



GROW YOUR **PEOPLE**, **PINOY!**

5 Steps to Growing Your Business
Through Your **People**

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5 Steps to growing your people:

- Create a List
- Hire the Right People
- Train Them Right
- Measure Their Performance
- Reward and Discipline Them Right

INTRODUCTION

In my many years as a mentor of the DTI Kapatid Mentor ME Program, I have talked to almost 1000 business owners with different backgrounds.



They are food-related manufacturers, bakery owners, restaurant owners, garments producers and resellers, and retail, and hotel owners. Their main concern as my mentees is always how to grow their business.

This is also an important question for those who want to start their own businesses or who dream of having one. So whether in formal mentoring sessions or in informal social settings like parties, luncheons, and even in wakes, I find myself having conversations with all sorts of people who ask me how to successfully grow a business—especially when one is overwhelmed by many problems and concerns.

Before advising business owners, I always ask:

“What is your number one problem?”

Can you guess what their common answer is?

Money.

It’s always money.

They would say, *“I lack money”* or *“I need more capital.”*

Business owners with strong bookkeeping or accountancy backgrounds would phrase it more nicely.

“Mommy N, I’ve got cash flow problems.”

Most people believe that in business, money is the number one problem. And if this is so, then the solution is also seemingly simple: to add more money.

How about you? Do you think that your biggest problem now is money, and that the solution is to put in more money to your business, even if that means you have to borrow more?

Today, I am a business owner of successful companies, a mentor, author, educator, etc. I have been in business for more than four decades.



But I have been where some of my mentees and many struggling entrepreneurs are now. And my advice to them is the same as the one that I will give you.

Don't do it. Because it's not about the money.

You see, my husband and I made the mistake of thinking that money would solve the problems of our businesses.

We needed more money to pay the salaries of our employees. We needed more money to pay our suppliers. We needed more money to pay for the rising cost of utilities—the rent, electric bill, phone bill, and so on.

We didn't know any better then.

So we borrowed.

And borrowed.

And borrowed.

It was like this for decades. Until one day, we found ourselves buried in debt.

Deeply.

Very, very, very, very, very deeply.

If we went on thinking that our problem was money, and that the solution was to borrow more money, we would be in jail by now. Our family would be broken. And our kids—oh! I cannot imagine how their lives would have been affected by our gargantuan debt.

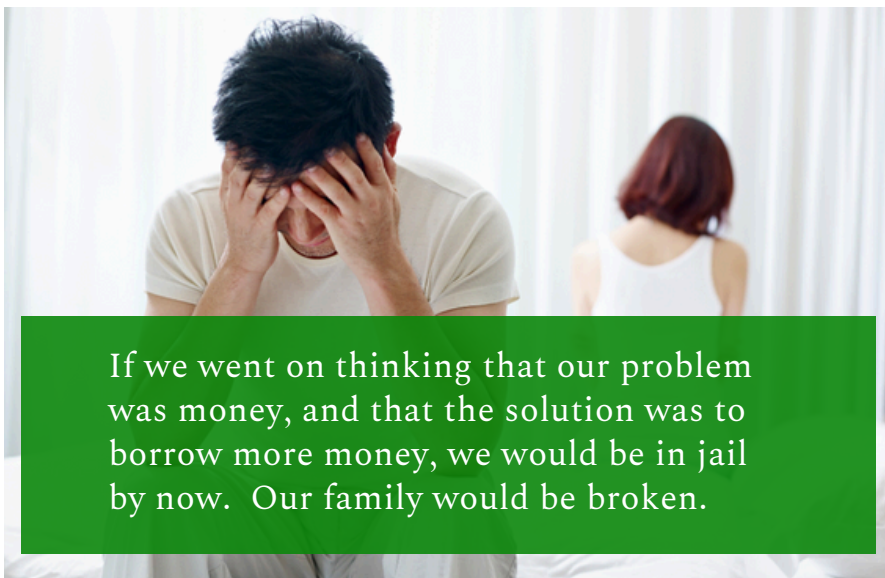
It was God's providence that caused us to realize that the problem was not money. It only appeared to be money.

The real problem for us was people.

Tell Me About Your People and I'll Tell You About Your Business

When business owners start complaining about their lack of money, I would redirect the conversation by asking, *"Do you have problems with your people?"*

"Oh, yes!" They would exclaim. *"I have problems with employees who..."*



If we went on thinking that our problem was money, and that the solution was to borrow more money, we would be in jail by now. Our family would be broken.

And at once the stories about their disappointments and frustrations over the people they hired to operate their business would unravel.

I've heard all types of stories. Thanks to my forty years in business, I have met employees of all sizes, shapes, kinds of temperament, and backgrounds.

I learned a lot from four decades of being a business owner, certified bookworm, seminar junkie, and nerd.



The painful process of learning taught me the Grow Your Business, Pinoy! Roadmap®. During decades of trial and error, people management was one of those areas I spent most of my time on studying.

People problems are common.
Fortunately, the answers to people
problems can easily be learned.

I have shared and taught these answers for years as a business mentor and trainer. That is why I decided to just write this e-book. My hope is that one day, when someone asks me a question about people problems in their business, I can give them the link to this e-book, and they can immediately access all the answers there.



Money Matters

Do you still believe that the biggest problem in your business has to do with cash flow and not people?

Okay. Let's see it first your way.

Based on my own experience, as well as teachings from the different books and seminars I have attended all these years, cash flow problems are caused by the following:

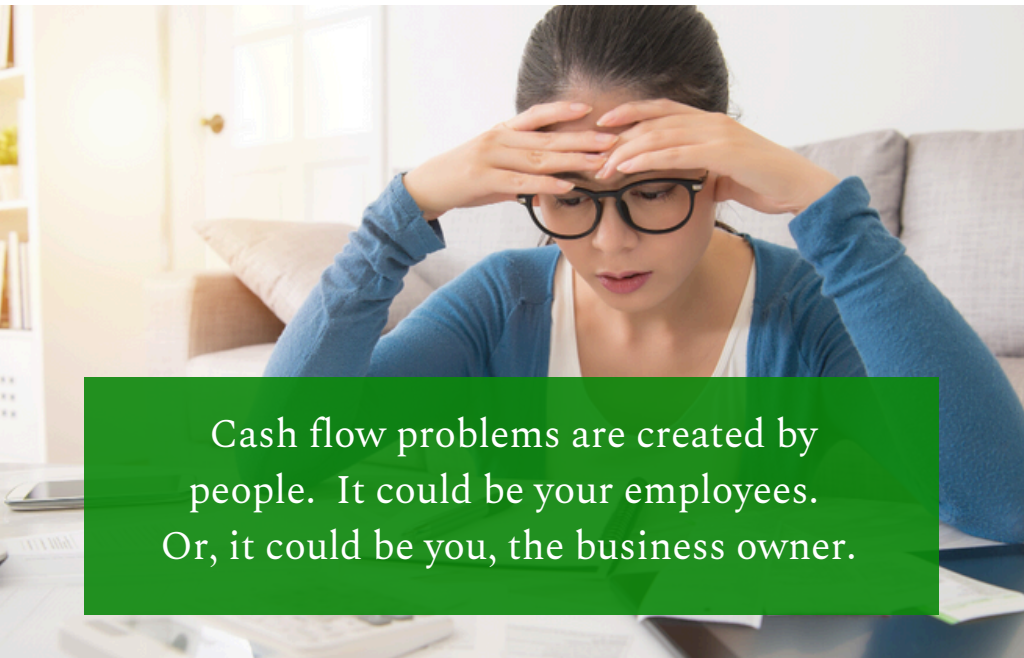
1. Low profits or losses
2. Low sales
3. High expenses
4. Slow collection
5. Too much inventory
6. Wrong projection
7. Low utilization of machines/equipment/vehicles
8. Overtrading or accepting orders and not being able to deliver them due to lack of resources.

The question to ask is not what created all those problems but who created those problems.

Cash flow problems are created by people. It could be your employees. Or, it could be you, the business owner.

Cash flow problems arise because the people involved in the business were not a) hired correctly, b) trained correctly, c) given the right performance targets, or d) given the right rewards and disciplinary actions.

When these four actions are done right, people grow. Their skills develop and enhance. They learn to speak more confidently to customers. Soon, you get better feedback from them and from clients.



Cash flow problems are created by people. It could be your employees. Or, it could be you, the business owner.

Let me show you how I made this all happen as a business owner.

All it takes are five simple steps:

1. Create a list.
2. Hire the right people.
3. Train right.
4. Measure right.
5. Reward and discipline right.

Ready to know more? Let's begin.

Chapter 1

Make a List

“How do I hire the right person?”

“How do I train a new employee?”

“How do I know if employees are working or just being lazy?”

“How do I eliminate the sense of entitlement of my employees?”

“How will I keep my good employees?”

These are just a few of the questions that I often get on managing people.

My answer is always simple: *“Start with a list.”*

When you start the business by yourself, you do everything. In the beginning, you feel good. Work is manageable. Life is okay.

But day by day, your business grows. Your customers increase. Your suppliers increase.

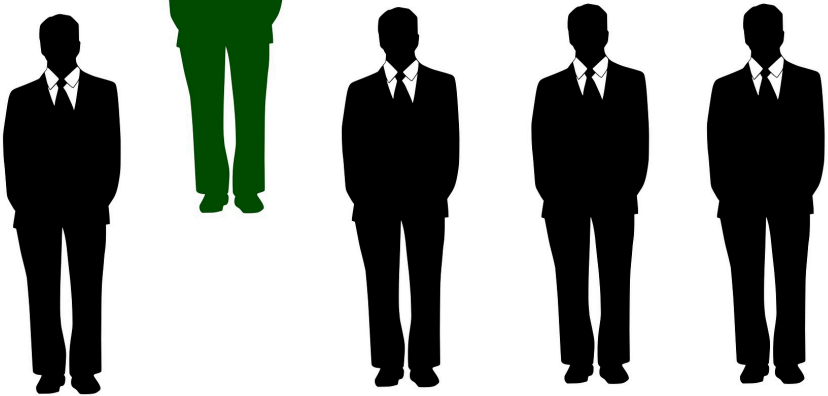
And so do your efforts and the paperwork. You find yourself working longer and longer hours. You find yourself bringing home even more work.

Slowly, you become cranky from being overworked. Life becomes overwhelming.



It hits you that you can no longer manage everything on your own.

"I need some help here," you say to yourself after.



The next thing you do is to send out a job wanted ad. You tap your network for recommendations.

Eager to pass on your boring, routinary, and laborious tasks to another person, you immediately hire the first applicant.

You take a deep breath and think that you can finally relax.

But then, surprise!

After a few months, despite undergoing repeated training, you observe that the employee does not perform well in his or her job.

Or it may be that at first, the employee does his or her job well but as time goes on, he or she becomes sloppier.

It becomes apparent that the person is not fit for the job.

You hate yourself for hiring the person and paying his or her salary without getting your money's worth. You hate the employee for wasting your time and efforts in training him or her.

"All those times I devoted to training that employee were wasted opportunities!" You cry to yourself in frustration. "I could have talked to customers myself and would have sold more."

You think you are better off without the new employee. But you don't want to fire him or her because you're scared of the possibility of being reported to the Department of Labor and Employment (DOLE-NLRC).

So you get stuck with what you now realize is a wrong hire.

Have you
experienced this?
Are you still stuck
in this situation?



Do you know why this happens?

Let me tell you why.

It's because you did not start your hiring process right.

You see, the first thing to do once you cannot handle the daily workload of your business anymore is not to rush into hiring an employee.

It is to sit down and plan the process of hiring and developing your people.

This part is neglected or skipped by many business owners. Some even think it's a waste of time.

But investing a few hours in planning and preparation gives you clarity on what you want and do not want.


This allows you to make better hiring decisions and less mistakes in hiring the wrong person.

The time and effort you invested by doing careful planning will surely be returned by hiring the right person faster, and them staying with you longer.



Careful planning means listing down the following:

1. The kind of work that the new employee will do;
2. The qualities you are looking for in the employee so that he or she will be able to do the job consistently and effectively;
3. The qualities and capabilities the employee should already have at the time of hiring;
4. The qualities and capabilities he or she needs training in;
5. The measurements you will use to identify whether the employee is doing well in the job; and,
6. The ways he or she will be motivated to do his or her work better and consistently.



Like boy scouts whose motto is to “*be prepared*,” you too will need to come up with your list before the first applicant arrives.

Once you have your list, you’re all set. All you need to do is to follow and use my four other steps.

Chapter 2

Hire the Right People

“Oh, she was recommended by my compadre. That’s why I hired her.”

“I hired my niece because she is a relative and can be trusted.”

“He looked honest with those sweet puppy eyes. I think he will be a good driver!”

“She told me how she was beaten by her husband and maltreated by her mother-in-law. Oh, how I pitied her. I hired her on the spot!”

Have you experienced any of these? I have.

The hires turned out to be big pains in the neck!



It was only after I made the same mistakes and got hurt repeatedly that I decided to really know how to hire better.

I attended seminar after seminar, read one book after another, and consulted friends and mentors until finally, my hiring process worked!

Here is what I discovered: First, plan well by creating a list. This is step 1 of what I mentioned above.

Next, hire based on that list.

Whether the applicant is a relative or a godchild, has sweet puppy eyes or dramatic stories to tell, remember to hire only based on your list not on gut feel or emotions.

If your list requires that your desired employee has to be at least five feet tall because of the height of your showcase, then make sure that the person you hire meets the required height. Make no exceptions from your list.

Absolutely no exceptions.

Most of the qualities on your list can already be extracted from the filled out application form and the credentials that the applicant will present. Some information will have to be gathered from a face-to-face interview while the remaining qualities can be verified through a thorough background check.

Only when the applicant satisfies all the requirements in the list should you consider hiring him or her.

Never, ever deviate from your list.

Let me repeat. Never.

This will ensure that you hire the right people.



Chapter 3

Train Them Right

"Mommy N, why did you conduct that exercise?"

"Why did you tell that joke?"

"Why did you have to give a definition that made it more confusing for us?"

These are some of the questions people used to ask me after I delivered a training module.

I would answer this way, *"Oh, that was what the speaker did in the seminar I attended."*

When I was younger, I attended three-day to one-week seminars and took volumes of notes. I would copy the jokes of the resource speakers and the games they used. When I got home, I echoed the whole seminar to my people based on what I experienced.

I did not really understand why, but I was under the impression that what worked for me would work also with my employees.

Have you imparted lessons and learnings with your employees in the same manner?

Congratulations!

By simply sharing with them what you've learned, you've begun training your people and this will have some positive effect on your business.

But, there are better, more effective ways to train.

First, start with a training needs analysis. For smaller businesses, it is really the answer to number 4 in the list I discussed in Chapter 1: What qualities and capabilities should the new employee be trained in to do his or her job well?

From that list, you can now design a training module with clear outcomes and outputs.

If the outcome that you want is for a trainee to be able to do something new, then you need to use the K-A-S-H framework.



K is for **knowledge**: the trainee needs to know what to do and why he or she has to do it.

A is for **attitude**: make sure the trainee wants to do what he or she is supposed to do immediately after the training.

S is for **skills**: the trainee needs to be taught exactly how to do the job. It is not enough to say why the job needs to be done or what the tasks are. The trainee needs to show you that he or she can do it in the way that you expect.

H is for **habits**: he or she needs to be able to do it consistently for a specific period of time.

Out of the four aspects in the K-A-S-H framework, habit is the most important for me, based on my experience.

The first time I trained people, I instructed them on how to do their tasks.

After which, I would demonstrate.



This training method did not work so I got very frustrated.

Have you ever judged employees as stupid and not trainable?

I have. But I discovered how wrong I was!

I later learned about training based on K-S-A: Knowledge, Skills, and Attitude.

I applied K-S-A. After I instructed my trainees and demonstrated the tasks, I would ask them to role play until they can do what I demonstrated for them.

There was success in transferring the skills.

However, after a while, they stopped doing what they learned during training.

I realized receiving training is not enough.

I needed to watch my employees do their tasks right until they develop into habits.

KSA is not enough!

It really has to be K-A-S-H!

I needed to continue watching and measuring their performance and that is how they will become permanent habits!



Chapter 4

Measure Their Performance

"How long is your training?"

"One month for rank and file, six months and twelve months respectively for supervisory and managerial positions," I would answer.

"Wow! That's too long! That's too expensive!"

"Well, that is how long I will measure their work performance until the behavior that I want them to develop sticks," I explained.

People wince when I tell them how long people are trained in my businesses.

It is hard to explain to them why, but as I said, establishing habits are the clincher for me.

It is only when my new employees are able to deliver consistently that I am assured of their readiness to do the work without me having to watch over their shoulders.

How do I know when they are doing their tasks right?

I measure their performance against a set of standards which I call targets. I also look at their ability to perform tasks consistently over a period of time.

The word "EVALUATION" is written in a large, bold, blue, hand-drawn style font. The letters are arranged in a circular pattern, with the top half of the word curving upwards and the bottom half curving downwards. A thick, black horizontal line runs through the center of the word, passing through the middle of the letters. The overall effect is that of a large, stylized graphic element.

This works as a good strategy because if my new employees suddenly stop doing their job, or if they start showing bad performance, then I already know for sure that the problem is not due to lack of training.

The only possibility left is that they are having attitude problems. This could be because they are having personal problems, problems with co-workers, problems with processes, or problems with their immediate superior.

Retraining them at this point would only be a complete waste of resources.

But I do not stop there. Aside from making sure that the first two possibilities are implemented well, I also check if the reward and discipline system we provide is matched well to the new employees.

Chapter 5

Reward and Discipline them Right

"Wow! Is that the salary you are paying?"


"Wow! You brought them to Hong Kong?"

"Wow! After what he did, you posted his photo in the local dailies?!"

Yes.

Yes.

Yes!



Good behavior deserves to be rewarded. Bad behavior needs to be sanctioned.

Sometimes, people start to have attitude problems at work. More often than not, it is because the immediate superior does not recognize good behavior enough to reward them or because bad behavior is ignored.

When either happens, the attitude of good employees takes a nose dive.

Rewarding does not have to be expensive. Even a simple “thank you” or a pat on the back would suffice in most cases.

What people need to know is that their good behavior is noticed and rewarded.

When someone who is behaving badly is ignored, those who are consistently doing their jobs get demotivated.

This is why having a Code of Employee Discipline that is really implemented is crucial to growing your people.

Similar to how we teach children, we have to be clear about the rules we provide.

We also need to be the first to take these rules seriously and provide consequences if they are broken.

Let me tell you about two supervisors June and Rissa (not their real names) and their two different approaches to people management and discipline in their respective departments.

June and Rissa had a challenge in confronting misbehaving employees.

When Rissa got promoted as a supervisor, her co-worker and friend in the department Anna started disobeying rules.

Perhaps Anna became jealous that it was Rissa who got the promotion.

Or perhaps because now that her friend was the boss, Anna thought she could get away with misbehaving.

Whatever the reason, I advised Rissa, “*You have to address it. You can call Anna’s attention and issue a memo if necessary.*”

As a supervisor, Rissa knew that she must reprimand Anna.

However, she feared losing Anna's friendship and approval.

Rissa did not want to be called sipsip (to be accused of being a favorite of top management), kupal, or just plain conceited.

Rissa couldn't do her job well because she was upholding the values of pakikisama (being a team player), being maawain (compassionate) and mapagkumbaba (humble).

Values which are culturally ingrained in many of us, Filipinos.

I understood Rissa.

I too have been in that situation.

But now that I am older and wiser from all the things I did that didn't work, I knew that Rissa twisted the context of these positive Pinoy values.



Pakikisama helps Filipinos to get along with people and build positive relationships at work.

It is a Pinoy trait that makes us the best workers in the world.

But sometimes, pakikisama with friends or co-workers can lead a person to sacrifice even the people he or she should prioritize.

A close-up photograph of a hand pouring beer from a dark glass bottle into a tall, clear glass. The beer is golden and has a thick, white head of foam. The background is dark, and the lighting highlights the liquid and the hand. The glass sits on a wooden surface.

Let's take a common example from the family.

For instance, out of a misguided notion of pakikisama, a husband uses his salary to treat his buddies to a drinking spree, leaving him with almost nothing to provide for his wife and children.

Pakikisama must have a limit. The greater good must be the priority.

Similarly, supervisors must understand that the greater good of the employees who follow and respect the rules should take precedence over getting the approval of a misbehaving employee.

But Rissa could not confront the errant Anna. Initially, Rissa ignored Anna, hoping that Anna will realize her mistakes and change.

But Anna continued to misbehave, and so Rissa grew angrier by the day.

To vent out, she would make parinig or speak out loud her frustrations when Anna was within earshot, without specifying the person responsible for it.

Rissa would mutter things like, “Yung iba dyan, alam namang kailangang mag-submit ng report on time, pero pasaway. Parating late. Gusto timetable nila ang masusunod.”

Still, there was no change in Anna who went on disobeying rules. Rissa, who still couldn't confront Anna, became so angry that her own attitude began to change.

She was always in a bad mood, sometimes throwing tantrums and walking out, leaving everyone to guess what the problem was and who she was mad at.

Consequently, the other employees in Rissa's department became disturbed, disillusioned, and discouraged.



Most of them started to disrespect Rissa as a leader because of her inability to handle her emotions and Anna.

Some even started to disobey other more serious rules, which eventually caused them to lose their jobs.

As a result, Rissa had the highest turnover rate in her department. Without committed people, how can she hit her targets?

Finally, she, too, resigned. And when she did, everybody gave a sigh of relief.

Do you find it funny that she chose to lose her job over confronting her erring employees?

It is sad though because even if Rissa finds another employer, she will never succeed in her career if she does not overcome her fear of confronting misbehaving employees.

Rissa needs to understand that her skewed sense of Filipino values is what has caused her failure to perform her supervisory tasks.

On the other hand, the supervisor in another department, June, reacted in the same way as Rissa in the beginning.

As a new supervisor, June was also fearful of confronting her erring employees.

But unlike Rissa, June soon realized that by condoning the behavior of one employee, she was putting the performance of the rest of her team in jeopardy.

June decided that she cannot lead effectively without putting her foot down.

One day, June mustered enough courage to confront Sara, the erring employee in her department and also her kabarkada at work.

June addressed her misbehavior and the consequences of her actions to the team.

She expected to lose Sara's friendship, but June understood that what's good for the department must be the priority.

June was willing to sacrifice one relationship for the good of many.



However, to her surprise, Sara didn't get mad.

Instead, Sara stated that she was grateful when she was confronted by June.

Sara explained that she was unaware of her bad behavior and its effect on her co-workers and the company.

Sara too did not want to affect people negatively.

Their conversation ended with June expressing faith in Sara and encouraging her to be the best that she can be.

Sara in turn apologized and thanked June profusely for pointing out her behavior and supporting her career growth.

June learned her lesson.

From then on, she praised profusely in public and reprimanded in private.

She finally experienced being accepted as a leader in the group. She knows that a good leader is one who puts her people before others, even misbehaving ones, and most especially, herself.

Fast forward to today.

Rissa, the supervisor who wouldn't confront her subordinate friend, has tendered her resignation for the third time in a different company.

Her chief complaint: *"My people were impossible!"*

Meanwhile, June has moved on.

She is now working in a much bigger company in Manila, earning a six-digit monthly salary, three times what we could offer her.

* * *

In conclusion, these are the five steps you need to do to overcome your people problems.

1. Create a list.
2. Hire the right people.
3. Train right.
4. Measure right.
5. Reward and discipline right.

Remember, it's not about how much money or capital you put in. It's about putting your people at the center of your business growth. When you take the time and effort to train your employees right, they will become effective, efficient, and engaged.

Grow your people to grow your business. This is the secret behind you making more money by doing less.

This is what will help your business flourish.

This is the secret to your future success.

If you want to learn more, I created a FREE Starter Kit with videos that answer most of the questions that you may have for me and more. From the videos, you'll also learn how I can help and serve you even more.

[Click here to get your FREE Starter Kit](#)

Check out our FREE videos on people problems [here](#).

To your business success,

Mommy N

