



1,000 THINGS BOARDS & MANAGERS SHOULD KNOW

Good Management Tip #5

How to Hire in a Co-operative

HOW TO HIRE

Hiring is one of the most important and complex tasks any board or manager has in the organization. The board and manager are not only hiring for a particular task, but are also hiring for the leadership and a position on a team. How an employee fits into the team is as important as the skills of the employee.

Perhaps the most important attribute of an employee will be their attitude toward the co-operative, its members, its products, its customers, and its people. These are the key areas to monitor.

Even if hiring is done with great care, only about half of the employees you choose will turn out in the long run. 95 percent of the success of a co-operative depends on the choices you make of the people. Therefore, one should not rush the hiring process. If it is rushed, it will probably be regretted later when there is time. Haste makes waste.

Do not hire to solve a problem. A person poorly selected wastes your time and time of the employee; in addition, lost productivity, depressed moral, and lost money will result.

Before the start of the hiring process, ask these questions:

- ★ What exactly is the job we are trying to hire for?
- ★ What results do we want to achieve?
- ★ What skills will the prospect have to have?
- ★ What personal attributes will the prospect need to have?
- ★ Can the job be done by one person?
- ★ Can it be done at all?
- ★ Are the duties in conflict with each other? (for example, will they be doing accounting and be expected to be a sales person at the same time?)

Job Descriptions

People want to know clearly what is expected of them, they want to know what needs to be accomplished so they can work toward those goals. Employees want to know what the values are of the board and manager, as well as the co-operative, so they can direct their energies toward those ends.

In the job description, list what is to be expected to be done, list the responsibilities in priority, and with whom the person will be working. What is the relationship expected between the co-operative, its members, its customers, its staff, its suppliers, and the public?

Where do you get the best people?

- ★ Inside the co-operative first, promote from within, it provides the lowest turnover and the highest productivity
- ★ Personal contacts, 85 percent will come from inside or personal contacts
- ★ Placement agencies
- ★ Newspapers, most of these will be unsuitable
- ★ If not enough applicants are received, the pay may be not enough

Here's a guideline that will help you get the best employees. Interview three people at least, interview them three times, in three different places, in your office, over coffee, and over lunch.

What to look for in a new prospective employee?

- ★ Results oriented experiences
- ★ Intelligence with good questions
- ★ Willingness and a history of hard work
- ★ A sense of urgency

Try the SWAN formula:

SMART. Signs of innovation and creativity.

WORKER. Signs that they are a good, hard worker.

ATTITUDE. Hire more for this than expertise.

NICE. Remember you can't train nice.

Rely on your gut feeling and those of your staff, especially women who often have the attribute of relying on their intuition.

Ask previous employers these questions:

- ★ Is there anything I should know about the person?
- ★ If you had an opening in your company, would you hire this person again?

Ask the prospective employee:

- ★ Why do you want to work here?
- ★ How do you feel you could contribute?

How do you decide how much to pay?

- ★ Ask around, ask other businesses, get the government salary ranges and use them as a guide
- ★ Pay approximately 10 percent more than they are making now
- ★ What do you feel the position is worth?
- ★ Ask them 'how much do you need to feel comfortable'?
- ★ Start lower than they ask, and give them a raise in three months

Always remember, you usually get what you pay for. If you pay peanuts, you'll get monkeys.

- ★ Start them off right and strong
- ★ Create a buddy system
- ★ Spend a lot of time with them at first
- ★ Give them lots of work to do
- ★ Burry them with work
- ★ Give them lots of feedback
- ★ Catch them doing something right often

HOW TO FIRE

Firing people in a co-operative is one of the most important and stressful tasks. What do you do with problem employees?

- ★ In private, discuss the problem
- ★ Be very specific about the problem

- ★ Reprimand then only for the behavior, never the person
- ★ Tell them how disappointed you are in their behavior and that you know they can do better
- ★ Agree how the behavior will improve
- ★ Monitor the process closely and follow up
- ★ Keep accurate notes in case the behavior persists

Why do employees fail?

- ★ They are not motivated and are unwilling
- ★ They are not competent and are unable

85 percent of the time it is the fault of the system, so you should examine what you are doing wrong. However, if the failure persists, then you must decide to dehire or trade the person. Once you have made the decision, and there is not chance to bring back the employee to a productive team member, then the stress is transferred to the other person.

All managers will be required to fire an employee sometime. It is one of the most stressful responsibilities of management. Today, you must be more careful and prudent in the firing process. Laws and the court system settlements have forced the board and managers of co-operatives and companies to do the firing with care and compassion. Thus, it is important to ask the question when a firing is inevitable 'who is the incompetent one?' After all, it may have been the person who did the hiring in the first place.

The longer the incompetent or unmotivated person is kept around, the more damage takes place in terms of low moral on behalf of the people who have to cover for the incompetence, the lost productivity, and the loss of respect suffered by the person who did the hiring.

How do you know when the firing process needs to be implemented? Ask the questions 'knowing what I now know about this employee, would I have hired this person?' If the answer is 'no', then it is time to implement the process.

Why are staff fired?

- ★ 85 percent for attitude
- ★ 15 percent for being unable or unskilled

Most of these shortcomings are as a result of a poor management system. Reports indicate that 85 percent of the problems in an organization are due to the system and the direction or lack of direction. The other 15 percent can be laid at the feet of the employee. It is easier and less expensive to save an employee than to hire a new one. When the decision has been made to dismiss an employee, and there is not chance for reconciliation, do this first:

- ★ Discuss the problem in private
- ★ Give specific, concrete examples
- ★ Listen and hear the reasons
- ★ Agree how the performance will change
- ★ Monitor and keep a record
- ★ Keep records accurately (this is essential)

During the exit interview:

- ★ Do the interview in the morning
- ★ Never conduct the exit interview in anger
- ★ Never conduct the exit interview on a Friday
- ★ Never conduct the exit interview in your own office
- ★ Be direct and never take longer than 30 minutes
- ★ Protect the self-esteem of the person being fired

- ★ Get up and leave when the exit interview is over
- ★ Be gentle, kind, firm, and final

For the exit interview, memorize the line 'you are a good person and you have done some fine work here, but I no longer think the job is right for you or that you are right for the job. I think you will be happier elsewhere'. You may have to repeat this line three or more times before the message is clear. Be sure you are gentle, kind, firm, and final.

The following are some points which you should consider to protect yourself legally:

- ★ There must be just cause with progressive discipline
- ★ Never fire as the result of a single act
- ★ Never fire without notice or adequate warning
- ★ Never fire after an important event
- ★ Never fire after a positive performance review
- ★ Prepare an agreed story for separation
- ★ Offer a reference letter
- ★ Offer a resignation opportunity
- ★ Provide relocation counseling
- ★ Have someone available to assist with the removal of belongings
- ★ Escort the person to the door

Reasonable notice will depend on the availability of employment, length of service, loyalty, education, family circumstances, the well-being of the co-operative, and the presence of agreements.

Severance packages should include lost pensions, lost salary increases, lost bonuses, fringe benefits, and interest on the money. You will know if it has been a good separation if the person comes back at a later time and thanks you.

For further information on this and other related topics, as well as many co-operative development subjects such as governance, finance and marketing, strategic planning, management, etc, contact the Nova Scotia Co-operative Council at the address below. Our knowledgeable staff of Business Development Officers, located in Truro, Sydney, and Yarmouth are available to assist you in all areas of co-operative development. You can also visit us on the web at www.nsko-opcouncil.ca.



Nova Scotia Co-operative Council

Making a Difference in Nova Scotia Communities

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