

HR Connection October

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SPEAKERS

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HR Happy Hour Network is proudly supported by our friends at Workhuman. Here's a wild stat: 6 in 10 employees have never been meaningfully recognized for a work anniversary, think about that: 5, 10, 20 years of someone's life, and too often the moment falls flat. Workhuman service milestones makes recognition more personal, memorable, and impactful. Milestone tracking happens automatically through your HRIS. The right colleagues are inspired to share stories and congratulations, and employees get access to rewards they actually want. Ready to make your milestones meet the moment with Workhuman? Click the banner on this episode page or follow the link in the show notes to learn more. Thanks for joining us. Welcome back to the HR Connection, the podcast for leaders and HR professionals navigating people operations in small and growing businesses. My name is Sabrina Baker. I am your host and the founder of Acacia HR Solutions. This episode is releasing at the very end of October, so we are going to lean into the season a little and talk about the spooky side of small business culture. Now, I'm not talking about haunted houses, costume contests, or that bowl of Halloween candy that mysteriously empties every morning by 10 a.m. I'm talking about the ghost, the monsters, and the silos lurking beneath the surface of small people operations. The stuff nobody puts on the all hands agenda. Here's what I've learned in 15 years of doing this: cultural problems in small companies they rarely start as giant, obvious fires. They don't start with a dramatic crisis. They start as friction points that everyone senses but nobody says out loud. A meeting where everyone nods and then complains in the parking lot. A policy that everyone just works around. A team that always seems to find out about things last. And by the time those friction points become visible, they usually show up as something much more expensive: a resignation from someone you thought was happy, a manager who is completely burned out, a wave of turnover in January. In small business HR, three cultural monsters show up over and over again, and they are our roadmap for today. Monster number one is the ghosted feedback loop. This is what happens when leaders and managers avoid tough conversations, withhold information, or save everything for the year-end review, leaving employees in the dark about where they stand until it's too late to fix it. Monster number two is the zombie policy rules written when you had 10 employees that make zero sense now that you have 75 or 150, yet everyone either pretends to follow them or secretly just bypasses them. And monster number three is the silo vampire. Departments that hoard information, protect their turf, or compete for the founders' attention, slowly draining morale and collaboration. We are going to walk through each one. I'm going to share what we actually hear from employees in focus groups that we do with clients, and then I'm going to give you a ghost hunting toolkit, survey questions, feedback frameworks, and stay interview questions we use with clients, plus a three-step homework assignment you can start this week.

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Let's get into it. Before we meet the monsters, let's talk about why small businesses are so uniquely vulnerable to them. And the answer really starts with one word, and that is proximity. In a five thousand-person enterprise, a toxic practice or a siloed department is isolated. It's one division on one floor and a building in another city. Most employees will never feel it. There are layers of management, formal HR processes, and enough distance that one bad practice doesn't infect everything. In a 30 or 100 person company, there is no distance. Every single person feels the ripple effect immediately. The person who just had a bad performance conversation eats lunch with half the company. The manager who plays favorites sits across from the team they are supposed to lead. The founders' mood on a Monday morning. Can set the tone for the entire week. There is nowhere to hide, and that proximity cuts both ways. It's also why small businesses can have incredible cultures. When things are going well, everyone feels that too. But it means small problems spread fast. The second factor is infrastructure. Most small businesses don't have the systems that catch these problems early. They don't have a dedicated employee relations team. They don't even have dedicated HR. There's no annual engagement survey vendor.

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No formal manager training program. A lot of you listening are a one-person HR department, or you're a business owner who also happens to be the HR department. You're managing benefits, payroll, compliance, recruiting, and culture gets whatever time is left over, which is usually none. And then the third factor in this is speed. Small businesses move fast, and that is a real competitive advantage. But when you move fast, you skip steps. You skip conversations. You skip explanations. You skip a handbook update, and every skip step is a place for a ghost to move in. So speed creates a problem in the first place. Proximity makes them spread like wildfire, and limited infrastructure means nobody catches them. That is the environment our three monsters live and thrive in. All right, so let's talk about them. The monster number one is the ghosted feedback loop. Acacia, we do a lot of training and development, and we run a lot of employee focus groups and engagement surveys for our clients. Across every single industry we work in, one item is always at the very top of the list of complaints. Without fail, it is communication. Employees are always going to want more communication. I honestly believe you're never going to be able to provide enough of it. But small businesses are especially guilty of withholding information, and they usually do it for one of two reasons. The first reason is they don't want to worry employees. If a major deal falls through or a client reduces scope, leaders think until we have a solution, let's not freak everyone out. The intention is good. It feels like you're protecting your people. The second reason is that they want to avoid confrontation because everything is in such close proximity. Leaders dread the awkward conversation in the break room, in the one-on-one, or on Slack. So instead of being transparent about a change, a tough quarter, or a shift in direction, they say nothing. And here's the problem with all of that: leaders think silence is neutral. It isn't. When leadership doesn't say anything, employees don't assume everything is fine. They fill the gap with the worst-case scenario. They assume the worst. Silence speeds up rumors, silos, resentment, and anxiety. Think about it from the employee side. They notice the closed-door meetings. They notice the founder looks stressed. They notice a big client's name stopped coming up. They are not in the dark about whether something is happening. They are only in the dark about what and the story they tell themselves is almost always worse than the truth. The story is layoffs. The company is being sold. My job is next, and your best people, the ones with the most options,

are the ones who update their LinkedIn first. Let me share a real client story from focus groups that we did that shows just how badly confrontation avoidance can backfire for you. During some focus groups with a client, we discovered that an employee had been demoted. Now this is pretty common, actually, but no leader or manager had ever had a conversation with that person to tell them. So how did they find out? They saw their title change live on screen during a company-wide all hands meeting, and how did the rest of the company find out at the exact same moment. When we asked leadership why on earth that happened, their answer was that they wanted to avoid confrontation, and the reasoning was this person has had performance issues, so they should have known this was coming. The result was catastrophic. People were pissed. Of course, the individual was devastated and humiliated in front of the entire company, and the rest of the workforce lost trust and leadership overnight. Every employee in that meeting walked away thinking, if that is how they handled emotions, how will they handle me when things get tough? I want to stay on that phrase for a second about they should have known it was coming because I hear some version of that constantly. A manager assumes the employee knows they're underperforming because the manager has been frustrated for months, but frustration in your head is not feedback. A sigh in a meeting is not feedback. A vague comment like "Let's tighten things up," well, that's not feedback either. If the conversation didn't happen, the employee doesn't know. That is the ghosted feedback loop. The manager goes quiet.

The employee keeps doing what they've been doing. The manager gets more and more frustrated, and it all comes out at once in a year-end review, a surprise performance plan, or in this case, a slide and an all hands meeting. Avoiding confrontation does not protect people; it creates horror stories. So, how do you give managers the skills to stop ghosting? When I train managers on giving feedback, I teach two go-to methods. The first is the coin method, C-O-I-N. This is for formal performance and behavioral feedback. C is context. Where and when did this happen? O is observation. What specific objective or behavior did you see without adding emotional assumptions? I is impact. How did that behavior affect the team, the client, or the business? And the N is the next steps, what is the explicit agreement and expectation moving forward. Let me give you a very quick example of what that sounds like. Let's say we have a salesperson who promised a client a timeline nobody checked. First is context in Tuesday's call with a new client. Next is observation. The delivery date you shared was two weeks sooner than what operations had confirmed. I is impact the client is now expecting a date we can't hit, so either operations scrambles or we walk it back. And then finally, next steps going forward: confirm timelines with operations before they go to a client. And today, you and I are going to call the client together and reset the date. Now notice what's not in there. There's no you're careless or no you always do this. You're not guessing at their motives. You're just saying what happened, why it matters, and what happens next. That makes the conversation less scary for the manager and less defensive for the employee. The second method that I teach is start, stop, continue. This one is great for casual one-on-ones and for directional pivots. So the manager asks the employee or gives feedbacks feedback on three simple things: what should we start doing, what should we stop doing, and what should we continue doing. It's simple, non-threatening, and highly actionable. And when managers use it every month or two, nothing builds up. The year-end review stops being a surprise because everything in it has already been said. This same pattern shows up at the company level, and it's one of the biggest complaints we hear in focus groups, there is a constant changing of direction. Founders and executives in small companies move really fast. They see an opportunity on Monday, and by Wednesday, they want the whole team pivoting. Changing direction isn't the problem. Sometimes it's exactly the right call in a small firm. The problem is changing direction without explaining why to the employees executing the work, an unexplained pivot feels like whiplash. It feels like their prior work was a waste of time, and they start thinking, "Why should I put my best effort into this new project if leadership is just going to change its mind against next month?" That destroys buy-in. People start doing the minimum because the minimum is all they expect to survive the next pivot. Now the fix is not to stop pivoting. We're not going to do that. It's to close the loop every time. When direction changes, leaders need to say three things out loud: what is changing, why is it changing, and what happens to the work that's already been done, even if the answer to that last one is we're shelving it, saying so respects the people who built it. Make sure messages cascade throughout the org is one of the easiest ways to fill a gap in employee communication. We're going to talk more on that in a bit. Monster number two is zombie policies. These are those outdated rules lurking in your handbook that are technically still alive, but should have been buried a very long time ago. You would be surprised how many handbooks we audit at Acacia that still have policies that talk about fax machines or desk phones or rigid dress codes talking about pantyhose in 2026. It just doesn't work for how the company works today. Any company, those are the funny ones. The more damaging ones are the policies that are overly punitive or over-engineered. Things like requiring a formal doctor's note for a single sick day.

And just can I just give you a quick note on that in case you're not in HR? There are state and local laws, some of them that really limit when you can require documentation. So a zombie policy isn't just a culture problem; it can be a compliance problem sometimes. Another example is multi-layer approval change for basic PTO, where a one-day request has to go through a manager, a department head, and the owner, that bogs down managers and tells employees you do not trust them. So where do these zombie policies come from? Usually one of three places. The first one is growth, a rule that made perfect sense with 10 people in one room doesn't scale to 75 people across multiple locations and a remote team. The owner approving every expense works at 10 people. At 100, that's a huge bottleneck. The second way it happens is overreaction. One employee abused something one time, and instead of handling that person directly, leadership wrote a new rule for everyone. I know you know that happens. Notice the connection to monster number one. A lot of zombie policies are really just avoided conversations that got turned into rules. Third, copy and paste. The handbook came from a template or a founder's previous company or a friend's business, and nobody ever asked whether it fit this company. Now, why does this matter for culture? Because when policies are outdated and over-engineered, employees read them as a sign of distrust. And when everyone knows a policy isn't really enforced, you create something even worse: selective enforcement. The rule gets ignored for the people leadership likes and pulled out for the people they don't. That's a fairness problem, a morale problem, and potentially a legal problem. So, how do you hunt for zombies when you go through your handbook? Run every policy through four quick questions: Do we actually follow this today? Would we enforce it consistently for every employee, including our top performer? Does it still fit our size, our locations, and how we work? And is it still compliant in every state where we have employees? If the answer to any of those is no, that policy needs to be rewritten or removed, and when you make changes, communicate them. A handbook update that appears in a shared drive is just another ghost. Monster number three is silo vampires. These are the departments and sometimes the individual managers that hoard information, protect their turf, or compete for founder attention. They don't kill your culture in one night; they drain it over time. The first way silos show up in our focus groups is uneven information sharing, and this one's huge. Some leaders are going to be great at cascading information down to their teams, and others are absolute black holes where information goes to die. And I bet an image of that person just came to mind. They exist in every small business, and the result is that employees hear major company news, policy changes, or strategy shifts from peers over lunch or on Slack instead of from their own leader. Nothing erodes trust in a leader faster than an employee realizing their peer on another team knew about a critical decision that affects them two weeks ago, while they were kept in the absolute dark. It creates in groups and out groups where information becomes currency and power instead of a shared resource. Here's a really simple fix most small businesses skip. I talk about this in leadership training too. After any leadership meeting where a decision is made that affects employees, agree on three things before anyone leaves that room. First, what is being shared? What is our message here? Our narrative, who is sharing it, and by when. Every manager delivers the same message to their team in the same window. Then HR or leadership follows up with a short written summary, so nothing depends on one manager's memory or willingness to share information. You're not replacing your managers; you're backstopping them. This is that cascading process I mentioned earlier, and it is crucial and something so small that can fix communication. The second way silos show up is at the department level, and in small businesses, they almost always form around the same few departments. I'm going to put them on blast. Sales is probably the most classic example.

Sales is so driven to close deals and hit targets that they often sell custom solutions or aggressive timelines without checking with operations, that example earlier was a real one. They often don't check to see if things are feasible. Then everyone else inherits a promise they never agreed to, and the resentment between teams builds with every single deal. The other department, and this might be a hot take, but is massively siloed in small businesses, is finance. In so many small companies, finance is like a total black box, an island on their own. And employees and even mid-level managers have no idea how financial decisions get made, where the budget sits, or what the financial health of the business actually is. Even at a high level, when finance is isolated, employees see budget denials or resource cuts as arbitrary rather than as necessary for the business. The new hire that was promised and never happened, the software request that disappeared, the raise conversation that got pushed to next quarter without context from finance, all of that feels personal. You don't have to open your books to everyone. You don't have to tell them everything. But high-level transparency breaks down silos faster than almost anything else. Are we ahead of plan or behind it? What are our spending priorities this quarter? Why did we say no to this request? Sharing answers at that level gives leaders something real to say when their team asks why. The third way that silos show up is the gap between leadership and the people doing the work, and that kind of leads to another top complaint that we hear quite often from employees is unrealistic expectations for feasibility, or time frame, or scope. Leaders in growing companies are ambitious. I know I am one of them. That's part of why we're growing, right? You want to accomplish in three weeks what would take an enterprise six months. That's fair. That's part of being scrappy. But as I say, scrappy can sometimes feel chaotic. And when leaders drop an unrealistic scope on a small team without understanding what they're asking, it creates deep resentment. Employees feel like leadership doesn't know or care what it actually takes to do the job right, and when they raise concerns about capacity, they're often met with some version of "We just need to be scrappy" or "We have to hustle right now." Scrappy is not a long-term operational strategy. It's an emergency stopgap. When scrappy becomes the daily expectation, your best performers burn out and they leave, and they're usually just the first to go because they're the ones carrying the absolute most. The fix is to bring the people doing the work into the conversation before the deadline is set, not after. Ask the team what will it take realistically. What will it take? If the answer doesn't work for the business, negotiate scope, add resources, or move the date, but make it a trade-off you discuss openly, not a hidden cost your team absorbs on nights and weekends without any say in it. So now you've met the three monsters. How do you find out which ones are living in your organization before they turn into a wave of resignations in January after everybody's got through their holiday plans. You have to shine a light on them with data. So we talk a lot about data. That data comes from your employees through surveys, focus groups, or formal feedback channels. You have to actually talk to people. One of the biggest misconceptions we run into is that small businesses think they're too small to do formal feedback engagement surveys or stay interviews or focus groups. They think they already know what everyone thinks because of that proximity, they'll say to me, "We only have 25 people. We can just talk to everyone." And I'll say, "That's great, but you don't talk to everyone." And even when you do, employees don't always feel totally safe being fully honest with their direct boss or their internal HR leader. In a small company, that person you would be complaining about is often the same person asking the questions. That's why I am a big advocate for third-party facilitation. No matter how strong HR's rapport is with employees, people are still skeptical. Internal HR has skin in the game.

Employees know they have to see HR and whoever they're talking about every single day, and they worry about consequences or awkwardness if they're 100% honest about a bad leader or a broken process. And listen, if you're a solo HR pro, that is not a reflection on you at all. It's just the reality of the role in a small organization. When you have a third party come in, they employees know that they don't have skin in the game. There's no there's no longevity of they're going to see us every day, and it allows them to open up because we talk about how we're going to protect their anonymity. And you would not believe the things that we uncover that managers say we never knew, and it's because no one was willing to speak up to anyone before because they just didn't trust it. Now that does not mean that everything has to be run by a third party. If you want to do engagement surveys, focus groups, whatever in your own organization, you can certainly try that. I will tell you that they have a hard time believing in anonymity, the reality is we have to get to the data, however we get to the data. So if you do not have the budget for a third party to come in and do focus groups or run engagement surveys for you, that is completely understandable. It doesn't mean you don't do them, but it is it does mean that you have to take care in that anonymity. And how are you going to show people that what they're saying is going to be anonymous, and that it is going to be taken in the spirit in which it was intended. I think that's a really hard hurdle sometimes for internal HR to overcome. So third-party facilitation is going to get you more information. I have seen, but that doesn't mean that you shouldn't run things internally. And I would highly encourage you to run things internally. And some of the things that we love, especially in the smaller groups, if you have a really small team, we love a pulse survey, and we will often do this with brand new clients. It'll be something that we do just to get a temperature check on the organization, and so we will do a poll survey that's just a couple of questions, not a ton of information. It's not a full engagement survey. It's not a focus group, but it is a pulse survey that allows us to just see where things are. We have a whole bank of questions that we will use at Acacia, just based on where the client is, their situation. But there are three we recommend most often that I can give you, and each one really points at a different part of what we've talked about today. So, question one: If an open job matched a qualified friend or former colleague's skills. Would you recommend this company as a great place to work? That one tells you about overall cultural health. People don't send someone they care about into haunted houses. Question two: Do you clearly know what success looks like in your current role, and how your performance is measured? That one is your detector for monster number one, the ghosted feedback loop. And then question three: Do you have the tools, equipment, support, and resources you need to do your job effectively. That one surfaces operational friction, silos, unrealistic scope, and policies that get in the way. Together, those three questions give you an immediate snapshot of the cultural health, clarity, and friction. Now, what you do afterward matters more than the answers themselves. Surveying employees and then going silent is worse than not surveying them at all. It is the ghosted feedback loop at the company level. Within a few weeks, share what you heard, what you're going to do about it, and what you're not going to do about it, and why. You don't have to fix everything. You do have to close the loop. The second option that we love that can be run in house is a stay interview. If you want to prevent a wave of January resignations, conduct stay interviews on a regular basis.

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One of the things my director of fractional support loves to do is host monthly or every other month meetings with managers, really kind of middle managers or high performers. She says that she gets so much more information out of them than she does any other time. Why wait for an exit interview when someone is already halfway out the door? By then, you're really conducting an autopsy. A stay interview is a checkup, and here are three stay interview questions we recommend at Acacia. Question one: When you look ahead at the next two to three years, do you see yourself continuing to grow with this organization? Question two: How does your current role fit into your overall career trajectory, and are there skills you want to develop that we aren't tapping into? Question three: Do you feel fully supported and equipped to do your job right now? And what is one tool, resource, or system that is missing that would make you more effective? Now, here's a few ground rules for managers. You want to keep it a conversation, not a form. Listen more than you talk, and don't promise what you can't deliver. And then, of course, follow up on at least one thing the employee raised, even if it's small, because a stay interview with no follow through is just another ghost. Asking these questions before year end shows employees that you care about their future before they start scrolling job boards over the holidays. All right, so if you want to run a cultural ghost hunt in your organization this week, here's your three step homework. Number one, audit your handbook for one zombie policy, an outdated approval process, a sick leave documentation requirement, a dress code that fits the 70s. Run it through those four audit questions and work with leadership to rewrite or remove it, and then tell employees what changed. Number two, run a simple three-question poll survey, or bring in a third party to facilitate confidential focus groups or engagement surveys. Do this before your end so you get real unfiltered feedback, and put a date on the calendar right now for when you'll share the results back with employees. Number three, equip your managers with the COIN framework and have each of them conduct at least two stay interviews with key team members before the holiday slowdown. Let's bring this back to where we all started: the ghosted feedback loop, the zombie policy, and the silo vampire all have one thing in common: they thrive in the dark. They grow in the space where a conversation should have happened and didn't. Silence, avoidance, and confrontational shyness do not protect your small business culture; they drain it. Shining a light on friction points with data, transparency, and clear frameworks isn't just good HR; it's good business leadership. If you need help running employee focus groups, conducting engagement surveys, or training your managers on communication. Please reach out to us at Acacia HR Solutions, or you connect with me on LinkedIn. Thanks so much for tuning into the HR Connection on the HR Happy Hour Media Network. Make sure to subscribe, share this episode with a fellow HR pro or small business leader, and I'll see you in the next episode.