



# PEOPLE FIRST:

A Guide to Hiring and Retaining a Great Team

*By JJ Ramberg*

# Introduction

Having the right people on your team means everything when it comes to running a small business. As you look around your company, are you surrounded by people you trust? Are they the group that can take you from where you are to where you want to be?

There's no question, hiring the right team is one of the hardest parts about running a small business. But there's also no question that it's one of the most important. As the founder of the 10-year-old [Goodshop](#), I've had both great success in hiring and also made some mistakes along the way. And I know I'm not alone. Most of the business owners I have interviewed for my MSNBC program, *Your Business*, have experienced the same.

What I have learned is that nothing about building your team should be haphazard. Hiring and employee retention should be considered as important a business practice as sales, marketing and operations. It's the backbone upon which your business is being built.

What follows here is a guide to hiring the right people for your team—and making sure you provide the tools and environment to keep them on board.

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## JJ Ramberg

### ABOUT THE AUTHOR



JJ Ramberg is the host of the MSNBC program *Your Business*, co-founder of Goodshop, and author of the best-selling book *It's Your Business*.

Now in its 11th season, *Your Business* is the only news program on television dedicated to helping small-business owners solve the issues they face every day. JJ has travelled across the country, interviewing thousands of business owners, investors and advisors—as well as cabinet members and members of Congress—to learn what works and what doesn't.

JJ is also a leader in the space of social entrepreneurship. Through its innovative online platform, her company, Goodshop, has forged a connection between retail savings and nonprofit and school fundraising—by creating coupons that give back. Launched in 2005, Goodshop has raised nearly \$12 million for its participating causes as well as saved people more than \$100 million.



# Hiring

A company is only as strong as its people—which is why hiring right, especially in the early days, is so important. While the process can be a mix of art and science, there are some fundamentals that can make it easier and more effective.

## **BE CLEAR ABOUT THE NEED FOR THE JOB YOU'RE TRYING TO FILL.**

The road to having a good employee begins even before you put a listing out for the job opening. Before the interview process starts, there is homework for you to do to ensure you are getting the right candidates. First, write down a detailed description of the job you are trying to fill. While this seems obvious, it's important to also back this up with the resources you are going to provide this person so that they'll be able to be successful in their position.

To make this clearer, let me give you an example of how it can go wrong. I recently interviewed a CEO who hired a salesperson to sell ads on his website. While he thought this would be an interesting revenue generator for the company, he had not thought through the position thoroughly enough. Selling ads was not a priority for the business and so when he was allocating resources—both technical and financial—this member of his team was not getting what she needed to succeed. A few months in, the new hire turned in her resignation and that part of the business died with her departure. This was both disruptive to the team as a whole and a waste of money, all of which could have been avoided had the CEO really thought through the position prior to hiring someone.

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**HIRE FOR A CULTURAL FIT AS MUCH AS (OR MORE THAN) FOR A SKILLS FIT.** While I believe most CEOs understand the theory of hiring team members who fit the culture of the company, where many fall short is defining that culture before building out their teams. In the early days, it's easier to maintain a company culture, as it directly stems from the leadership team. But, as the company grows, it's imperative that you are able to explain that culture in a way that allows your team to measure potential candidates against it, as well as in a way that allows potential candidates to understand if your company is an environment they want to be a part of. A good interview process should be as much about the candidate deciding if they want to work with you as you deciding if they are right for the job.

For small, growing businesses, the goal should also be to hire people who are willing to adapt to change. You need to make it clear to candidates that this won't be a job where they will simply climb the corporate ladder. What you do today might not be what you will be doing two years from now and the path to get there won't be clear. You need to hire people who are comfortable with that kind of fluidity.

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### **GET TO KNOW THE CANDIDATE BY ASKING THE RIGHT QUESTIONS.**

I used to assume that because someone was coming in for an interview, they understood what my company did and had used the service before. I quickly learned that is not an assumption you can make. In one situation, I did not find out until deep into the conversation that the potential hire had never even gone onto our website. To me, that was a big red flag that ended the interview right then and there. So now, I generally start out the interview process with getting to know what the candidate thinks of my company and then continue on from there.

That said, I still find formal interviews hard to conduct. It's difficult for me to get to know someone in that kind of setting. So over the last 10 years of speaking to entrepreneurs for *Your Business*, I have collected some of my favorite interview questions:

#### ***“What three things would you do during your first month on the job?”***

While I don't expect this to be exactly in line with my expectations, since they would not have the benefit of fully understanding my business like an insider, it does give me a sense of how they think, what they understand about my company and what kind of experience they have.

#### ***“What resources will you need to be successful at this job?”***

This is a follow-up to the first point I made in this section—you want to be sure that you and the candidate are aligned on what kinds of help they will need to be successful at the job.

#### ***“On a scale of 1 to 10, how lucky do you consider yourself?”***

The CEO who told me he asks this question said that he will never hire someone who answers less than an eight. His feeling is that people make their own luck, so if someone does not feel lucky, they do not have the kind of optimistic attitude that fits into his culture.

#### ***“If we moved offices tomorrow, would you be willing to put together the bookshelf?”***

This question signals to the interviewee what kind of culture you have. While every candidate may answer yes, it will raise a red flag for the potential hire if they are not interested in joining a company with this kind of environment. The idea is that they would then think twice before continuing with the process.



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SARAH PIERSON AND ALEXA BUCKLEY  
MEMBER SINCE 14

**DON'T HIRE THE FIRST PERSON YOU INTERVIEW.** It's tempting. You have an open position and someone comes in who seems like she could do the job. She has the skills, everyone likes her enough and she can start right away. You want to give her the offer right there and then. Don't.

In a fast-growing company, it can feel at times that you just need a body in the chair. But if you can at all help it, you should never bring someone in quickly just to fill an empty slot. At the end of the day, you want to be able to look around the room at your team and be inspired by each and every one of them. That means you need to invest the time in your hiring process.

If that first person seems perfect, still force yourself (and your team) to interview at least two or three other candidates. You'll be surprised at how often you learn something from candidate No. 2 that you didn't consider with candidate No. 1. Or you may find that you are able to attract a more experienced person than you had assumed. Having a larger pool to choose from will help you make a better-informed decision in the end (even if you end up giving to the offer to the first person you met!).

I also believe that if you are hiring someone for a key position, it's important to a) have multiple people on your team interview them and

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b) interview them in multiple places. You learn something different about a candidate when you are talking across a desk than you will if you grab a cup of coffee or take a walk around the block. You get to see a different side when you change up the surroundings.

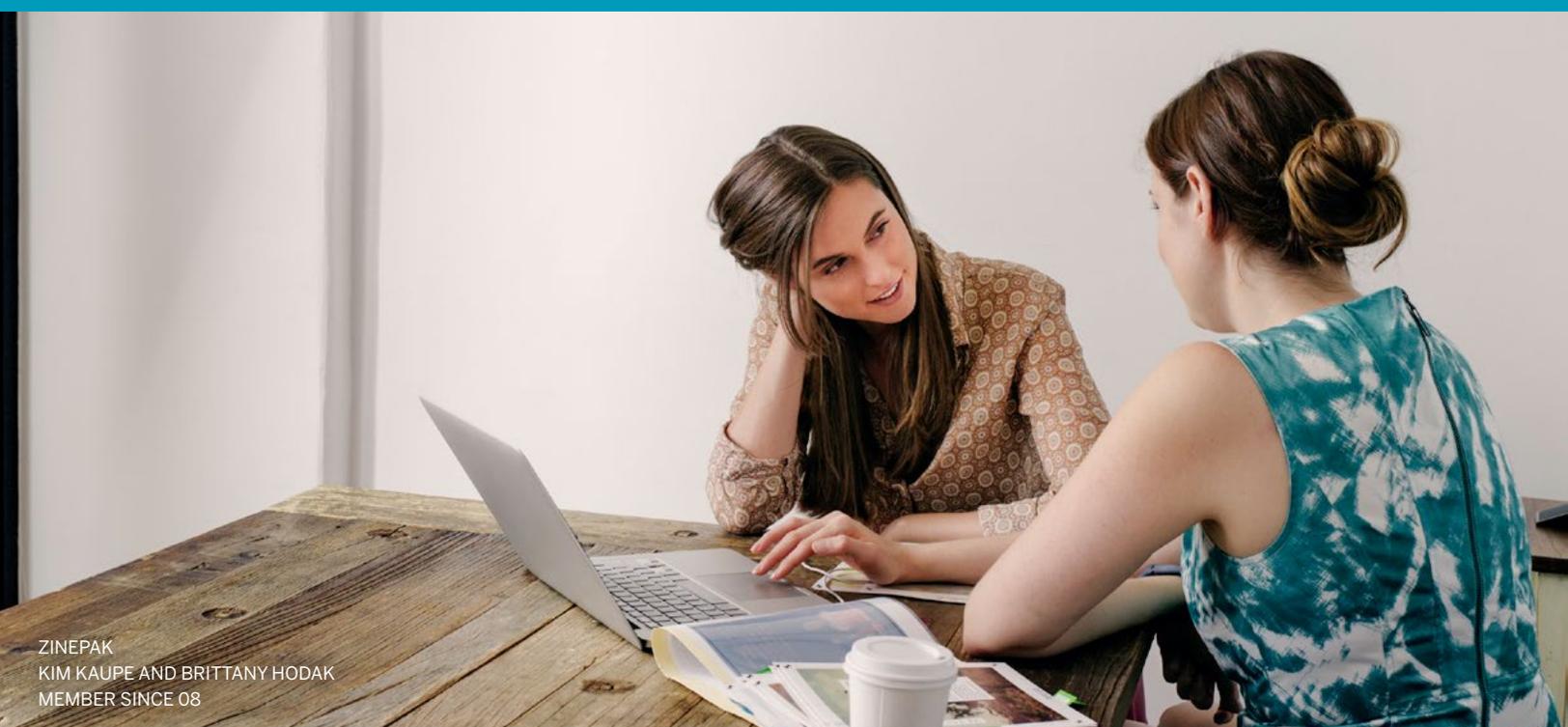
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**TRUST YOUR INSTINCTS—BUT BACK THEM UP, TOO.** Always trust your gut when it comes to making a hiring decision. If you have a feeling that someone is not going to be the right fit, you're probably onto something.

That said, it's often hard to tell. So, if at all possible, it's very helpful to find a way for you and the candidate to test out the fit. If it's the kind of job where someone can be hired for project work ahead of time, you can give that a try. If you do that, though, it's very important to make sure you follow the law and hire them as either a contractor or a temporary employee, as dictated by the kind of work they are doing.

The best way to find candidates is to get a referral from someone already inside your company who already understands the culture and mission. Great people want to work with other great people. Paying employees a referral bonus is a good way to reward team members who actively bring in good candidates.

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# Retention

If you are a fast-growing company, you are going to have turnover. It comes with the territory. You are most likely going to hire people in the beginning who are not fit to grow with the company. And in spite of all your attempts to be thoughtful about your hiring process, you are going to make mistakes along the way. Everyone does.

Nonetheless, it's incredibly important to focus on retaining your employees and ensuring your company provides them a good environment in which to work and thrive. High turnover can be disruptive, expensive and a distraction to your business. And you will not attract high-quality employees if the people currently working with you are not happy. It's as simple as that.

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**IT STARTS WITH THE ONBOARDING PROCESS.** On Day 1, your new hire needs to feel like he is part of team. Someone's first day on the job sets everything up right from the start. This person has now put his career in your hands and your job is to honor that by making him feel welcome. Show how happy you are that he has joined your company—

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*“It’s imperative that you stay in touch with your employees to understand if your shared goals are evolving and why.”*

regardless of whether he is the CFO or the receptionist. You need to let him know that you value him.

When I started my company, I worked out of my one-bedroom apartment in New York. And while there was nothing formal about any of our processes, I did make sure that new hires felt valued from the very start. It began with a simple gesture of flowers on their desk (which was my dining room table), lunch the first day and ensuring they had all the information on the company they needed to start to better understand how we operate.

These were all little things, but they got us off to the right start. These people had many job offers and I wanted to make sure they knew I appreciated that they decided to work with me.

Of course, many companies hire remote workers these days, which can be a challenge in making them feel part of the team. Fortunately, technology can help. I recently visited a company that had offices in New York and Los Angeles. They had meeting rooms in each office that had video screens and live feeds all day where people could connect and stay in touch.

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**CREATE EXPECTATIONS, NOT SURPRISES.** I believe in having quarterly check-ins, not just annual reviews. If members of your team come in for a review at the end of the year and you (or their managers) tell them they are performing poorly and that you are unhappy with them—and that’s news to them—then the process has failed.

In addition, annual reviews suffer from short-term bias where managers evaluate their direct reports on whatever they did most recently.

The easiest way to know if someone is working well within your team is to set tangible goals. That said, particularly in a fast-moving company, the goalposts can continue to change. So it’s imperative that you stay in touch with your employees to understand if your shared goals are evolving and why.

You also need to insist on employee ownership of projects. You need to empower them and trust them to get work done. That comes from having clear goals and good communication.

**SET EXPECTATIONS HIGH FROM THE START.** From that first day, your employees should understand they are expected to do their best work. I learned this early on from a woman I worked with at my first job out of business school. Whenever new people on her team would hand in their first project, she would ask them, “Do you think this is absolutely complete and your best work?” She would then give that person the chance to go and make it better (if it needed fixing).

The key to making this effective was that she would not look at the work before asking the question. That way it never came off as criticism. It was simply a question—and a strong signal that she did not want to take the time to review anything that was halfway done. She made it clear that she did not expect perfection (it was their first project, after all), but she did expect that they try their hardest. Letting her direct reports know right from the start that she wanted top-notch work ensured that people felt challenged to do their best. While this first interaction may have come as a shock (and a little bit intimidating), everyone loved working for her because she set the bar high and supported people in reaching it.

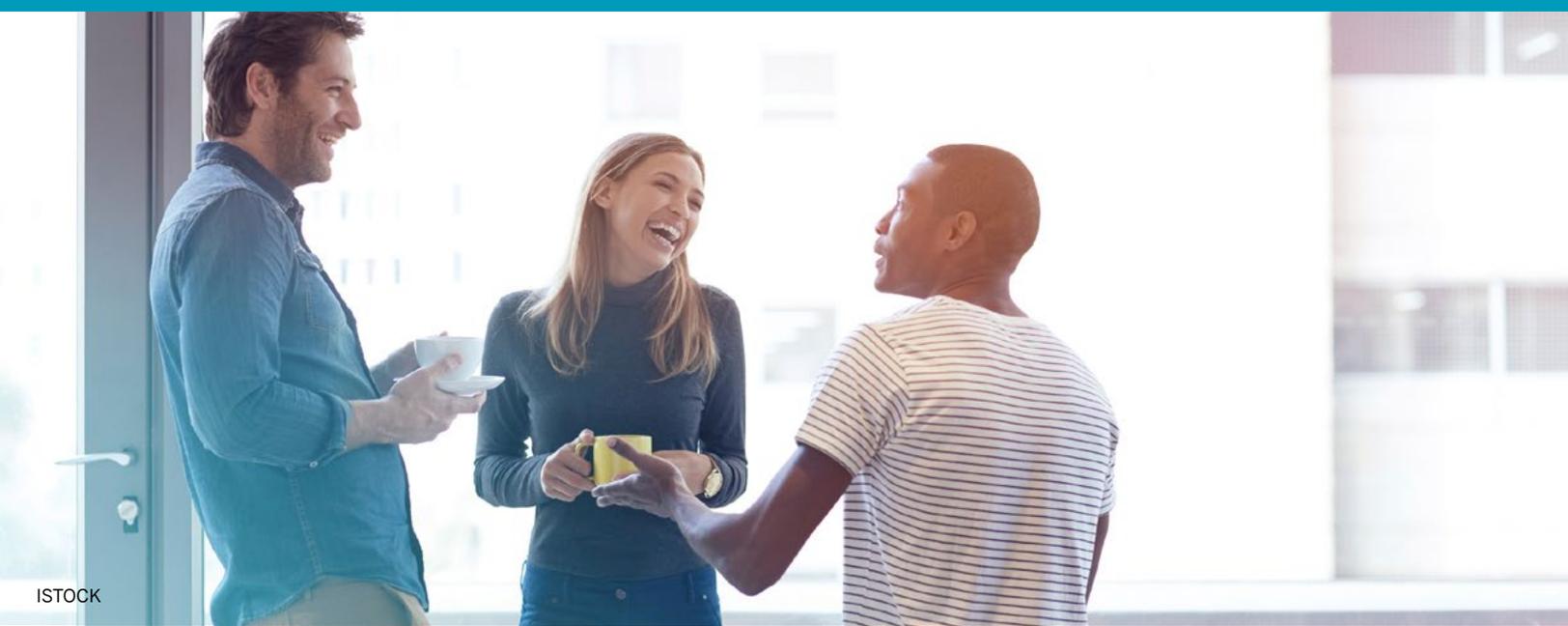
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**KEEP THE PULSE OF YOUR TEAM.** One of the consequences of growing your team is that you eventually have less contact with everyone. Things go on without your knowledge and you never want to find out too late that something is happening that is affecting your culture or ability to grow. One way to keep on top of this is to do employee surveys every six months or so that solicit honest feedback from the people who work for you. By doing them often, you have the opportunity to benchmark how you are doing as a company. Not everyone is going to be happy all of the time. There will always be outliers. But you want to be able to respond to your people’s needs.

Also, I encourage founders and CEOs to hold office hours where you can get to know members of your team whom you usually don’t have the chance to work with. My mom ran a successful company and she had a program she called “Five Minutes with Connie” where anyone in the company could sign up for five minutes with her. What is so brilliant about this initiative is that it gives everyone a chance to meet with her, but five minutes is short enough that it’s not intimidating. Nobody felt they had to come in with some brilliant idea or witty repartee. It was just a chance to chat.



*“Someone’s first day on the job sets everything up right from the start.”*



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**CELEBRATE YOUR SUCCESSES.** When it comes to building teams, it's also critical to recognize the hard work people do and to say thank you. Giving spot bonuses is a great way to reward someone for going above and beyond what's expected of them. That could be anything from cash to a gift card to a lunch. It can be just a little thing that says "thank you" and recognizes someone's work.

One company I profiled would spend part of its holiday party listing all of the accomplishments from the year. It was a fun bonding experience for everyone to remember all of their wins. By December, many people had forgotten all that they had done in the first half of the year and recalling them was incredibly motivating.

At Goodshop, we do a fun thing called "High-Fives," where people can recommend their peers for anything from being innovative to helping someone solve a problem. We then post these for everyone to see. We also pull some to read at our monthly meetings. Anyone whose High-Five gets read wins a prize and we make a donation on their behalf to a charity of their choice. It's one of the things I look forward to most at our monthly meetings.

It's important when you have long-term goals to have celebrations along the way. People need to feel good about their work. Even if you had a bad year, still make the time to celebrate the milestones you hit.

If you can do that, you can bet you're well on your way to building a great team.

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