13 TIPS FOR SMALL BUSINESS TO RECRUIT AND RETAIN GREAT TALENT

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Introduction

Over the years, we've spoken to thousands of HR professionals to understand HR's needs. We're always saying that you should get a huge raise because we see how busy you are and know what you have to deal with every day. It's a balancing act. Helping each other grow and achieve is a vital part of HR.

77 percent of HR professionals cited helping people as their primary reason for choosing the profession.

Because talent is at the heart of every great company, HR is always thinking about finding, bringing on and keeping great people. That's why we—BambooHR CEO Ben Peterson and Cornerstone OnDemand's VP of Small Business Operations Michael Carden—wanted to have a conversation about what's working for us and discuss how we can all continue to improve.

HERE ARE BEN AND MIKE'S 13 TIPS FOR SMALL BUSINESS HR TO RECRUIT AND RETAIN GREAT TALENT:

Tip 1: Nail the culture

We all know companies that are famous for their culture.
Any of these look familiar?

Google™   DISNEY

Zappos.com   🍎   NIKE®

Culture is the foundation of your company. It's the way your company behaves, it's how everyone at your company thinks and it's critical to know who you are as a company in order to know what kind of applicants you want to attract.

First dive into what is truly important to your company, its stakeholders, its clients.

What are your goals? What do you want to become and how do you plan to get there? And it never hurts to learn from those who are doing it right. So make the effort to find your core values and build your culture around them. After you're done compiling this list, share it with other leaders, then all your people. Pair it up with your company's vision.

"You have to be a place that's more than a paycheck for people." *Rick Fererico, P.F. Chang's*

When you say you're looking for a "culture fit," everyone knows what you're talking about. And you all know how painful it is when you bring on a person who is not a fit. People matter. You need to make sure your company has great people who are fun, smart and easy to work with.

In a recent onboarding survey we conducted, 17 percent of respondents who left a job in the first six months said "A friendly smile or helpful coworker would have made all the difference." Remember, when hiring, those new people will be part of tomorrow's workplace for all future hires.

The leaders you have in place greatly affect your company's culture, as they are modeling behaviors. 23 percent of respondents who left a job in the first six months said they left because the "boss was a jerk." If your leaders aren't committing to your values and the culture you want, then it will never happen.

You can't fake culture. You need to give your people a meaningful work environment, and culture has everything to do with that. The foundation of recruiting is being very deliberate and strategic in mapping out your culture.

"**To win in the marketplace, you must first win in the workplace.**" *Doug Conant, Campbell Soup*

Tip 2: Get quick wins.

After you've nailed your culture, you need to share it—everywhere. From a recent international study done by LinkedIn in 2014, 56 percent of respondents said the most important factor in deciding on a company is whether it has a "reputation for being a great place to work." That means, you've got to get the word out there about your company if you want to be able to compete to hire great talent.

The trick is to tell your story at every touch point, every time someone has any kind of communication with your company. That might sound like a lot to do, but it doesn't have to be overwhelming.

Start with the things you can do today. How can you get your message out the fastest? You have so many outlets: your website, blog, emails, social networking, LinkedIn profiles. Then there are review sites, press releases, ad campaigns. The list goes on and on. But don't overwhelm yourself. It's not going to happen overnight, and you don't have to do all of them today. Start with the basics. Which of those can you focus easily on today and do with little investment that can get you incremental progress?

YOUR COMPANY
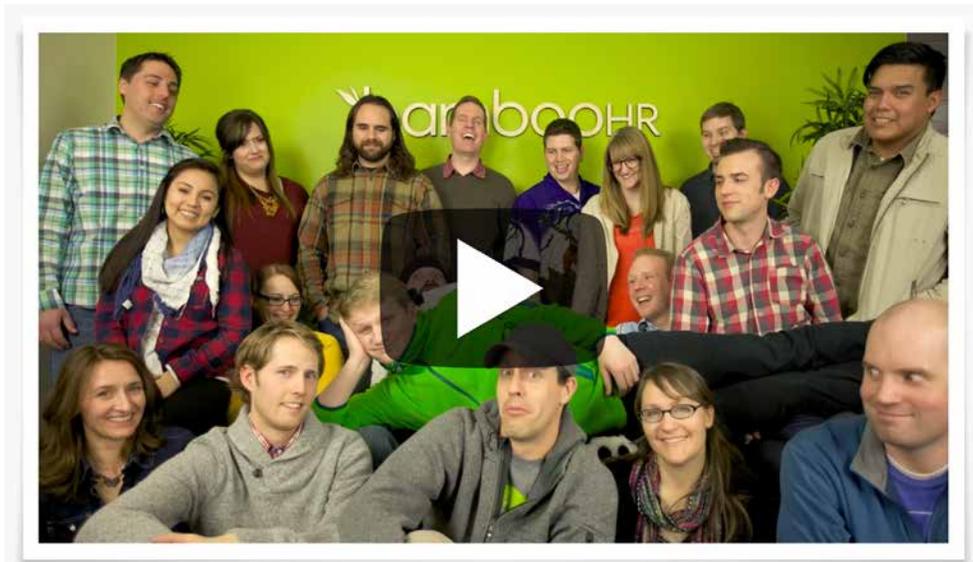
Website	LinkedIn Profiles	Personal Profiles

Social Networking	Email	Blog	Everywhere Possible

Every candidate is going to go to your website so I'd definitely start with your website. It's easy to change copy on your website, and it usually doesn't require a programmer. Take a close look at your About Us page. What does that say about you? Take a look at your Careers page, take a look at your blog if you have one. Make sure that your messaging is deliberate, refined and great copy. Companies need to focus on telling their story, what they're all about, what's meaningful to them so they really reveal their culture. You'll be amazed at what some simple but great copy can do for your recruiting.

You can also keep a recruiting video on the careers page of your web site. About a year ago at BambooHR, we focused a lot of effort around a careers video that helped in our recruiting efforts. Or you can apply for a workplace award to create local awareness and will get your company out there. You can also display those awards on your site.

After candidates check out your website, they're going to try to find out more about you through social media. Use Facebook and LinkedIn to showcase your company and its culture. 92 percent of companies are using social media for recruiting, and 29 percent of job seekers use social media as their primary source for job searching. So be sure to share job postings through social media as well.

It's a low-key way to entice applicants who may not even be looking to switch jobs.

If your culture is really as awesome as you think it is, then your people can be your best word-of-mouth evangelists. If your employees' friends and family know they love their jobs, that can be the best form of recruiting. Plus, they should be liking and sharing and posting on social media to share their passion about it.

When thinking specifically about hiring, consider how your culture is displayed on your job posts and during your interviews in the screening process. You might not think these little details matter, but don't be fooled: Each and every communication paints the picture of your company's culture. How do you want people to think of your company and remember their experience with you?

So think about today. What can you do right now? Go share your story.

Tip 3: Be transparent in your job listing.

Now that you've defined your culture and nailed your messaging, it's time to really save yourself hours of headaches dealing with the wrong applicants by doing your job listing right.

If you're getting flooded with people that just don't fit, then your posting isn't cutting it. You simply don't have time to spend poring through resumes and emails, trying to find a needle in a haystack.

Great job listings give information about these four important elements:

- *Who your company is.*

- *What you're looking for in an applicant.*

- *What the applicant will do.*

- *What you'll offer the applicant.*

Many times we don't get the job listing right the first time. Sometimes you have to test different job titles and different descriptions of what the employee is going to do. You might have to get less specific or more specific depending on the role. You might need to play with titles or tweak the description to optimize the best results. Also, make sure your culture comes out just right in your job listing so that it attracts and excites the applicants who fit best and weeds out the others.

You also need to make sure your job listing is posted in the right places.

Which outlet makes the most sense for your job posting?

- *Geography*
- *Role specific*
- *Where are the right candidates searching?*

Depending on the job opening and location, we've had success on different forums. Sites like Craigslist, Monster, Indeed, LinkedIn, Facebook and Google can generate a lot of interest. Use data from your previous hires to find out where your applicants are coming from. Then you'll know where to focus your efforts in the future. Your applicant tracking system (ATS) is probably storing this valuable information and can help you create a recruiting plan that works for your company and its unique needs.

Make sure job listings reflect the job you actually need done. In our onboarding survey, we found a common thread from people who left jobs within the first six months: They want you to tell them exactly what their responsibilities will be.

No one likes a bait and switch. 26 percent of respondents who quit jobs in the first six months said they left because they were "given different work than expected from the interview." Be upfront and open about what your new employee will be doing. You don't want to trick people into working for you, so be clear about your expectations.

Other individual respondents said they left because:

- *"Hours were not as expected."*
- *"The job was changed between the interview and the first day on the job."*
- *"I was lied to and then my salary was less than promised, far less."*
- *"Compensation wasn't what was promised."*

Tip 4: Have a plan and respond quickly to the best applicants.

Recruiting is expensive. When you consider all the intangible costs, you can't afford not to do it right. You need a very defined process.

Do you know exactly what to do when a great resume arrives? Do you call? Email? Both?

You need to define the criteria for who moves on. Are you looking for hard skills? Or will positive attitude and a desire to learn be enough? Are you willing to let them go through a learning curve on your dime or do you need someone that can be up to speed in a week?

Always communicate

Constant communication is so important. You can't be a black hole so you must communicate with your candidates throughout the entire process. Still, it's always awkward when they're not the person you're going to hire. But you need to communicate even when you know they're not right. It's always best to be upfront.

> " **In the early stages of launching Zappos, bad hires cost us $100 million.**" —*Tony Hsieh, Zappos CEO*

If you're not communicating, you can miss a great opportunity. We at BambooHR learned a great lesson once. We had a candidate come in who was everything we hoped for. The resume mapped perfectly to our role, and our research on the individual showed us that he would have been a great fit. It took us two days to get back to him and those two days lost him for us. He went somewhere else, and we were kicking ourselves. So for those roles where candidates are in demand, you need to be quick. Since then, we've committed to respond immediately to any candidates that seem like a perfect match.

We know you're busy. Aren't we all? But it can be costly when you lose that perfect candidate. It might take another three, four, five months before the next "right fit" walks through the door.

Ongoing communication is important. You should always be reaching out to let applicants know where in the process they are and never, ever be a black hole of communication. Your reputation as a company is at stake. People will talk about you if they have a good experience or if they have a bad experience. Most importantly, when you hire that person, you want their friends and their network to add to your network so you can attract even more candidates in the future.

What about pay?

When you know the right candidate and are considering compensation, you must be firm but fair. People know what's fair so you need to know your market. We do everything we can to avoid uncomfortable bidding wars. Sometimes you just have to tell people just very explicitly, "This is the role, this is the position, this is the value that we feel it's worth."

You've got to be very open and direct. Compensation isn't this big secret you can't talk about. Applicants should feel open to ask about if it doesn't seem fair. But it does need to be fair or you won't have your new employee for long. We personally like to be fair and then some, just to make sure candidates know we value them.

Tip 5: Don't just show up for the interview.

You've got to define the interview process that works for you. Many times, especially in startups, things are so crazy and busy that interviewing can feel like a scramble. "Oh someone's here, let's go sit down and talk to them a little bit." But it's important to really think through your interviewing process. Which questions do you ask? Do you test applicant's abilities? Do you know exactly what you're looking for?

One of the most commonly heard words of advice about business is to hire right. Some CEOs want to be involved in the interviewing process of each and every person they hire. For filling critical roles and key people, you can never be too careful.

Does the applicant have the skills you're looking for in and the right character to fit in culturally with the rest of your company? It's okay to trust your "gut" sometimes, but don't weigh too heavily on that.
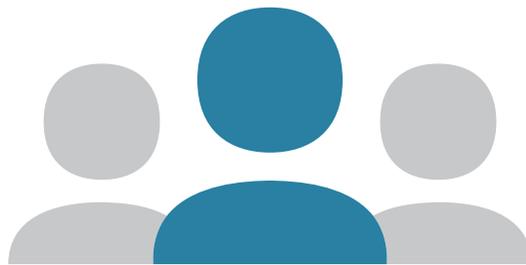
"Many studies show that unstructured, face-to-face interviews are biased; interviewers prefer candidates who are likeable, similar to them, and physically attractive—even if these qualities are irrelevant to performance."

—*Jeffrey Pfeffer and Robert Sutton, NYTimes*

It's also important to check direct and indirect references every time. If you notice an applicant did not put a direct manager on the reference list, you still need to get ahold of that person. Find out as much as you can about that person.

Each time you hire someone, it gives you another chance to learn. Creating a culture of learning allows you to always improve and do better for the next time. Give yourself the space to learn and improve. Sometimes you just have to be patient. It can take you months to hire just the right person and can be painful because you need the help so badly. But "settling" on the wrong person will often require you to pay a bigger price.

> **"You absolutely must have the discipline not to hire until you find the right people."** —*Jim Collins*

Tip 6: Make onboarding last.

After all the time and effort you and your team spent finding just the right candidate, you can't waste it by not onboarding properly. You made a huge investment, so don't waste it. Be thoughtful in your onboarding process and make it last.

The onboarding survey revealed that over 32 percent of new hires have had barely any onboarding or none at all. That's painful. *Here are the things that new hires really want when starting the job:*

- *On-the-job training.* 76 percent said on-the-job training is the most important thing a new employee needs to get up to speed and begin contributing quickly. You can't just give your new hires a computer and let them lose. You can't fail your new hires by not letting them know what the expectations are. They want to do meaningful work and have fulfilling jobs so you have to set them up for success.

- *The manager involved.* 33 percent said their manager had the greatest influence on the effectiveness of their onboarding than anyone else. Of course HR was close behind at 28 percent and colleagues in the new hire's particular department weighed in at 26 percent. Your new hire is highly influenced by their first interactions at your company.

- *A mentor or employee 'buddy'.* 56 percent of respondents said the assignment of an employee 'buddy' or mentor was also important to get them started on the right track. Your new employees want to feel connected with others right away. Having an automatic "friend" who can answer questions

in an informal setting and include them in social interactions will help new hires feel more committed to your company and the job right away.

- *Good leaders in place.* 23 percent of respondents who left a job in the first six months said they left because "My boss was a jerk." Others spoke individually of their bosses as "unethical, bullies, and abusive." As you're hiring, keep in mind people want to be inspired by good leaders. All your leaders need to be trained to onboard effectively and engage the new employee in the right way—right away.

- *A friendly workplace.* 17 percent of respondents who left a job in the first six months said, "A friendly smile or helpful coworker would have made all the difference." Your employees want to work with others who make their lives better and their jobs more enjoyable. And everyone likes to belong with the others around them. Each time you hire, consider how that new employee will add to this friendly workplace for the next round of new hires. It's a constant cycle.

> **"You get the employee engagement you deserve. If you don't engage with them, they won't engage with you . . . This is particularly true at important moments of truth starting with how you onboard them."**
>
> *—George Bradt, Forbes ("the Godfather of Onboarding")*

In his Forbes article, Bradt refers to the three A's of onboarding:

- **Accommodate:** *The first thing you should do to accommodate new hires is to make them comfortable when they arrive. Set them up with a readied workspace—including computer, phone and any other tools they'll need. You can create a welcome package of office supplies or a company t-shirt to let them know you're excited they're there.*

- **Assimilate:** *The next A is assimilate, which means you need to bring them onto the team smoothly. Make sure your team welcomes the new hire by doing a roundup and introduction. It's also not a bad idea to assign them "care-takers" or mentors that can help new hires feel they have a safe place to ask questions. Maybe even take your new hires to lunch to get things started off on the right foot.*

- **Accelerate:** *The next important step is getting your new hires up to speed and productive quickly. That doesn't mean stuff new hires with as much information as you can on the first day; that will just overwhelm your new hires. It's actually more helpful if you can give new hires what they need in a manageable, steady stream. New hires (52 percent) want to receive "organized, relevant and well-timed content" and consider that to be the* most important aspect of the onboarding process. According to respondents who quit jobs within the first six months, 53 percent said "review and feedback of early contributions" is one of the most important things a new employee needs to get up to speed and begin contributing quickly.

If you're focused on retaining, then consider what your new hires need to be productive and that will benefit your new hire and your company.

Onboarding is not a one-day or one-week thing. Effective onboarding requires managers, mentors and buddies to be "involved, engaged, providing early feedback, and [setting] clear expectations" over an extended time frame.

If you carefully consider processes around these three phases and continue onboarding beyond the first several weeks, you'll get more traction getting new hires on the path to success. You need to give them a great environment to do their best work and opportunities to contribute immediately. You'll find heightened employee loyalty and a decrease in turnover when you onboard right.

Tip 7: Rinse and repeat your process.

If people truly are a company's greatest asset, then show it. It can't just be lip service. You're never finished learning. Your recruiting process can always be refined. Keep revisiting it, keep learning. When things go wrong, learn how to improve for the next time. You'll always have a chance to get smarter and improve.

Likewise, you should share your mistakes with others so that it can help everyone. So many times we want to stuff our mistakes in the closet so no one will know about it. At BambooHR, we've got what we call the "oops" email for people to use when they make a mistake—whether it's development, sales, implementation, finance or hiring. We encourage our people to send an email to everyone saying: This is what happened, this is why I did it this way, and this is what I learned from it so everyone can benefit from those mistakes.

If you find specific questions in the interview process that don't work, share them so no one else asks them. And on the flip side, share the wins. Share what's working. Share specific questions you find most meaningful and share the results you're getting.

Also, when people leave your company, find out what you can do better. Ask those hard questions. Don't take it personally and take that information to continue improving. Because, let's face it, losing people is expensive. Trying to find good hires takes a lot of time and effort. When it doesn't work out, you're starting the process all over again.

The U.S. Department of Labor's Bureau of Labor Statistics confirms that recent voluntary turnover across the nation has topped 2.2 million people.

Hiring right should be a priority. Why? You have a lot to gain or lose. And it's expensive to lose employees.

"It often costs as much as the equivalent of a year's salary to refill, retrain and bring a new hire up to speed in a position if the original candidate quits or is fired within a year of their hiring."

Tip 8: Use technology where it makes sense.

Software should be something that you don't work on, but that works for you. It should be the perfect fit for your company. Small companies have different needs than large companies. While there's no reason small companies can't have the ease and simplicity of certain technology, there are just some things they won't need. It's important to know which technology is going to help and where.

Help Me

77 percent of HR professionals said they chose the profession because they wanted to help people. And that's why we're doing what we're doing. We want to help people too and free HR up from data-entry so you can focus on what you love doing—helping people. Finding the right technology that's just right for your company will do that. It's like a puzzle piece. What fits for you? It should work for you and be customizable so it will continue to fit as you grow.

Some companies are dealing with benefit information in 50 different spreadsheets that can be inaccurate. Then when your leaders say they need a report, HR scrambles to five different places to pull data, put it in a report, then offer it up. The sad part is we're still not 100 percent sure the data is up to date and accurate.

And what about PTO? Are you doing it on post it notes and spreadsheets? Are you organizing your hiring on a white board? Are you still locking paper files in a file cabinet? Are you answering employee questions they could do themselves? There's definitely an easier way.

HR always has so much going on. All. The. Time. But sometimes we have to stop and look at the process, define the pain points and then find the technology to fix it. Technology should provide relief. Think about it: Technology allows you to create one report that can save you six hours a month, all done with a simple click. That's the kind of impact technology should have.
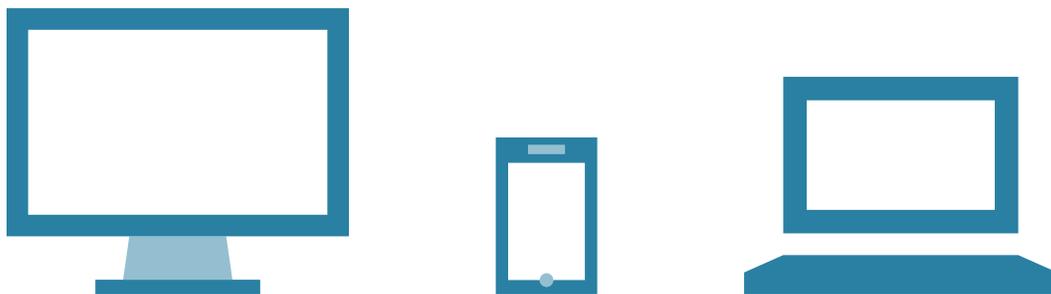
Simplicity

The technology has got to be simple. It should always make your job easier. The user experience has got to align with the needs of the company. Technology can help with all the previous points—like nailing your interviewing and selection process and helping you onboard new hires—but it's got to be simple and make your job easier.

If you're growing and hiring often, you need an ATS that will easily organize and rank candidates, as well as allow you to make hiring a collaborative effort for those involved in the hiring process. It must be customizable to show off your brand and custom-fit it to the position you're trying to fill. It should make lives simpler for your applicants as well.

A word of warning: Technology is changing so fast it's hard to keep up. If you're not using technology, you may be falling further behind.

Sixty-four percent of employees, on average, at top-performing businesses directly access HR technology, compared with approximately 55 percent at other companies, a survey revealed.

It can help streamline your process and make things easier for everyone. You can give your employees self-service so they can change their own address when they move. Or if they need to change W-4 information, dependents, or see how much PTO they have. Your people want to be able to do these things for themselves without bothering HR every time. The right technology will let you give your employees the freedom to do those things for themselves, which means you get more minutes back into your day.

HR is always putting out fires. It seems there's no time to put the needed technology into place. But you don't have time not to make technology a priority. Maybe some of your fires will burn a little bit longer than you would have liked while you take the time to find out how you can better your future, but the relief is incredible once you find that right fit for your company. Then you'll have the time.

More and more companies are using technology because it's working and doing things they never could for such a small amount.
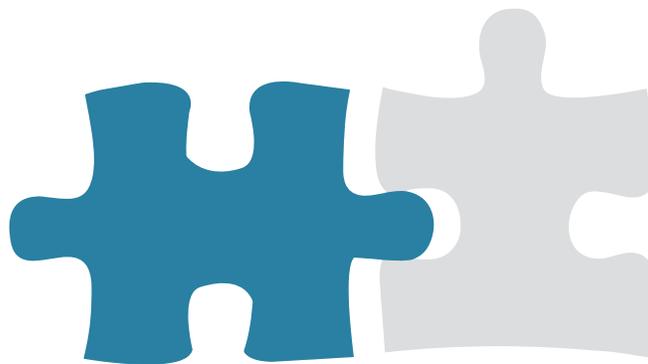
The number of respondents currently using cloud solutions has increased in the past year from 52 percent in 2012 to 75 percent in 2013.

And it just keeps growing.

Do it right, but don't overdo it.

You need to make sure you're finding the right technology for your company. Check around. Do it right the first time, but don't overdo it. More companies were replacing rather than upgrading their human resource management systems (HRMS) last year (15 percent to 14 percent).

Don't choose the same technology just because another company chose it. Make sure it's your perfect fit.

Technology   Your Company

Tip 9: Say "thank you."

It sounds like advice your grandma might give you, but it will really help. The world we live in trains everyone to expect instant gratification. Consider Facebook where we expect feedback immediately. When you post something about your kids or your cat, you really expect someone to comment. If a few minutes go by and no one "likes" or comments on it, we assume something is wrong with the technology. We want feedback right away, and we want it to be positive. You're pressing people's "like" button. When you look at it as a manager, your employees expect that same kind of positive feedback. They want it fast and if they do something, they expect to be thanked for it.

Every day, when people leave the office, try to thank them for something they've done that day. A goal like this forces you to actually keep on top of what people are doing. Saying thank you is very simplistic, but it also puts you in a very powerful position.

And if you continually thank people, then it is just a point of power where you start to build a dialogue. When you have to deliver bad news or criticism or need to offer ways for them to improve, at least you've been saying thank you up to that point. It puts you in the starting seat so to speak.

Technology systems can even support that dialogue, particularly performance management. Instead of working from a form, you want an environment where people can easily say "thank you" in the system.

Tip 10: Hire good candidates, no exceptions.

Anyone who who has hired more than a handful of people has made an occasional hiring mistake. We all have. There's a lot going on: We have to find the candidate, we have to get a person onboard. We really need that person, but settling for the wrong person is the worst thing you can do.

Hiring the wrong people can be disastrous. Here are some reasons why:

- *It's costly.*

- *It wastes your time.*

- *You've lost opportunities from better candidates.*

- *Company morale suffers.*

Your goal should be to hire people who are smarter than you. Put your ego in the backseat for a moment and try to find people who can do your job even better than you can. This is definitely not an easy thing to do. But if you are always looking for people who are smarter than yourself, your organization will get smarter over time. On the flip side, if you hire people who aren't, then your organization won't grow like it should.

It's hard when you feel sorry for a candidate who isn't great. But if that person is in a place where they start hiring others who are also not great, everyone suffers. Your company starts to spiral downward.

Culture fit

Great companies are made of great people. You must be completely inflexible on candidate fit. There's a diverse range of people that make up an organization, but you need to ensure you've built a good, diverse organization.

Many times in hiring, you don't know exactly what a great candidate looks like. What sort of characteristics, behaviors and history should a stand-out candidate have? You need to tie your thinking about hiring people with performance management. The great thing about keeping records in a central performance system is that you're collecting a lot of data. That data can help you understand the characteristics and traits that make a great employee. You can then determine which of those characteristics and traits will work well in your organization based on the performance history of others. You'll be making better hiring decisions because you'll know what you're looking for.

Tip 11: Treat people like adults.

Again, another thing your grandmother might say, or more accurately, you should treat people like adults until they prove otherwise. Most people want to do a great job; that's just human nature. They don't want to be bored. If your HR practices aren't focusing on helping your people do their best work, then you've got to rethink how your work environment needs to support your people's goals.

Sometimes we build policies that prevent people from accessing social media to try to keep them productive. You don't want your people trolling Facebook or bidding on ebay while they should be working, of course. But instead of taking things away from people, why not give them the encouragement they need to do the best work they can? Be positive and give them a work environment that will

support their desire to be productive. You might be surprised to find your people sharing things on Facebook that help promote your company!

Sometimes you have to model the behaviors you want, then trust your people will follow. But you can't treat your people like children: You can't just tell them what to do as you would a child, then go and do something completely different. Your people are watching what you're doing. And although we all are adults, we still follow the behaviors that are set by others. That typically starts with managers. You can't just muscle behavior out of people or demand it. Your company and your people deserve a culture that treats them more fairly and managers who model the way.

Changing Work Environments

Work environments have changed a lot over the last decade. And people have changed a lot as well. Everyone has different opinions about things and analyze data differently so conflict will come up. I like to think about it in a TV frame. Let's say you're talking to someone who is over 30. Think about the type of TV they watched growing up—probably sitcoms like Charles in Charge and other shows with some type of hierarchal structure. People telling other people what to do. Let's put a spotlight on Charles. It was about people not rebelling against the times. Everyone tried to keep the peace and keep Charles happy.

Whereas if you are under 30, you grew up watching reality TV. Reality TV is completely different with the kind of power structure. It's about collaboration; it's about the strongest wins; it's about working to achieve results; it's teamwork; it's backstabbing. There are all sorts of things that reflect the work environment. Now it's more about people putting together alliances and doing smart work. Those are the people who are most successful. You need to have a different approach to how you work in that world.

Here are some ways you can approach your work environment that will keep your people enjoying their work:

- *Drive your employees' natural curiosity and desire to improve.*

- *Help employees learn new and enhanced skills.*

- *Use lateral moves to make things interesting and keep people learning and growing.*

One of HR's biggest challenges is getting all the allotted performance-management tasks done. If you're only doing performance management once a year, then you need to make sure it really counts. Sometimes, we as HR professionals get out our textbooks and write the Magnus Opus of performance reviews. The employees look at them and think about how it's really complicated

stuff. Nobody really wants to do it so that means it only happens once a year. Then the whole cycle starts again. It's what we call "the performance-management cycle of doom."

People want to find a work environment that supports more feedback, more frequently, right when things actually happen, so they can change paths more often. People want to learn. It's a development approach to performance management. If you focus on development as a standard and embed learning into your culture, your people will be happier. And while the once-or-twice-a-year approach is still useful for figuring compensation and the like, a more flexible, real-time approach is winning in this world.

Work—like life—is a journey, not a destination.

Tip 12: Deal with staff problems immediately.

Dealing with staff problems immediately isn't just about hiring the wrong people. Although if you do make that mistake, you'd better take care of it right away. This is geared more toward your long-term employees who have performance issues. It's important to take care of it immediately because as soon as others see that being slack is tolerated, then more people will be slack.

It goes even deeper than that. Let's say you're managing ten people on your team, and two of them are absolute stars. They can do anything. Then let's say that three of them are under performers—they have problems and are getting stuff wrong. They're continually unfocused and disengaged. There's the remaining five people who are in the middle. Typically, you'll spend most of your management efforts on the three under performers. You work hard trying to get them back on track so they're not disruptive and are completing their work. You're spending your time trying to get your under performers productive. And you're ignoring your stars. They're going to do their work anyway.

Now you're spending so much effort on the under performers—in fact, you're nurturing them. Of course, all the competitive advantages that your organization will ultimately have will come from those stars, it won't come from your under performers. It's the stars that you need your effort focused on them.

Don't give problems a chance to fester. Deal with staff issues immediately before you end up in the situation where you focus all your effort on the wrong kind of people.

Failing to act quickly impacts everyone.

Tip 13: Believe that people really are the most important asset.

It's funny when leaders of big corporations say people are the most important thing and yet don't know much about their people. Everyone knows where all your office supplies and computers are, but so many leaders don't have all the information they need to fill a position with an internal employee. They simply don't know enough about their people, their most important asset.

Mike Carden told a story about the HR director of Christchurch Airport who came to speak to the Cornerstone OnDemand team. Christchurch is a town in New Zealand that suffered a severe earthquake in 2011. The HR director explained what it was like being in an environment when you've just had an earthquake and you're in the airport. She said, "Everyone hangs on about how people are your most important asset, but imagine what it would be like if people were your only asset. One day they all showed up at work, and there was an earthquake. All the buildings fell down and basically you just had people; people were your only asset."

So they opened the airport because in a disaster, one of the first things you need to do is get the airport running. You need to be able to receive help. So in a high-pressure situation, you've got all these employees who aren't even sure what's happening with their homes or their loved ones. Employees had to step up and open the airport.

She said all the information they had on people up to that point about who their top and under performers were was right on. The people who really pulled through in the disaster situation were the same people who pulled through in the day to day and could work as a team.

We talk about all of these different things we need to do from an HR perspective, but HR really is different because HR is about people. That's why so many people choose this industry. One of the most critical things HR can do is understand how people behave and learn what people are really like.

People really are the most important asset, and HR is their keeper.