

# 10 Best Practices for Developing a Human Resources Strategy



Angela Sarver  
07.30.19 in Marketing & Practice Management

When you hear the words “human resources,” do you want to run for the hills? If so, you’re not alone. For many advisors who have gone the independent route, human resources is often where they have the least experience. But when you have the right employees, doing the right jobs, you can create a more efficient, profitable, and scalable practice. So, to help you tackle this important facet of your business, I’ve compiled a list of 10 best practices for developing a human resources strategy.

## 1) Promote What Makes Your Firm Unique

Recruiting is more competitive than ever, and you may feel that you can’t compete with larger firms. The trick? Stand out from the crowd. Keep in mind that many candidates want to do work that is meaningful and to make a difference. If you run a small firm, your employees can make an immediate and powerful impact on the business. Further, they often have the chance to work on varied initiatives, and their experience isn’t restricted because of their position.

So, while the benefits package you offer may not be as robust, there are other ways for you to provide a richer, more valuable employee experience. By promoting these opportunities, you will better your chances of catching the eye of a quality candidate.

## 2) Find the Best Fit(s)

When you interview candidates, dig deeper to really assess the skills that are outlined on their résumés. For example, if you’re hiring for a client service role and a candidate indicates he has client service experience, you might ask him:

To describe outstanding service

How many inquiries he handled on a daily basis

If he handled the inquiries directly or passed them on to someone else

Just as you don’t want to compromise on a desired skill set, cultural fit is of utmost importance. Be sure to clearly define your firm’s values and how these values dictate how you do what you do, ensuring that

every interaction a client or prospect has with your firm is consistent. When a candidate's values differ, it's unlikely he or she will meet your expectations.

### 3) Explain What You Expect

Employees and prospective employees need to know your expectations, so be clear in the job description about the responsibilities of the position. You should also articulate your expectations regarding the firm's core hours, employee attendance, the firm's service model, rules for using firm email and internet, and so forth. Bottom line? When everyone is on the same page, it helps all members be successful.

### 4) Feedback, Feedback, Feedback

Many firms have adopted the annual performance review as a standard for providing feedback, but discussing performance once a year isn't enough. Consider meeting with employees at least monthly to provide ongoing feedback, and try to engage in an informal discussion on specific topics that you and the employee agree to ahead of time. That way, when you conduct the annual review, there won't be any surprises. Instead, it will be an opportunity to spend time thinking about the future and what you and your employee would like to achieve going forward.

### 5) Motivate Your Employees

Would you be surprised to learn that Gallup concluded that salary isn't the greatest driver of employee motivation? Instead, employees are motivated when they feel they are part of a team, when they do work that is meaningful, and when they are making a difference. So, how can you foster an environment that recognizes employees for a job well done? Consider these ideas shared by other advisors:

- Allow employees to leave early on Fridays during the summer ("Summer Fridays")

- Allow one day of volunteer time off (VTO)

- Provide lunch once a month

- Give employees the day off for their birthday

- Write handwritten thank-you notes

Whatever motivational tool you choose, taking the time to acknowledge a job well done goes a long way and reinforces the positive behavior you want from your employees.

### 6) Delegate

Many advisors have shared with me that they do tasks themselves because it's easier and takes less time than teaching staff members how to do them. But the time you save now can undermine you in the future, as you will eventually have competing priorities. In addition, the less you delegate, the less valued your staff will feel—leading to turnover, a costly disruption. Instead, commit to training your staff so they can take non-client-facing activities off your plate. As you do this, think about how you will handle mistakes.

By treating mistakes as learning opportunities—instead of failures—you can help staff correct their errors without shaking their confidence. This improves the overall employee experience while still teaching how to prevent these mishaps in the future.

## 7) Embrace Technology

Technology is critical for today and tomorrow. As you prepare for the transition of wealth from older to younger clients, it's important to understand that you will likely see a shift in how these younger clients use technology. Technology can help bridge this gap, allowing you to communicate and process business in a way that will meet the needs of different generations.

## 8) Encourage Staff Development

Employees want opportunities to learn and grow. Without such opportunities, they will become stagnant and unchallenged. Here at Commonwealth, our Practice Management team provides many programs geared toward our advisors' staff development, from our Advanced Topics Symposium to our Staff Road Shows. Why not consider sending your staff to industry-specific training, covering certification fees, offering tuition reimbursement, providing a local membership to a professional association, or paying for online classes?

On a simpler level, encourage staff to read industry publications like *InvestmentNews* to stay current with what's happening in the industry. Keep in mind that for every learning opportunity, there should be action steps and an implementation strategy to apply that learning to the employee's position.

## 9) Communicate How You Compensate

In our industry, it's common to have two components of compensation: base salary and incentive. Over the past several years, however, there's been a shift away from tying the base increase to tenure; instead, these increases are now often linked to performance. Think about whether this system could work for you.

You'll also need to outline incentives versus bonuses. A bonus is often a one-time reward for something the employee has no control over (e.g., a holiday bonus or a bonus because the firm had a good year). Incentives, on the other hand, are tied to specific goals the employee must achieve to earn the reward. Here, goals should follow the SMART method (specific, measurable, achievable, realistic, and time bounded), and you should review them with staff at least quarterly to ensure that they are still valid and to help staff overcome any obstacles they may be encountering.

## 10) Be Accessible

Whether your staff is experienced or new to your firm, it's important that you make yourself available to them. Your staff members need to feel a connection to your firm—and you are that connection. Why not conduct a five-minute stand-up meeting every morning? It's a great way to quickly review what's on everyone's calendar for the day. It also allows you to work with staff to prioritize their tasks. Another idea

is to block time on your calendar for questions. By scheduling this time for questions or other discussions, it eliminates interruptions so that you and your employees can stay focused on the task at hand.

## Go Forth and Profit

With these suggestions in your back pocket, developing a human resources strategy will seem like a much more manageable task. If you put in the time, your efforts will pay off. Learning how to better communicate with your staff, delegate certain tasks, and define your expectations and values from the start will help make your firm more productive and profitable as a whole. And what's not to love about that?

**Editor's Note:** *This post was originally published in September 2016, but we've updated it to bring you more relevant and timely information.*

---



Angela Sarver

**Senior Practice Management Consultant**

Angela Sarver is a senior practice management consultant at Commonwealth. With the firm since 2007, she works with advisors on critical business issues, including business planning, leadership, partnerships, human resources, operational efficiency, marketing, business risk, and growth strategies. Angela has a BS in business administration from Emmanuel College and an MBA from Endicott College. She also completed the graduate certificate program in HR management at Northeastern University.