

# A guide to employing the perfect person

Find the right  
person for the job

Sort out legal  
requirements

Run an  
effective interview

# Thinking about employing someone?

If you run your own business, you're probably used to doing pretty much everything - whether it's dealing with customers, handling the paperwork or just making yourself a well-deserved cup of tea. But there's a limit to how much one person can do. If you're looking to grow your business, sooner or later you're probably going to need to think about getting someone else on board and what that might involve.

## Why are you employing someone?

You might want to employ someone because there's simply too much work to do. Or it could be a way to bring in extra skills that you don't have. For example, taking on a salesperson might be the ideal way of getting more customers while freeing you to cope with the extra business.

But before you start looking for someone, it's worth pausing for a moment to think whether there might be a better alternative.

- **Better training or tools.** Could you do more if you improved your own skills or got the right equipment? If you haven't got all your paperwork online yet, there's certainly an opportunity here.
- **Outside supplier.** What do you really need to do, and what products and services could you buy in from elsewhere instead? For example, builders don't tend to employ huge numbers of people - they use freelance tradespeople to help out on individual projects, as and when they need them.
- **Short-term or part-time.** Even if you do want to employ someone, is there enough work for a full-time, permanent job? A more flexible arrangement might suit you better.

## The right person for the job

So, you've decided that employing someone is the right way to go. There are two vital steps to take before you start looking for someone.

### Be clear about what you want them to do.

What will their job be? What equipment will they need to be able to use? Will they be dealing with customers? Along with their main role, what else are they likely to need to do - in a small business, flexibility is pretty important.

### Use this to describe the kind of person you need.

What skills are required - and could you train someone who didn't have all the right skills already? Do they need formal qualifications or is practical experience more important? Be realistic about what you are asking for and what you can afford. Is a particular skill or qualification really essential or just something that would be nice to have? Enthusiasm and reliability may be just as important.

It should go without saying that your requirements should not - and must not - be discriminatory.



Employing someone can seem daunting, but it doesn't have to be that complicated. And it could be the start of something big.

# Attracting applications

Armed with your job description and person specification, you're ready to start looking. So how can you find potential employees?

- **Existing contacts and casual applications.** It can be tempting to employ a friend, or someone who just happens to get in touch asking if there are any jobs. There's nothing really wrong with that, but make sure you check how well they match your requirements. Would you be employing someone if you didn't know them?
- **Your own website.** If you've got a website, it's worth advertising any vacancies there. Okay, it may not bring a flood of applications, but at least you know that anyone who gets in touch is interested in your business - and that's a good starting point.
- **Social media.** This is a great way to engage with people and it's also a good source of potential employees who already have an interest in you and your business.
- **JobCentre Plus.** It's free to advertise a vacancy, and you can get advice too. Call 0345 601 2001.
- **Advertising.** There are plenty of other places to advertise, though you'll generally need to pay. Local newspapers are a good way to reach people who live nearby, or you can advertise nationally with online job boards like [www.monster.co.uk](http://www.monster.co.uk), [www.totaljobs.com](http://www.totaljobs.com) and [www.reed.co.uk](http://www.reed.co.uk).
- **Recruitment agencies.** If you've got more specialist requirements, it may be worth considering a recruitment agency. Be clear about what they will do for you and how much they will charge - costs can be high.

The top three methods smaller businesses use to find applicants are:



Wherever you're thinking of looking, it comes back to the same question: Is this somewhere that the kind of person I want to employ is likely to be looking for a job?

# Narrowing the field

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Even in difficult times, you'll be competing with other employers to get the best candidates. So make sure your job adverts explain why someone should want to work for you. If you can offer an interesting, fun place to work with exciting prospects, then say so!

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**At the same time, what you don't want is to waste time interviewing dozens of totally inappropriate candidates.**

- Explain the requirements of the job. Then ask candidates to send in a CV with a covering letter explaining why they are the right person.
- Eliminate no-hopers. If someone doesn't meet your essential requirements, there's no point taking their application any further.
- Shortlist the most promising candidates. You'll probably want to interview around half a dozen. How picky you can be depends on how successful you have been in attracting applications.

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# Effective interviewing

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The interview can be a key part of making up your mind which person to employ. You can make yourself an effective interviewer by following a few simple do's and don'ts.

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## Do:

- Prepare a standard list of questions in advance, designed to check how well each candidate matches what you are looking for.
- Think about whether it's worth testing anything. Rather than just asking someone how good a salesperson they are, ask them to sell your product to you.
- Review the application letter and CV before each interview so that you can identify any particular information you want to check or gaps that need explaining.
- Start with a little small talk to put the candidate at ease. "How was your journey, would you like a cup of tea?"
- Aim for open questions that will encourage the candidate to talk rather than a simple "Yes" or "No" answer. Listen to what they say!
- Be ready to answer any questions they may have and to sell the advantages of working for you.
- Make an impartial assessment as soon as possible after the interview.

## Don't:

- Ask leading or pointless questions like "Are you reliable?" - the answer will tell you nothing.
- Make snap judgements. It's easy to find yourself liking someone who shares your interests but that doesn't necessarily mean they will be good at the job.
- Ask anything potentially discriminatory e.g. questions about whether someone is planning a family are not allowed.
- Jump to a decision. Interview all the candidates before you pick the best.

# Taking on your new employee

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Once you've completed all the interviews, you'll probably have a pretty clear idea of who you want to hire.

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## Make the offer

Send a written job offer. Clearly set out key terms and conditions like how much they will be paid, whether the offer depends on satisfactory references and if the job includes an initial trial period. Let them know how long they have before they need to tell you whether they want the job or not.

## Check references and qualifications

Ask the candidate for proof of any qualifications and permission to contact previous employers. Check references by phone: if the candidate has got any skeletons in the closet you're more likely to find out in conversation than to see anything in writing.

## Sort out legal basics

This is one that worries a lot of new employers, but it's not as bad as you may think. Key requirements include making sure you have employer's liability insurance, giving your new employee a written statement of employment and registering with HM Revenue & Customs as an employer. You can check the details with gov.uk's **employing-staff** for the first time.

## Organise payroll

The PAYE (Pay as You Earn) system can be complicated, but it's easy enough to manage. Just use a payroll service or simple payroll software like **Sage Instant Payroll** or **Sage One Payroll**.

## Think through how you will work

There's an awful lot you know and take for granted - how are you going to share all that with your new employee? It's a good opportunity to get a bit more organised in the way you do things, so that both of you will know exactly what is expected.

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## Are you aware of Auto Enrolment?

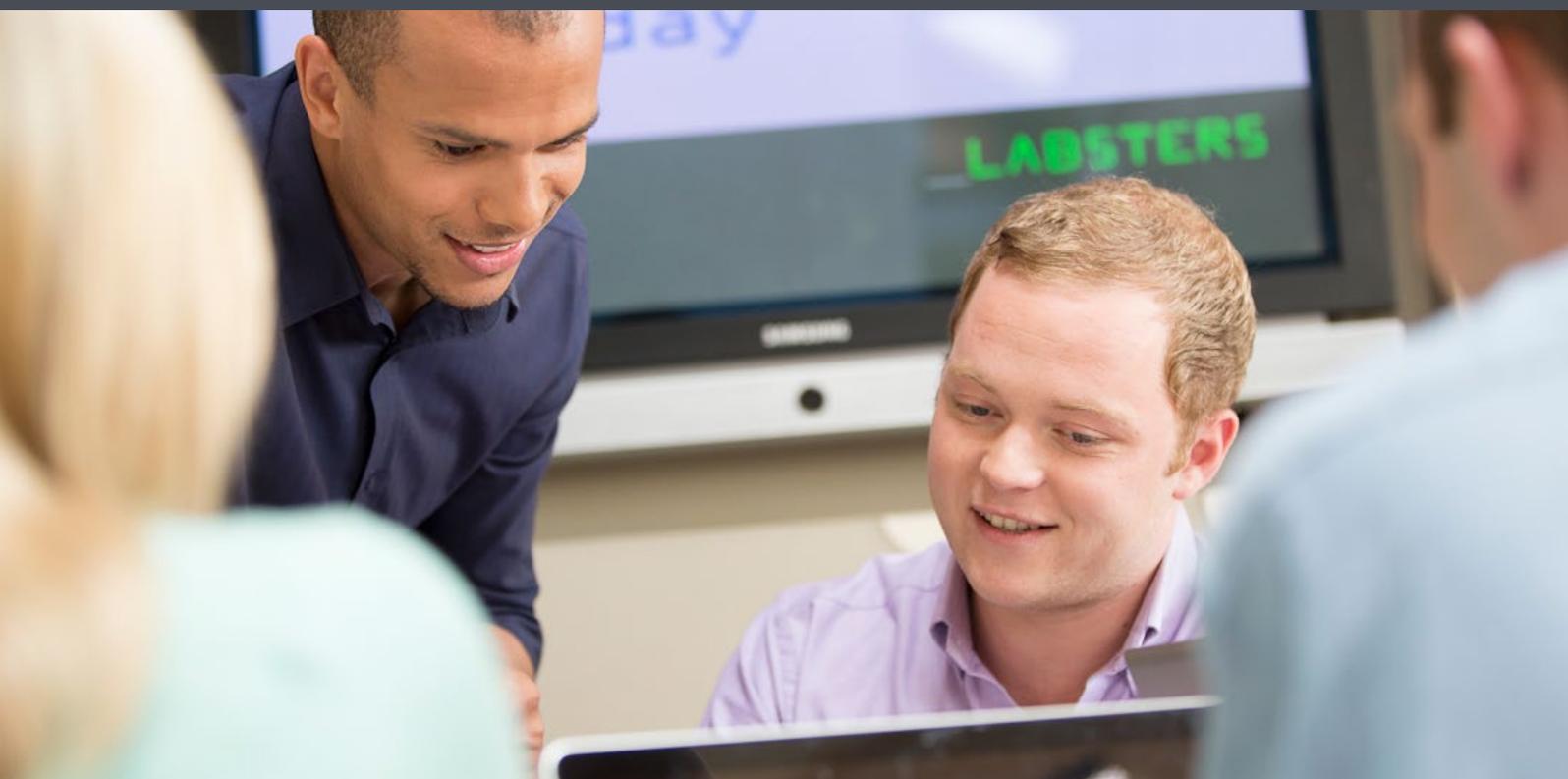
If you're an employer in the UK, then automatic enrolment will affect you and there are things you'll need to do. In addition to your regular payroll and pension processes, there are additional tasks you'll need to do to make sure your workers are enrolled and you remain compliant with the new legislation. Find out more about auto enrolment and how to prepare at **[www.sage.co.uk/autoenrolment](http://www.sage.co.uk/autoenrolment)**

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## Running your own payroll? You need to be RTI-ready

Real Time Information (RTI) is a new system that HMRC introduced on 6th April 2013. It means your employees' PAYE information needs to be submitted to HMRC every time they are paid. Find out more at **[www.sage.co.uk/rti](http://www.sage.co.uk/rti)**

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# Making it work

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The great day arrives and your new employee turns up for work. Hopefully you've done a bit of planning to help get them off to a good start.

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## Help them settle in.

Work out all the basics they need to know, from where the toilets are to any vital health and safety information. Don't overload them with too much information at once, spread it over the course of a week or two. And get them involved in actual hands-on work as soon as possible.

## Organise training.

At the minimum, you'll probably need to show them the ropes and do a bit of hand-holding as your new employee gets to grips with their new role. It's worth thinking about whether they need any more formal training too, even if you have to pay for it: you want them to be as productive as possible.

## Build their confidence.

Aim for some quick early wins by starting off with a few relatively straightforward tasks which the new employee can successfully complete.

## Be a team.

Think about how you can work together effectively rather than just trying to offload all the unpleasant jobs. Lead by example, always ready to pitch in and help out when something needs doing.

## Motivate them.

Make a conscious effort to praise their achievements. Let them know how they are contributing to the success of the business.

## Manage performance.

Involve your employee in agreeing what their key aims should be. Hold regular reviews to discuss performance, deal with any problems and identify opportunities to make improvements.

## Communicate.

Encourage your employee to come to you with any problems, questions or ideas - not just as part of performance reviews but whenever they need to.

## Keep it legal.

Provide clear guidance on issues like health and safety. Consider using a service like **Sage Business Advice** for any support you need and ensure your payroll process is **RTI-compliant**.

Remember, it's up to you to give your employees the tools, training and encouragement they need to do their best. Recruiting someone is just the beginning.

## New workplace pension legislation

Workplace pension law is changing. You'll have new legal duties to help your workers save for retirement. The responsibility for complying will rest with you, the employer. This new legislation is commonly known as Automatic Enrolment. As a small or medium business, your staging date is likely to be between 2014 and 2016. Find out more about new pension legislation at [www.sage.co.uk/autoenrolment](http://www.sage.co.uk/autoenrolment)

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# 987,000

## UK businesses employ between one and nine employees

Source: Business Population Estimates (Department for Business, Innovation, and Skills) Nov 2013

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# An expert's view

For James Malia of performance improvement specialists P&MM, taking on a new employee is just the starting point.

"They'll feel much more comfortable once they've had the chance to meet and talk with everyone they're going to be working with, he says. "Whatever a new employee is going to be doing, everyone has a vital role to play in making the business succeed. It's important for people to feel part of the team."

For small businesses in particular, most training involves learning on the job.

"You want people working and contributing as soon as possible. That's the biggest cost of training people - the time it takes for them to become productive."

But James cautions against rushing in too quickly. "Give them a chance to question the way you do things and come up with new ideas. You might learn something - and it's another way to help the new employee feel a valued part of the business."

If you've already got other employees, involving them in training is a win-win. "If you tell someone how good they are at their job and ask them to share what they know with a new employee, they appreciate the recognition."

For induction to be successful an employer should link it to all the

benefits a new employee will receive. "Offering the right benefits can be an important part of the package, from helping you attract the right people in the first place to making it more difficult for someone to decide to leave." But as James points out, "everyone is different. You can't expect the same reward to suit everybody."

"You need to understand what makes that individual tick. Some may be motivated by money, or prospects. For others, regular discussions that help to involve them in the business might be the key." The human touch can be just as important. "The little things, like treating everyone to coffees from time to time, or remembering their children's names."

Above all, remember that it's your employees who will drive the success of your business. "It's critical that employees feel part of the business - they are its heart and soul. You can have the best product in the world, but if you haven't got people that are passionate about the business the enthusiasm will be missing and the effort diminished as a result."



"You want people working and contributing as soon as possible. That's the biggest cost of training people - the time it takes for them to become productive."

# An expert's view

# 10 ways to get the best out of your employees

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- 01.** Take a genuine interest in the people you work with
- 02.** Recognise that any new employee, no matter how experienced, will have a lot to learn including the full range of benefits you offer
- 03.** Accept that not everyone is like you - make the most of their individual talents
- 04.** Take the time to sit down with employees and get to know them
- 05.** Really listen to your employees and think about what they say
- 06.** Accept that everyone makes the odd mistake
- 07.** Provide training to address any weaknesses or misunderstandings
- 08.** Deal with persistent underperformance before everyone else gets demotivated
- 09.** Keep employees informed and explain the reasons for any changes you make
- 10.** Be upbeat - your own mood sets the tone for everyone working for you

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To find out more go to:

[sage.co.uk/businessadvice](http://sage.co.uk/businessadvice)

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