



Nuts And Bolts HR

By

Richard Clatney

Human Resources For
Small Businesses
“DIYHR”

DISCLAIMER

While I have written this book from my own experiences in Saskatchewan, Canada, most of the information should be generic enough to apply, somewhat, to other western jurisdictions. HOWEVER, nothing provided in this text should be considered as legal advice or the absolute answer to any HR or business problem. This book is not a substitute for common sense, jurisdictional legislation and regulation or a local legal or professional opinion. Consider this document as “food for thought” as you develop your HR savvy. Also, these pages are from my experiences and thoughts. I have chosen not to use any 3rd party reference material because I wanted this to be antidotal and not academic. While the situations I describe are rooted in my lived experience, I have removed all names and business identifying information to protect those persons and entities. I have changed the timeframe, so that these experiences cannot be connected to my online employment history. I have also smoothed over the rough edges to provide the essence of each situation. Even the best organizations can have human resource failings and that is ok, as long as you try to learn from them and endeavour to be a better employer and steward.

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Prolog

Written in spoken language and in no non-sense speak, this book is specifically for rough and tumble small business owners. The purpose of “Nuts and Bolts HR – Human Resources for Small Businesses” is to: 1) demystify HR for small business owners/managers, 2) provide a go-to resource for day-to-day HR issues and 3) to help entrepreneurs leverage their “human resources” to meet organizational goals. I have stripped away the craziness and distilled HR down to what small business owners can use. I am also a bit of a tough-love, eyes wide open kind of guy. If you are looking for research-based data or solutions to complex problems, you will not find them here. You will find some HR processes and stories, good ideas for small businesses wishing to get simple HR explanations and the odd word of wisdom. And frankly, I made some shit up for your entertainment.

For small businesses, those with less than 50 (or even 5) employees, who do not have a dedicated HR resource, this book is a quick way for supervisors and managers to develop their own “HR-Savvy.” Enter Do It Yourself Human Resources - DIYHR.

Over 20 years ago, one of my small business clients asked me a simple question – When (or how do I know when) do I need to hire an HR professional? At the time, I gave a simple but calculated answer – “at 100 employees.” At 100 employees, the tasks that originate from recruiting and hiring, managing compensation and benefits, doing annual performance management cycles, managing training and just keeping the peace, is enough to justify hiring an HR Professional. Today, my understanding of Human Resources has matured, significantly, and my answer has become somewhat simpler - “1 employee.” Don’t take this the wrong way. I do not mean that your first (or 2nd) employee should be an HR professional. What I mean is that as a small business entrepreneur, your first HR questions surfaces as you are about to hire your first employee.

Prior to the Internet as we know it today, a small business owner may have found some answers to HR questions in business magazines, university libraries (with paper books) or taken training from one of those old travelling training guys who pitched courses like “How to Deal with Difficult Employees”. But in 2023, small business managers can easily spend many hours heading down an internet rabbit hole, on any given HR problem. There are answers to every question out there. But, that may not help you because often the internet answers, do not give you the small business context or picture in which you are living. I hope to do that for you with short stories, my 12 HR Rules, 5 HR Myths and 10 HR Tips.

For myself, I have written this book for 3 reasons. First, to keep my mind limber. As I am firmly in the second half of my professional life and continue to actively practice Human Resources Management, I find I need to write things down to keep them top of mind. Second, as I work with clients, I want to give them something to help them understand what I do and also to use as a reference, once I move on. Finally, after more than a quarter century in HR, I have a desire to record my experiences but more importantly, discover what is my “HR-Way” - my brand of human resources management.

I would like to thank my wife for affording me the time to write this book and the many people I have worked with in my career, that have made my time enjoyable and rewarding and worth the 7 years I spent in post-secondary education. LOL.

Chapter 1: What is Human Resources Management?

First, let's start with a definition of Human Resources Management. As you can imagine, there are many definitions out there. Every HR textbook starts with one. If you ask 10 HR professionals to define what they do, you will probably get 20 different answers. That is because every organization positions HR, differently. Furthermore, human resources management is a very broad profession. It literally touches every corner of an organization, even if you do not intend it to.

Furthermore, if you asked several employees or managers in the same organization, what is the purpose of their HR department, you would inevitably get responses something like the following:

- HR is there to stand up for the employees
- HR hires and fires
- HR makes and enforces policies
- HR are the cheerleaders of the company

HR is often mis-understood. While these comments may be true in some situations, they generally say more about the individual than they do the human resources profession or how HR knowledge can be leveraged in an organization. And that is the jumping off point of my view of HR – “leverage”. What can we use? What will make a difference? What makes sense in a situation? The difference with my definitions and many others is that it is simply about leverage.

“Human Resources Management is a body of knowledge that aims to produce positive workplace outcomes through employees.”

Full stop! If anything under the name of HR is not moving the company forward, in a positive way, toward organizational goals – is simply not appropriate. Sure, sometimes HR guidelines or policies may put up barriers to what you want to do, right now! So do laws, and you don't go around breaking the law while you are on your way to the store to get milk. It doesn't make sense, because, you wouldn't get to the store in the first place. Hence the goal of getting milk was lost. That brings me to my first “Rule of HR – HR is a Mindset.”

HR Rule #1 - HR is a Mindset

HR is a Mindset. A mindset is simply your assumptions about the world around you. In Human Resources your first assumption is (hence the name) about people. You can take a course on HR, a certificate, a degree, a masters and a Ph.D. But it really boils down to a simple mindset – **people are your most valuable asset and they can be “leveraged” to produce results.** As an HR proprietor, you must believe that people are key to your business's success. People animate your business and your success as a small business owner or entrepreneur. This mindset informs your actions and decisions. The essence of this mindset is to view HR in your business through the lenses of 1) Integrity, 2) Individuality 3) Investment, 4) Innovation and 5) Improvement.