

# Small Business Challenges



A small business employing around 10 people and which had been in business for eight years was suddenly experiencing significant turnover, posing challenges for the owner such as:

- Increased expenditure, effort and energy on recruitment
- Overload on remaining employees while vacancies were being filled and new employees were getting up to speed
- Owner's concern, stress, and fear that other employees were going to resign
- Wavering client loyalty
- Those resigning were taking clients with them

Working with the owner and three employees, problems/issues were analysed and diagnosed, including:

- the owner had gradually stepped away from the business to focus on family commitments without putting a 2IC in place
- despite being paid well, employees felt that that were being asked to fulfil management and leadership responsibilities in the absence of the owner with no recognition, reward or compensation
- there were no employment contracts in place that outlined expectations, remuneration, reward, recognition, benefits, the way we do things around here, development opportunities etc.

Outcomes were:

- owner agreed to be coached on leadership responsibilities
- a 2IC was put in place
- owner spent more time working on the business as well as meeting with employees, providing guidance and mentoring, recognising performance
- with the permission of existing employees, contracts were put in place to welcome new employees, impress new employees about the professionalism of the business, outline expectations and requirements in relation to termination, resignation, remuneration, benefits, reward, confidentiality etc.
- turnover reduced immediately and has remained steady

