course, don't create customer or operational excellence. They're more of a marker for it. Because, to have windows this clean, in spite of entropy, customer noses, and plain old dust (it is a mill), requires:

- Care: This one is obvious.
- Awareness: Employees can care, but if they don't have an awareness of details (the broad psychological trait called "conscientiousness,") mere caring is not quite enough.
- Resources: Staff / sub-contractors, money (but significantly less money than buying display ads - and much more effective).

These three factors - care, awareness, and resources - matter in all aspects of an operation.

But if you want to quickly size up a company without taking a backstage tour, take a peek at the windows.

Maybe now is a good time to take a look at your visitors' first impressions - they matter just as much to suppliers and officials as they do to customers and prospects.

SOURCE NOTE: Micah Solomon, co-author "Exceptional Service, Exceptional Profit"

Cloud Computing

What to consider

by David Hardecastle Alnström

The benefits are legion, but the choices are bewildering. Here I try to bring some clarity.

This is a question that comes up fairly frequently: – if everything is in the 'cloud' what happens if something goes wrong? What happens if I lose my internet connectivity, or what happens if the provider loses my data?

These are valid concerns, of course, but the move to cloud services is happening. Can you afford to ignore it, and are you missing opportunities by not considering cloud solutions, or "Software as a Service" (SaaS)?

As with anything you do in your business (I hope) you need to do a bit of due diligence, and I've set out a little acronym to help you with some of the key areas you need to consider – appropriately enough, it's all about TRUST:

- T – transparency
- R – reliability
- U – usage limitations
- S – security
- T – terms and conditions of trading

These five key areas give you a broad scope by which to measure potential providers, and cover areas that you need to be asking questions about. Here's a bit more detail:

Transparency:

Cloud solution providers should explain their information handling and data storage practices in a clear and concise manner.

Check whether their web sites and marketing material include information about the reliability of their services, preferably independently measured.

A definitive list of countries in which customer data may be stored or where applications may be hosted should be provided, and this is especially important if you are concerned with any element of Data Protection. Some vendors can't or won't guarantee which country your data will be stored in, which is not always acceptable.

Reliability:

A clear indication ought to be available of the up-time and downtime of all the cloud services, as well as any security or system issues that may have occurred.

If there has been any sort of security breach in the past, this should have been notified to customers immediately.

Verify the backup policy of the provider, and the policy concerning the duty of care of the customer data should be clear and concise.

Usage Limitations:

Providers of cloud solutions should claim no automatic rights of any kind over customer data. Data should be used purely to fulfil the obligations of the software – for example, calculations or other activities that form part of the provided solution – or to meet statutory or regulatory requirements, such as the on-line posting of VAT/Sales Tax returns.

All the data within a customer's instance of the cloud solution should be made available for down-load in some standard format, should the customer require it.

Cloud providers should disclose customer data to a third party only with explicit permission of the customer, or if required to do so by law. Any legal claim from a third party to access the data should be notified to the customer immediately and before any such disclosure is made, so the customer has the opportunity to challenge the request.

Some providers may reserve the right to use some client data anonymously for bench-marking.



WORDS OF WISDOM

Business owners must continually innovate to survive.

The stone age did not end because they ran out of stones!

The international Institute for Independent Business

FOUNDED IN 1984 in the UK, the Institute for Independent Business (IIB) is now one of the world's largest international networks of business advice providers.

As of February 2011, nearly 6,000 carefully-selected men and women have been accredited worldwide as IIB Associates.

Experienced professionals

Experienced senior business people in their own right, who have elected to become self-employed business advisers, Associates and Fellows of the IIB have received additional training to enable them to focus accurately and cost-effectively on the needs of clients and prospects.

This ensures that Associates' clients receive the "practical advice that works"—the Institute's motto in every country in which the Institute operates. □

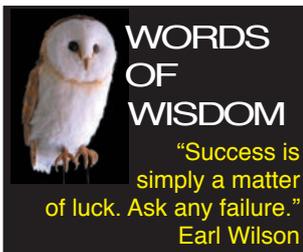
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Cloud Computing cont.

Make sure you understand what is involved here, and be sure that you are happy with the policy. In general, it's a useful thing to many businesses as a performance indicator, so don't discount it out of hand, but be careful.

Security:

Cloud service providers should protect customer data via internationally accepted and visible information security standards, like ISO 27002.

All security management standards and processes should be audited by third-party auditors to ensure compliance, and the outcomes of these audits should be made available to customers, at least, if not publicly on the provider's web site.

Such disclosures should also include information about how any issues raised in the audit are being addressed, and within what time frame.

Terms and Conditions of Trading:

The main message here is to actually read them! There should be a clear, concise and comprehensive set of terms agreed between the provider and the customer. These terms should set out defined areas of responsibility and accountability, with the aim of avoiding disputes about who is liable should some problem occur.

Typically, these disputes will arise owing to either service provision or availability, or data loss or mismanagement. A key area, however, is privacy and security – the control of who has access to what elements of the system, and how that access is policed. The customer should be in control of the security relating to their own users, and the provider should deal with the wider issues of data protection and security.



This agreement also need to make it clear where the responsibility for Data Protection compliance lies. Be careful of the small print, obviously!

Hopefully, if you can satisfy yourself on most of the issues mentioned above, you should have found a competent service provider. Each business has its own needs, however, and this list of suggestions is far from exhaustive, but I hope it will get you started, and will help you to build TRUST in cloud computing as a technology.

Defining Success in Business

Business success is not only when you make more turnover and employ more people.

Business success is when you have more time for your family.

Business success is when you make more money for yourself.

Business success is when you enjoy getting up and going to work.

Business success is when you and your family are financially independent.

Business success is when you can sleep at night without financial worries.

Business success is personal, what is it to you?

Have your say!



Add your voice to those of other business people on important business issues. Each issue of Business Alert will feature a statement on which you can voice an opinion. Simply select the view that reflects your opinion and email it to me. Your opinion will be submitted to the Institute for Independent Business for inclusion in its continuing business research.

The Statement:

"The biggest problem I face is funding growth."

Please email me with the letter (A-E) expressing your opinion from the following choices:

- A. Strongly agree
- B. Agree
- C. Unsure
- D. Disagree
- E. Strongly disagree

MY EMAIL ADDRESS IS:

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For more information, please call Mark Desrosiers on 610.524.5700