

AMBITION TO EMPLOY



Flying solo but want to grow your business?

A step by step guide to taking on your first employee.

PROJECT PARTNERS



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CHAPTER 1

WHEN THE TIME IS RIGHT?

1.1 Introduction

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CHAPTER 1:

WHEN THE TIME IS RIGHT

1.1 INTRODUCTION



You may be thinking of taking on your first employee but you have many questions. In this ebook, we hope to share the answers to those questions and equip you to grow your business by taking on your first employee. We share the experiences of self-employed/solo entrepreneurs who share some of the issues that are becoming more pressing in their businesses.

Can you relate to some of their pain points?

- Time poor
- In reaction mode – putting out fires !
- No clarity for Short- and Long-Term Goals
- Lack of Support or Unreliable Support
- Mindset and belief – not sure you can do it and finally and very importantly
- Poor self-care

Timing is everything in business. You are at an exciting juncture in your business. You have survived the early days and the specific business issues of building sales from zero, establishing your brand, setting up operations, building relationships, stabilizing cash flow. Finally, your venture has transitioned from struggling start-up to a more settled business and you are now beginning to focus on growing your business to the next level. Again, the Ambition to Employ Self-Assessment Tool will have helped you work through how to know you're ready for your first employee. Let's look some **SIGNS:-**

- You've been turning down work
- A new revenue stream has become apparent or started and you can't deal with it yourself
- You have a task that needs a specific skill set; such as your accounts
- Your workload has increased to a point where you need an extra pair of hands – you know you could increase sales if you had an extra resource.
- You have less time to spend on the strategic planning of your business and have a frustrating sense of being bogged down by all the rest.



I knew it was time to hire my first employee when I was working over 40 hours a week on client projects, hours that did not include administration and finances, sales and the other aspects of running a business. I realized that in order to grow my business I absolutely had to hire an employee and offload some of my tasks and responsibilities.



Maris, Marketing Consultant, Ireland



For me, it was when I worked every night until after midnight and every weekend for five weeks in a row and still had more work coming in than I was getting out. I knew I needed help when the quality of service started to slip and clients had to wait longer and longer for projects.



John, Security Software Business, UK

However, for many solo entrepreneurs like Maria and John, choosing whether or not to take on a first employee is never cut-and-dry, and sometimes you don't know if you made the right choice until later. For many, it will be largest investment they make, and it is important not to get it wrong by making an expensive mistake.

First and foremost, it's been said that the **only two purposes of an employee** are to:



**MAKE MONEY FOR
THE BUSINESS**

or



**SAVE MONEY FOR
THE BUSINESS**

If you have a reasonable degree of confidence that your new hire will do at least one of those two things, then go for it. As an entrepreneur, making mistakes are an essential part of growing, improving and expanding. The caveat is that you learn from these mistakes, act quickly and move on!

The bottom line - your first hire is the first step to making your business bigger and better. Factors to consider when assessing if the time is right to hire your first employee...

- You're turning down new clients or new projects from existing clients
- Your customer service is suffering
- How many hours are you working on average each week? How many would you like to be working?
- Think about how much your time is worth – we will come back to this shortly.
- You've identified a specific group of tasks that someone else could do to generate money and/or save you time. These tasks may not be suited to your abilities, or fall under a specific skill set
- Do you feel that there are aspects of your business that could be done much more efficiently by someone else?
- You've identified a new product or service line but you currently don't have enough bandwidth to launch it.



Are you using subcontractor or freelance workers?

In some businesses, it makes a lot of sense to hire contractors and freelance workers from time to time. Doing so keeps your costs down because you don't have to hire someone full time. As you are their client, you benefit that the work is done to a high standard and on time. If, however, you find that you are using these outside sources more and more, perhaps even on an almost full-time basis, and you're paying them the same or more than you would an employee, then it may well be worth considering hiring someone permanently so you are fully in control and build talent in your own business.

New Ideas

Finding something that complements what you already do can easily increase your business development. Without extra resources it will stay just an idea and you risk it being exploited by someone else and representing a lost opportunity in your business.

Specific skills gap

So far, you have probably been doing all the work by yourself, but that doesn't mean you enjoy every aspect of running your business. If there are tasks that you always put off until they are absolutely necessary, then it might be time to hire someone to do that work for you! Delegation can be a worrying prospect for many solo business operators. The idea of relinquishing control can be a challenge, but to grow and gain back both hours and headspace, it is worthwhile. You will be able to work on the aspects of your business that need you and that you are good at knowing that everything else is in hand.

1.2 ARE YOU READY?



Universities ¹ have studied the mindset and the transition to becoming employer. They have found that growth potential is hindered by apprehension as to the complexity and responsibility of becoming an employer.

Yes, there will be paperwork, regulations and some red tape but nothing that you cannot overcome. But first, let's look at the psychological barriers to hiring an employee that are within you.

1. IN THE TRENCHES

2. FEAR OF FAILURE

3. EVER BEEN CALLED A WORKAHOLIC?

¹ ASTON BUSINESS SCHOOL



1 IN THE TRENCHES

According to Norwegian entrepreneur Stewart Stanbra², when starting a business we are full of optimism, expectation and have a vision of how we can achieve great success. Once in the trenches and 'reality hits', your mindset can easily change and it becomes harder to picture the steps you need to move forward. We get bogged down in the work, the challenges and the difficulties we all face in running a business.

Steve advises that growth becomes difficult for three reasons:

1. **Lack of Desire** - This can be hard to admit and hard to accept, but often the case why progress stalls and the dreaming stops. We get so caught up in the 'doing' and the 'work' that we forget to envision 'what could be' and how we can pursue it. Our minds become consumed and occupied with things 'in the business' (operations) and little to no time for things 'on the business' (Future planning).
2. **Lack of Courage** - Taking risks is scary! Pursuing growth and improvements means pushing the limits and breaking from the comfort zone. It is human nature to convince yourself to stay in the safe zone, because 'things are going OK' or 'it is best just to consolidate for now and grow later'. We all fear to lose 'what we have' if we try and push forward... but here is the truth; you will likely lose anyway if you don't push forward, just more slowly and probably more painfully. Standing still will just allow competitors to overtake and also your own motivation may slowly dwindle away.
3. **Lack of Trust** - In most cases to grow your business, you need to rely on other people or collaborators. You cannot do it all on your own. This was one of the hardest challenges. You care so much about your business and reputation that you find it impossible to believe that anyone else could 'do it the same way' or have the same standards.

SOLUTIONS to IN THE TRENCHES



Á CLARIFY YOUR MISSION

Ensure you allow yourself to plan and think. You need to set aside time to do this, otherwise, you won't do it. It is all too easy to get wrapped up in the micro and have no focus on the macro. Rather than many micro goals and targets focus on the big picture and have a clear reason why you do what you do. Always refer back to this and live your mission.



BUILD SYSTEMS

You may feel that your business is too complex and it cannot be taught. This is very rarely the case, most business processes can be taught and created into a system. You can build manuals for things like sales processes and operations. You can use many different types of technology to help make your business more consistent and efficient and allow your new employee to come in and in time seamlessly deliver the same service.



GET A MENTOR

Find a mentor from a similar industry, to help you move forward with confidence and overcome challenges and fears. They will help you understand your challenges and give wise advice on moving ahead.



TAKE THE LEAP & TRUST

In the end, it is simple, you have to just accept that you cannot do it all yourself and have more faith in people. There are diligent, talented and caring people out there who will take your business to levels you cannot imagine. They bring new ideas and energy and create a great environment to work in. Yes, there are challenges to hiring a team, but the alternative of grinding it out by yourself is a far inferior option.

² <https://medium.com/swlh/3-things-that-are-stopping-your-business-growing-e2424f680c>



2 FEAR OF FAILURE

The fear of failing can be immobilizing – it can cause us to do nothing, and therefore resist moving forward.

What does a fear of failure look like ?

According to Mindtools.com...

- A reluctance to try new things or get involved in challenging projects.
- Self-sabotage – for example, procrastination, excessive anxiety , or a failure to follow through with goals.
- Low self-esteem or self-confidence – commonly using negative statements such as "I'll never"
- Perfectionism – A willingness to try only those things that you know you'll finish perfectly and successfully.

SOLUTIONS to THE FEAR OF FAILURE

- **Analyse all potential outcomes** – Many people experience fear of failure because they fear the unknown. Remove that fear by considering all of the potential outcomes of your decision. Use tools to teach you how to map possible outcomes visually.
- **Look at the worse-case scenario** – In many cases, however, this worst case may actually not be that bad, and recognizing this can help. See Chapter 4 for the tools you need to fully assess all financial scenarios in taking on your first employee.
- **Learn to think more positively** – Positive thinking is an incredibly powerful way to build self-confidence and neutralize self-sabotage – see Chapter 6. Personal empowerment is about looking at who you are and becoming more aware of yourself as a unique individual. It involves developing the confidence and strength to set realistic goals and fulfil your potential. Confidence is a state of mind. Positive thinking, practice, training, knowledge and talking to other people are all useful ways to help improve or boost your confidence levels. Confidence comes from feelings of well-being, acceptance of body and mind (self-esteem) and belief in your own ability, skills and experience.
- **Have a contingency plan** – If you're afraid of failing at something, having a "Plan B" in place can help you feel more confident about moving forward.

3 EVER BEEN CALLED A WORKAHOLIC?

Do you agree ? Entrepreneurs

- wake up as entrepreneurs,
- go to work as entrepreneurs,
- come home as entrepreneurs and go to bed as entrepreneurs.

There is rarely a nine to five routine. Very often there is no spilt between “work life” and “home life” which often leads to overworking and sometimes leads to exhaustion and burnout. Sound familiar? There is continued debate over whether workaholism is a positive or negative phenomenon. Some have argued that workaholism is associated with a high level of eustress (pleasant stress) and other positive outcomes such as job and life satisfaction and high performance, and that workaholics may serve as ‘role models’ for others . Others have speculated that while workaholism may lead to positive outcomes in the short-term it can lead to negative outcomes (poor health, relationship problems) in the long-term.



One UK study suggests that entrepreneurs work 63% more hours than the average worker. Whether this is out of fear, passion or something else, overworking can have a devastating impact on your life. In the book *Chained to the Desk: A Guidebook for Workaholics, Their Partners and Children, and the Clinicians Who Treat Them*, psychotherapist Bryan E. Robinson explains...

“Work addiction or workaholism is an addiction in the same way that cocaine and alcoholism are addictions... [It] can lead to an unmanageable everyday life, family disintegration, serious health problems and even death.”

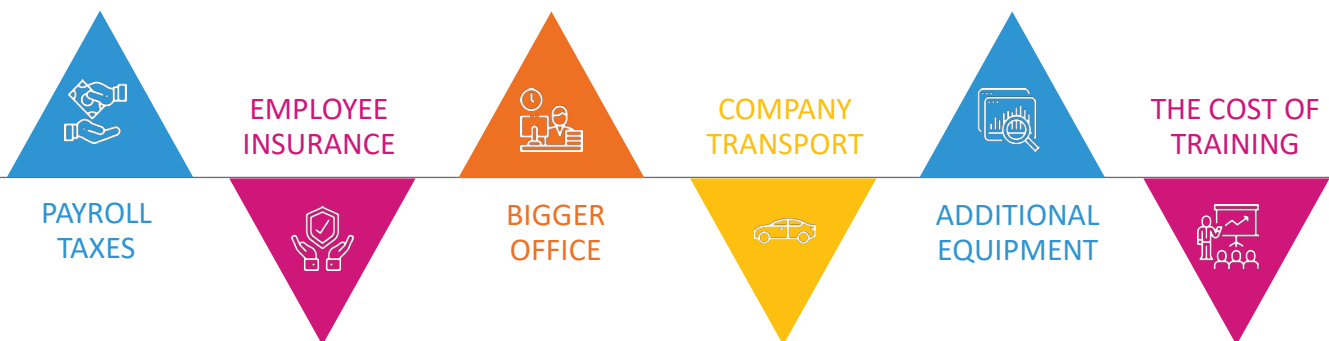
Bryan E. Robinson

While solo entrepreneurs generally find their mission fulfilling, over time there's also an unfortunate opportunity for disillusionment. The rigors and challenges of entrepreneurship can wear on you over time, compromising your relationships and getting in the way of your happiness. Thankfully, it doesn't have to be that way. Taking on your first employee in a very tangible step in taking back control.



1.3 CAN YOU AFFORD TO TAKE ON A FIRST EMPLOYEE?

Your new employee must fulfill tasks that will either generate revenue or save money for the business. The cost of taking on an employee includes not only their salary/payroll, you must also factor in



As first steps:

- look at your financial data from the past three months alongside your 12-month projections to determine if you can afford the payroll for your ideal employee.
- can you ring fence at least three months' salary for the new employee ?

See Chapter 4 for full financial assessment of taking on your first employee. We also look at different ways of assessing the real and bottom-line return on your investment. See our financial templates on www.ambitiontoemploy.eu

CHAPTER 2

THE ROLE – WHO IS YOUR IDEAL EMPLOYEE?

2.1 Introduction

2.2 Defining the role for your first employee

2.3 Crafting a Winning Job Description

2.4 Small is Beautiful



CHAPTER 2:

THE ROLE – Who is your ideal employee?

2.1 INTRODUCTION



*In this Chapter, we turn the focus to the **ROLE** – what are the components that makes up your first employee's role that will have a transformative impact on you and your business.*

We take you through...

- **Defining the role for your first employee.** What type of employee could best meet your current needs? Determine what level of experience you need. How will they add value to your business?
- **Small is beautiful** – given you are a first-time employer, you will have to work harder to attract the right candidate. In a competitive jobs market, candidates may perceive a larger company as having better career prospects. You need to convince talent that working for a very small company comes with many advantages and huge learning.

To set the scene, **Richard Branson** is renowned for offering expert advice to entrepreneurs. When it comes to hiring the right people, he has some really excellent and practical tips¹:

- Set aside your ego and hire people who are better than you are in certain areas. Evaluate where your company could improve and seek out qualities in people that will help you make those improvements.
- Consider three things - **Personality, Passion and Purpose**, these things cannot be faked or learned. Passion and purpose will keep people focused on the job at hand, and ultimately separate the successful from the unsuccessful.

¹ Source: <http://www.businessinsider.com/richard-branson-advice-for-entrepreneurs-2016-11?IR=T>
<https://www.linkedin.com/pulse/how-i-hire-you-cant-fake-personality-passion-purpose-richard-branson>



2.2 DEFINING THE ROLE FOR YOUR FIRST EMPLOYEE



KNOW
YOUR
ROLE...

Having a clear job role is the foundation for success. It is a worthwhile exercise to take time to define your expectations for the role. Writing this down is very important, set out what is expected of them so they will be able to do the best work possible.

The starting place is to go back to your motivation to take on this employee, as you explored in Chapter 1. **Delegate Strategically – one of the common** struggles for business owners is finding tasks you are happy to let go of. Taking on your first employee is your opportunity to relinquish some tasks so you can stay more focused on the big picture.. Really plan out the division of responsibilities.



What ‘things’ do you need to be able to delegate or have ‘in-house’ skills and capacity in order to get you where you want to go? What role should your first employee be able to fulfill?



List out the duties or functions of the employee as you see them but make sure to make them as “active” as possible (this is the basis for the job description). **Use our Templates Chapter 2 Resources.** Instead of writing a broad list of general duties like “customer service,” “technical writing,” make the duties more descriptive. This will prompt you to think more deeply about the type of help you need and will give the candidate a deeper insight into what the job will entail.

Think and use the main keywords that best describe the role (this will also help when we go online in attracting the right candidate in Chapter 4). The biggest learning we want you to take from this Chapter is that a good job description isn’t simply a list of to-dos’, but rather a guide, something that will benefit both you and the employee.

2.3 CRAFTING A WINNING JOB DESCRIPTION

While a job description is often used as a means to an end: to fill an open position, it is a lot more than that. It is an opportunity for the employer to lay out his or her expectations and is the first document that can be used as a basis from which to measure performance. Think of the job description as your sales pitch to candidates. You’ve got to make the job description compelling enough to get a candidate’s attention, and interesting enough to keep it.

To stand out, you could even frame the duties in a more story-like fashion ...

- “A typical day in the life of [insert job title here] will include [a list of the duties].”
- “How would you like to work for a company that...”



See **Chapter 2 Resources** for our example that you can edit for your own use. As a very small business, you should use a conversational tone when creating your first job description. People buy people - remember, candidates need to know how a new job will benefit their lives, not just their work. Ideally, your job description will be between 700 and 2,000 words.



What are the tasks and responsibilities of the position?

Let's craft a Job Description for your First Employee.

1. **A good title:** A good title as relevant to your industry. The more specific you are with the title, the better guidance you are giving candidates of what to expect and in turn leads to a higher quality pool of candidates.
2. **A short summary of the job:** The keyword here is short. You will want to give potential candidates an overview of the key responsibilities and the purpose of the position. For example - you are an engineer but the role will also include business networking and PR events. It is likely you will need to use the word "multi-tasker" to ensure the applicant knows this is a dynamic and multifunctional role.
3. **A brief overview of the company:** In one to three sentences, say who your business is and what you are achieving. This needs to capture the attention of potential candidate and make them curious about what you do. Ideally, you will outline your Unique Selling Point here. Describe your reputation and your ambitions for the company. Demonstrate how your company and this role stands out from the rest.
4. **Skills, qualifications, or certifications required:** What educational background and qualifications does the candidate need to be competent in the position? Are there any industry certifications needed? List both the required and the preferred qualifications.
5. **More detail on the role:** Paint a picture of the day-to-day responsibilities of the job, the duties the candidate will be expected to perform. This section is arguably the most important part of the job description, as the duties detail exactly what the candidate should be able to do, and what they will be doing in this role on a daily basis. They will also reveal more information about the level of responsibility the employee will have, the scope of the work, and its complexity. Reference examples of exciting projects on which the new hire will work. If you're unsure of how to come up with a list of duties, but know the role you need to fill, complete the exercise on the following page to help you think it through:

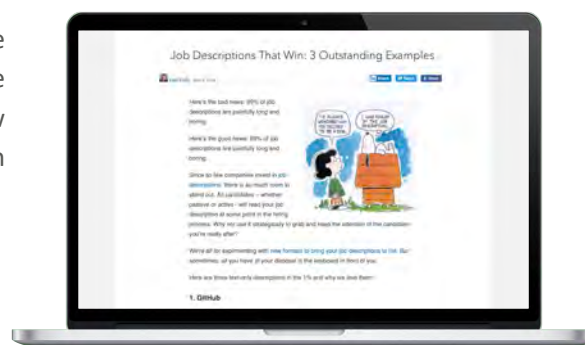
EXERCISE

Brainstorm a list of all of those duties that are taking up a lot of your time, or taking away from something more important you could be doing. Think of all those things you could delegate. Write them down.

6. Provide desired **years of experience**. Employ this one with caution, though. Particularly in tech or with mid-career changers, candidates may have a solid foundation of training but less experience in the field.
7. **Location details:** Clarify the specifics of the position - where is the position located? Is it remote work? Is it a nine-to-five job? Will any travel be required and if so, does the employee need to have a driver's license or their own car?
8. **Salary:** It is good practice to include the salary or the salary range within the job description. It avoids any misconceptions and saves everybody's time. This is also a good place to include any benefits. Some employees opt for a slightly lower salary than industry standard but prefer benefits and perks. You want to ensure that you're only reviewing candidates who will be happy to earn what you can afford to pay them.
9. Include video if possible. This will increase candidate engagement.



On a practical level, include the logo of your company on the description and photos if they are appropriate. Finally, include clear application instructions. You want candidates to know exactly how to apply and what to include in their application (e.g. back up information, reference contact details).



ADDITIONAL READING:

<https://business.linkedin.com/talent-solutions/blog/2014/04/job-descriptions-that-win-3-outstanding-examples>

2.4 SMALL IS BEAUTIFUL



The economy is steadily improving across Europe and it's increasingly an employee's job market. As a small business owner, it will be difficult to compete 'like-for-like' on salary for your ideal candidate, however there are abundant non-economic benefits and job growth opportunities that you need to highlight as part of the overall offering.

In developing this Chapter, we asked employees working for sole traders and very small companies what attracted them to the position and what were the advantages of working in a small company. Their insights are important and are exactly the aspects of the role that you need to highlight in the job description, interviews and subsequent employment offer.

ADVANTAGES	WHAT DOES THIS MEAN FOR YOUR EMPLOYEE?
Entrepreneurial learning. Working side-by-side with the founding entrepreneur.	<ul style="list-style-type: none"> You learn about passion. You learn how to solve a problem on your own. You learn entrepreneurial skills - you can learn from and be inspired directly by the business founder. For people interested in running their own business one day, this is an important opportunity.
Multi-level experience	The employee will gain knowledge in multiple areas and across different business functions – production/service delivery, sales and customer service, finance and growth strategies. Your job is more dynamic and hence more interesting. Small businesses need to be more agile and move faster and in response, you get the opportunity to learn and see the entire business from all different aspects, and see it grow.
Professional Development	Your learning curve will be vertical. Your comfort zone will be stretched. You will learn at a rate unmatched at a large company.
Being valued and making an Impact	As a first employee or part of the first team, your work really does matter. You're not a cog in the wheel -- your contributions will directly impact the company's future. Your inputs are valued, and you could have bigger impact. With that comes more responsibility and with that you become more valuable.



The advantages of working for sole traders and very small companies are important. However, the real learning is when employees shared the disadvantages of working for a sole trader. It is important to consider and overcome these disadvantages by reassuring candidates that you will greatly enhance their career. Let's dive into the perceived disadvantages and how you can overcome same. Articulate these areas in describing the role and your company.

 PERCEIVED DISADVANTAGE OF WORKING FOR A VERY SMALL COMPANY	 HOW TO YOU AS A VERY SMALL EMPLOYER OVERCOME THIS?
There are no standard procedures	<p>Taking on your first employee is the ideal time to define procedures in your business. These do not have to be cumbersome, rather, procedures should be articulated in a succinct way. For example using graphs and diagrams is very effective.</p> <p>READ- This Forbes article is an excellent starting place. https://www.forbes.com/sites/allbusiness/2013/09/17/7-simple-tips-for-documenting-your-important-business-procedures/#3efd87291ab8</p>
You have limited resources. Salary/ hikes depend on revenue generation, if small companies do not generate enough revenue, they won't be able to sustain the role	<p>Be clear that the business is in growth mode and is financially stable to expand.</p>
Welfare may not be as good as working in a larger company.	<p>Emphasize work/life balance is a key area where small businesses are more accommodating and more flexible than working for a larger employer.</p>
There are fewer people in the company to learn from	<p>Your employee will learn and train by doing. However, build in time for formal training. Employees value professional development – emphasize that they will benefit from having a mentor in the company.</p> <p><i>A great thing about working in small companies is that you can take on more responsibilities, and with it, improve your knowledge and work your way up.</i></p>
You can't hide mistakes!	<p>If this is the concern of the potential employee, then you don't need them on your team!</p>
Identify crisis! It does not look as impressive on a CV	<p>The employee will be able to highlight the impact they have made in the small company. They will demonstrate creativity, managing responsibility, ambition for the business.</p>
Limited networking	<p>Emphasize that industry networking is even more important in very small businesses.</p>



One of our employee consultees explains

As a first employee in the business, I had to handle a variety of responsibilities. I had to wear many different hats in a given day. I enjoyed getting involved in variety of projects and my opinions were always given due consideration. In large company, one is slotted in a job function and do not get as many chances to get involved



CHAPTER 3

WHAT RESOURCES WILL YOU NEED?

- 3.1 Introduction
- 3.2 Recruitment Costs
- 3.3 Salary Costs
- 3.4 Employers Liability Insurance
- 3.5 Sickness, maternity and paternity leave and flexible working
- 3.6 Pensions
- 3.7 Salary Sacrifice Scheme (UK Only)
- 3.8 Other Employee Benefits
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- 3.10 Your Time



CHAPTER 3:

WHAT RESOURCES WILL YOU NEED?

Taking on your first employee is a real milestone in your business journey. It means your business idea is working and you want to take the opportunity expand. Before you proceed any further, it is time to consider in detail the resources, financial and non-financial, that you will need to take on your first employee. Taking on your employee will help your business grow, it will also bring a new set of stresses that you need to be equipped to deal with. Top of the list is the financial basis for taking on your first employee. Yes, you are prepared for the salary costs of your new employee but there are many other financial considerations that you need to factor into your plans. This Chapter will help you identify the true costs of taking on your first employee and equip you to plan for same.

RECRUITMENT COSTS

Advertising for staff can be more expensive than we would like. Did you know...

- a recruitment agency could ask for up to 20% of your employee's first year salary to find the right person for you?
- local papers charge more for recruitment adverts than any other advertising?
- online recruitment websites can be very expensive?

Using the most appropriate recruitment tools will save you money to ensure you are reaching the right target group of potential employees in the most cost-effective way –Chapter 4 is full of great ideas.

SALARY COSTS

Obviously, the largest single cost of taking on a new employee is their salary costs. Many first-time employers minimise the financial impact on their business by recruiting a part-time employee in the first instance. This will work better in some industries and roles. Depending on the position, it is worth noting that it is sometimes harder to find the right person who's willing to work part-time or thereafter increase their hours as the business increases, meaning you will need to recruit someone else.

THINGS TO REMEMBER – CASH FLOW..

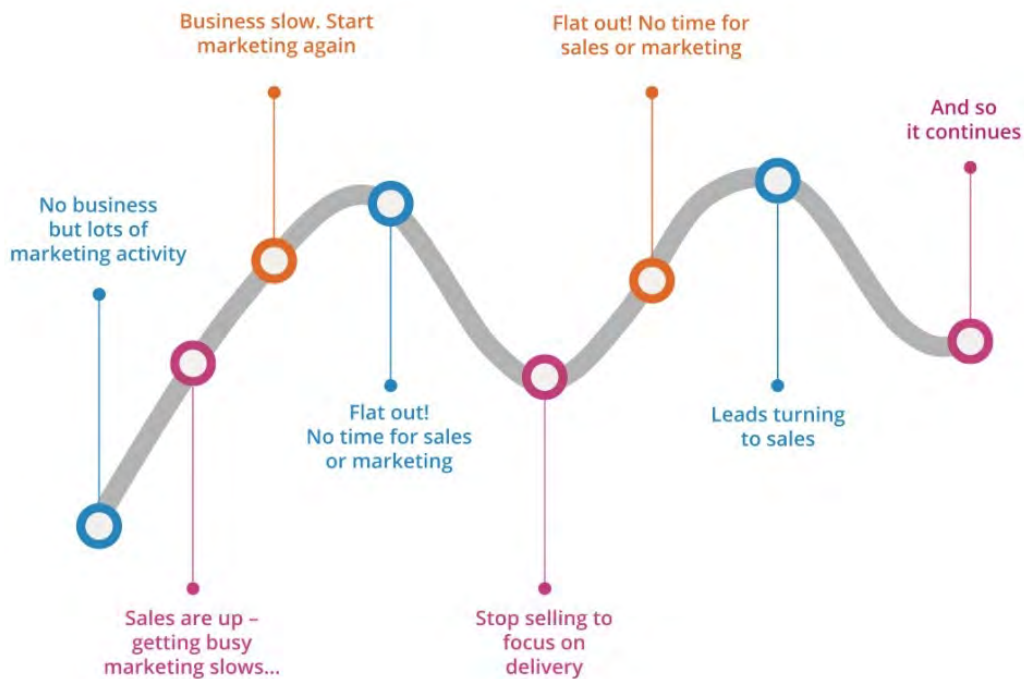
- Many self-employed people take their salary when cash flow allows, which may be irregular or delayed. However, your employee will expect their salary in full, on a fixed date each month. There is no flexibility to reduce their payment even it has been a quiet month!
- Cash Flow – it is worthwhile to review your cash flow for the last 12 months and prepare a new projection factoring in the workload and expected payments. Look for peaks and troughs.

It's worth looking back at your cash flow over the last year and trying to predict your workload and cash position for the next 12 months.

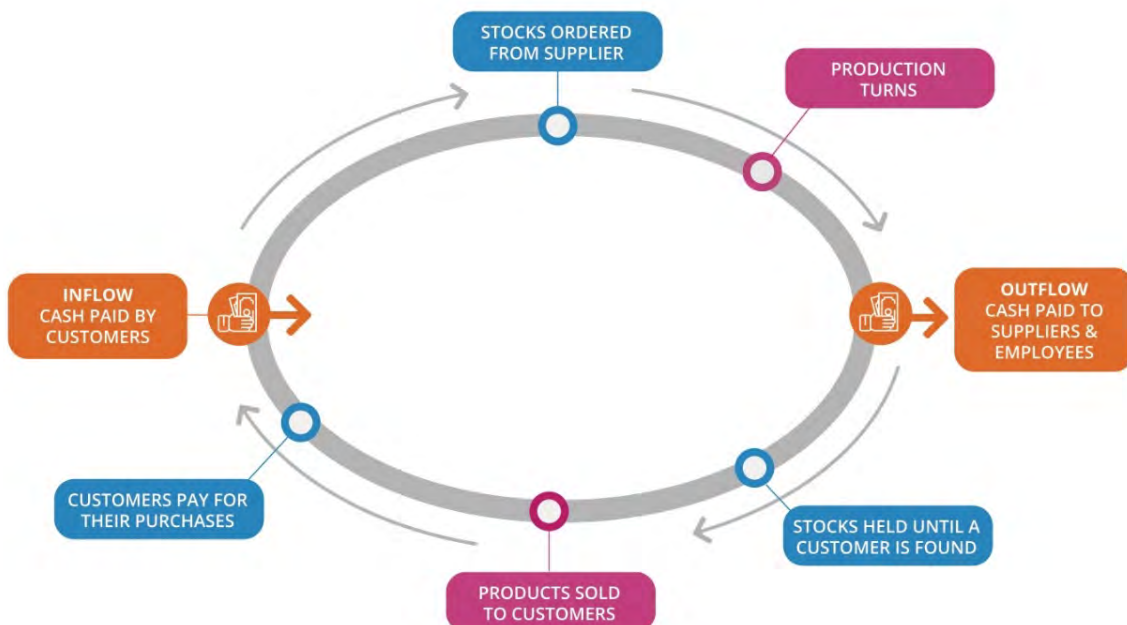
Download our simple template in Resources on www.ambitiontoemploy.eu.



TYPICAL INCOME OF A SMALL BUSINESS



A TYPICAL CASH FLOW CYCLE



THINGS TO REMEMBER – NATIONAL INSURANCE AND INCOME TAX

As the employer, you are responsible for complying with national laws and ensuring income tax and National Insurance is paid for your new employee. Failure to do so could lead to penalties. Each month it's your responsibility as the employer, that the correct income tax and National Insurance deductions are made. You will also pay employer's National Insurance for your employee. Each country has a different system.

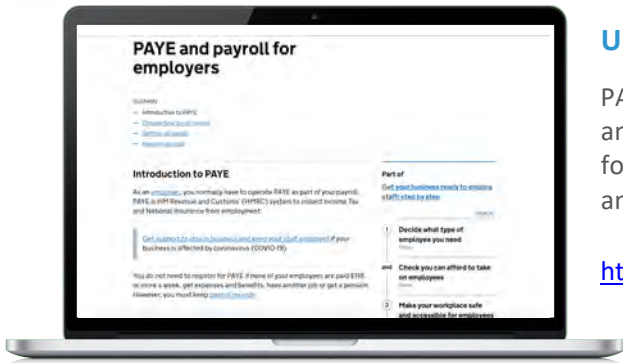




UK

PAYE is HM Revenue and Customs' (HMRC) system to collect Income Tax and National Insurance from employment. You need to register for PAYE if your employees are paid £118 or more a week, get expenses and benefits, have another job or get a pension.

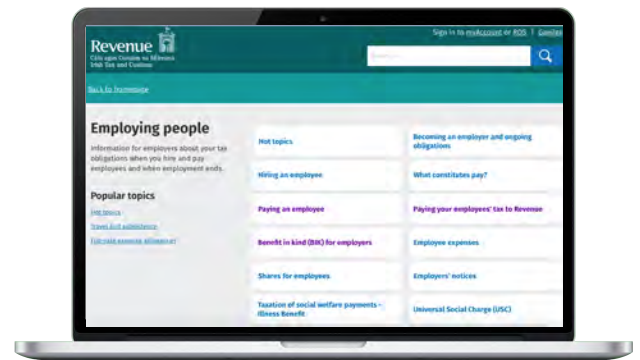
<https://www.gov.uk/payee-for-employers>



Ireland

Taxation in Ireland is usually done at the source, through a pay-as-you-earn (PAYE) system. Taxes are deducted monthly from the gross salary by the employers on behalf of the employees. The amount of tax depends on the income and personal circumstances of the individual and it includes: the income tax, Pay Related Social Insurance (PRSI) and the Universal Social Charge (USC). A new system (PAYE Modernisation) was introduced in January 2019

<https://www.revenue.ie/en/employing-people/payee-modernisation/index.aspx>



Rather than set up your own payroll system, it may be more cost effective to subcontract this process. Many accountants and bookkeepers offer a payroll service, dealing with the paperwork, applying the relevant income tax and National Insurance deductions and providing a salary slip for your employee. Typically, this is a very worthwhile investment as for a relatively small fee it will ensure you stay compliant and focused on maximising your return on investment from your new employee.

EMPLOYERS LIABILITY INSURANCE

As soon as you take on part time or full-time employees, it is advisable to put in place employer's liability insurance, which protects your staff if they are injured or become ill as a result of working for you. In some countries employer's liability insurance is compulsory.

UK	IRELAND
Compulsory	Not compulsory

EMPLOYERS SHOULD ALSO INVESTIGATE INSURANCE TO COVER THEIR BUSINESS IN THE EVENT OF

- Any legal claims by your employee, for example if they are alleging unfair dismissal.
- Key worker insurance – the business insures itself against the financial loss it would suffer if a key person in their business died or were diagnosed with a specified critical illness during the length of the policy.
- Professional indemnity insurance – an insurance policy that will protect you from claims made by clients who are not satisfied with the work your business has done for them. Typically it covers ..
- Negligence – where your business has been negligent, or where you have breached a duty of care to your client.
- Loss of documents or data – where your business has mislaid important paperwork or data belonging to a client.
- Intellectual Property (IP) – where your business has accidentally infringed copyright, trademarks, or other types of IP owned by other businesses or individuals.
- Defamation – where your business has created or used material about other organisations, that may cause offence.
- Dishonesty – where someone from your business has stolen from a client



SICKNESS, MATERNITY AND PATERNITY LEAVE AND FLEXIBLE WORKING

MAKE SURE YOU KNOW THE SYSTEM AND MINIMUM REQUIREMENT IN YOUR COUNTRY

UK



- Employees can take time off work if they're ill. They need to give their employer proof if they're ill for more than 7 days. <https://www.gov.uk/taking-sick-leave>
- All employed pregnant women are entitled to 52 weeks (1 year) of maternity leave, no matter how long they've worked for their employer. This is made up of 26 weeks of ordinary maternity leave and 26 weeks of additional maternity leave. <https://www.gov.uk/maternity-pay-leave>
- Paternity leave – your employee may you be eligible for: 1 or 2 weeks' paid Paternity Leave, Paternity Pay and Shared Parental Leave and Pay. <https://www.gov.uk/paternity-pay-leave>
- From June 2014, all employees have the right to ask to work flexibly. <https://www.gov.uk/government/news/flexible-working-rights-extended-to-more-than-20-million>

IRELAND



- Sick Pay - In general, an employee has no right under employment law to be paid while on sick leave. Consequently, it is at the discretion of the employer to decide their own policy on sick pay and sick leave, subject to the employee's contract or terms of employment. The employee can apply for Illness Benefit if they have enough social insurance contributions. <https://www.gov.ie/en/service/ddf6e3-illness-benefit/>
- Statutory maternity leave in Ireland is 42 weeks, with paid leave for the first 26 weeks. The final 16 weeks do not have to be paid, but are still legislated for job security and entitlements. <https://www.gov.ie/en/service/apply-for-maternity-benefit/>
- Paternity Benefit is a two-week payment to employed and self-employed people who are on paternity leave from work covered by social insurance (PRSI). <https://www.gov.ie/en/service/apply-for-paternity-benefit/>
- There is no legal right to flexible working in Ireland. It can be used as an incentive as part of an overview benefits package.

As an employer, you need to consider all these factors in advance. In particular, set out a simple clear sickness policy from day one.

PENSIONS

AGAIN, DIFFERENT RULES APPLY PER COUNTRY:

UK



- All employers must offer a workplace pension scheme by law. You, your employee and the government pay into that pension. <https://www.gov.uk/employers-workplace-pensions-rules>
- This calculator will show you how much will be paid into the pension by you and your employee. <https://www.moneyadvice.service.org.uk/en/tools/workplace-pension-contribution-calculator>

IRELAND

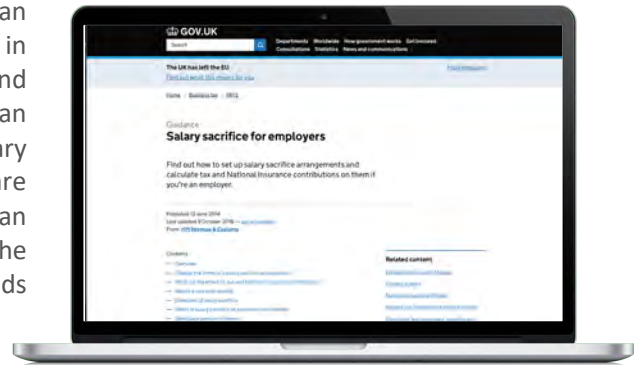


- There is no legal obligation on an employer to set up or contribute to a pension scheme. However, as an employer, you need to provide access to at least one Standard PRSA - Personal Retirement Savings Account. <https://www.pensionadvice.ie/categories/employers-obligations/#what-are-your-obligations-as-an-employer>



SALARY SACRIFICE SCHEME (UK ONLY)

UK employers could look to set up a salary sacrifice scheme. This is an agreement to reduce an employee's entitlement to cash pay, usually in return for a non-cash benefit. This can save tax for your employee and also cut the amount of National Insurance you have to pay as an employer. There are rules regarding what you can provide under salary sacrifice schemes, one of the most popular is providing childcare vouchers to contribute to your employee's childcare costs. As an employer, you can set up a salary sacrifice arrangement by changing the terms of your employee's employment contract. Your employee needs to agree to this change



OTHER EMPLOYEE BENEFITS

Other employee benefits that you can consider include bonus schemes, company vehicle and private health insurance. Remember, your employee will be taxed on many of these benefits, so discuss them with your employee first. These benefits are known to increase the loyalty of your employee to the business – but they come at a cost to you which needs to be assessed.



PREMISES

If you operate your business from home, when your employee starts you may need to take on new premises. Renting a unit in an incubator/enterprise centre or a small office in a serviced building will keep costs under control.

*The largest and hidden cost in taking on an employee is how much of your time they will take up. Putting in place your business policies, initial training and administering the paperwork, your employee will only flourish if they get to spend time with you. More on this in **Chapter 5**.*

CHAPTER 4

THE PROCESS, ATTRACTING TALENT

- 4.1 Introduction
- 4.2 Attracting talent.
Use recruitment as a marketing opportunity
- 4.3 Shortlisting
- 4.4 Interviewing - what can I ask and
getting best results from the interview
- 4.5 Red tape and Contracts
- 4.6 Employment Contracts



CHAPTER 4: THE PROCESS, ATTRACTING TALENT

4.1 INTRODUCTION

Following a structured process to take on your first employee will increase the chances of attracting the right person, first time. LINKEDIN tell us that 70% of candidates are passive job seekers, hence this Chapter will give you the skills to attract the very best candidate. In this Chapter, we focus on upskilling you in a robust process that builds on your work in Chapters 1, 2 and 3 in which we covered...

CHAPTER 1

When the time is right?
Are you ready to take on your first employee?

CHAPTER 2

The role – who is your ideal employee?
Crafting a winning job description

CHAPTER 3

The resources you will need to take on
your first employee

CHAPTER 4 COVERS THE FOLLOWING VITAL AREAS..

- Attracting talent – how to bring the role to the attention of suitable candidates in the most cost-effective way. Use recruitment as a marketing opportunity.
- Shortlisting
- Interviewing - what can I ask and getting best results from the interview
- Red Tape and Contracts



4.2 ATTRACTING TALENT. USE RECRUITMENT AS A MARKETING OPPORTUNITY

Recruitment can be an expensive process but it is vital that you invest wisely to attract a strong choice of suitable candidates to choose from. You have an immediate choice to make – you can manage the recruitment process yourself or hire a third-party recruitment agency. Let's consider the advantages and disadvantages of each approach:-



4.2.1 DIRECT RECRUITMENT – MANAGING THE PROCESS YOURSELF


When you manage the recruitment process yourself, consider the following:-

ADVANTAGES 	DISADVANTAGES 
<ul style="list-style-type: none"> You stay 100% in control of the recruitment/hiring process. 	<ul style="list-style-type: none"> Recruitment is costly in terms of your time – taking you away from your busy schedule
<ul style="list-style-type: none"> You can review all the applicants and not just a shortlist 	<ul style="list-style-type: none"> It may take longer to fill the position
<ul style="list-style-type: none"> You choose where and when the job is advertised 	<ul style="list-style-type: none"> You have access to a limited candidate pool
<ul style="list-style-type: none"> No recruitment fees 	<ul style="list-style-type: none"> You may not have the recruitment knowledge (although by completing our Ambition to Employ Chapter, that will not be the case!)
<ul style="list-style-type: none"> You learn from the experience, you can experiment and test your recruitment methods and channels and adjust based on performance of each approach 	

4.2.2 USING A THIRD-PARTY RECRUITER

Third-party recruiters are agencies, organisations, or individuals recruiting candidates for temporary, part-time, or full-time employment opportunities for their clients.

There are the 3 main advantages of using a recruitment agency: 
<ol style="list-style-type: none"> 1. Faster hiring - Using a recruitment agency will shorten the time needed to fill your job position. A recruitment agency will short circuit CV collection and venting and deliver what they consider to be the top candidates for your consideration. They also free you up to concentrate on your job and what you do best!
<ol style="list-style-type: none"> 2. Higher quality candidates - Using a recruitment agency can improve the quality of candidates in your recruitment process. Recruitment agencies already have a talent network of already vetted, pre-screened and pre-referenced candidates. Recruitment agency personnel are professionally trained to assess candidates.
<ol style="list-style-type: none"> 3. Many agencies specialize in recruiting for a certain industry, role or level. They have built up industry contacts and use them

There are the 3 main disadvantages of using a recruitment agency: 
<ol style="list-style-type: none"> 1. Higher cost – engaging a recruitment agency can be an expensive choice. In general, recruitment agencies' fees are around 15 to 20% of the employee's annual salary (UK) and even higher in some countries.
<ol style="list-style-type: none"> 2. Lack of employer branding - If you use recruitment agencies, you miss an opportunity to build your company's reputation. Someone else will be presenting and selling your brand to your potential candidates. Potential candidates will create their first impression of your company so you need to invest time with the agency to ensure they understand your company.
<ol style="list-style-type: none"> 3. Recruitment agencies can deliver the candidates that are the best fit for a certain position and role. However, they are much weaker at assessing a cultural fit with your values and priorities.



Determining the **cost-to-benefit ratio of spending your own vs a recruitment agency's time** on finding a new employee should help you decide which decision is best for you. In some countries and regions, employment agencies operate as an external source of recruitment. Employment agencies are run by various sectors like private, public, or government. These agencies hold a database of qualified candidates and organisations can use their services at a cost.

4.2.3 JOB ADVERTISING

Advertisements are the traditional, and for many, a preferred source of recruitment. Typically, the job vacancy is announced through various print and media channels. The advert is preferred in a graphic design format using a summary of the job description and specifications of the job requirements which you have prepared as part of **Chapter 2 The role – who is your ideal employee? Crafting a winning job description**. Newspaper recruitment is the most effective method if you are trying to hire someone locally/regionally or if you sue specialist trade press to reach your ideal employee audience. It is also a more formal method of recruiting and suitable when hiring for senior positions. Crafting a job advert needs effort but it will reap rewards.

1. Strong company branding – make sure you use the opportunity to share your brand.
2. Job title – Be clear. When conducting their search, job hunters will use these keywords and if your job title doesn't conform, it could be harder for them to find your vacancy.
3. Salary and location - Below the job title it is common practise to include the salary bracket and the location of the position. Without this information you risk attracting candidates who while interested in the role may not be interested in your location. Be clear right from the start.
4. A small introduction – just a few sentences – which outlines your business and the role you're advertising for. This section of the advert should contain keywords that help candidates know right from the start if this role is something they'd be interested in. This is also your chance to let the candidate know a little bit more about your business and use the content you have created in Chapter 2 about why talented candidates want to come and work for you

EXAMPLE

{Your company name} specialises in {your industry or niche} and has an exciting opportunity for an enthusiastic Marketing Executive to join our dynamic team. This permanent position is well suited to an individual that is looking to advance their career in marketing and gain hands-on experience in a thriving and supportive workplace.

5. The objectives - after introducing the position, next set out the goals or objectives for the candidate. Again, just a few sentences. This is a good opportunity to help the candidate understand the role they'll play, and the contribution they will make within the business.
6. Responsibilities - outline what the role will entail and list a few of the main responsibilities which is important to potential candidates. Be honest about what will be expected of candidates.
7. Requirements – next you need to outline the key requirements of the position; there are a number of parts to this.
 - State whether your candidate needs qualifications, for example specific certificates or a degree. Are these qualifications are vital or just advantageous
 - Outline any personality traits or soft skills you wish your candidate to possess. For example, maybe you want them to be enthusiastic, with good communication skills and have an interest in the industry.
8. If you would like someone with a certain amount of experience, highlight this here.
9. Benefits of working in your business - take this opportunity to outline any benefits or perks that the candidate would receive in your employment. Today's employees want to feel valued at work. Workplace perks are important to today's professionals, so don't forget to include these in your job advert. Again, back to Chapter 2 content.

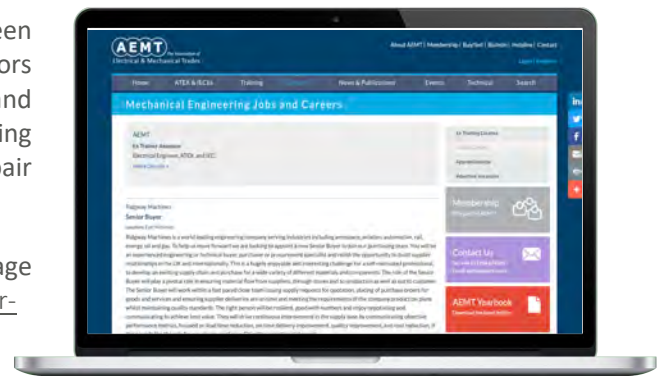
In summary, taking the time to perfect your job advert, use graphic designer to create a professional ad. First impressions count! This is a big step in building the brand of your business as you expand. An appealing ad will also boost application rates.



4.2.4 PROFESSIONAL ASSOCIATIONS

Many professional associations act as a bridge between employers/members and the jobseekers. Prevalent in most sectors an example is the AEMT is The Association of Electrical and Mechanical Trades, an international association representing companies in the electrical and mechanical service and repair industry.

Their members post jobs of all levels on the Jobs and Careers page <https://www.theaemt.com/electro-mechanical-engineering-career-support/mechanical-engineering-jobs-and-careers>



4.2.5 REFERRALS

Referrals can lead toward higher quality employees, so ask around! Share your job ad with your own network. Ask if they know of anyone who might be a good fit and if they'd mind sharing your open position more widely.

4.2.6 CAMPUS RECRUITMENT

Campus recruitment is another external source of recruitment, where the educational institutions such as colleges and universities offer opportunities for employers to access graduates through alumni publications and listings or in promoting jobs that are suited to students. Building a strong relationship with a college can be a long term strategy so be aware of campus recruiting events, developing university relations and hosting internship programmes. Examples include

IRELAND: The annual LYIT Careers & Postgraduate Studies Fair takes place at the Letterkenny campus each October and features over 80 recruiters and employers from a wide range of sectors including IT, Pharmaceutical, Finance, Social Care, Law and Telecommunications providers and other universities, colleges, professional bodies and support agencies

<https://www.lyit.ie/News-Events/Article/lyit-careers-postgraduate-studies-fair-celebrates-13-years-of-success>



4.2.7 JOB FAIRS

Although not as popular as they once used to be, job fairs continue to help organisations to gain access to a large number of candidates, especially graduate applicants. Some regional job fairs can be excellent e.g. in Armagh, Craigavon, Banbridge, Northern Ireland a jobs fair promoted by the local Council will showcase hundreds of jobs to thousands of attendees



<https://www.nibusinessinfo.co.uk/content/armagh-city-banbridge-and-craigavon-borough-job-fair>

Similarly, in Leitrim Ireland, a Jobs Fair is organised by the Local Enterprise Office <https://www.localenterprise.ie/Leitrim/News/Press-Releases/Jobs-Fair-2018.html>



4.2.8 EVENTS

Apart from job fairs, there are many other events you can attend to meet potential candidates. From networking events to gatherings that your target audience might attend (such as seminars and conferences), you get a chance to meet talented potential candidates, while also benefiting from attending industry-related events.

With the extensive use of the internet, various methods of **online recruiting** reach a much larger or more targeted audience than other methods. In addition to reaching job seekers anywhere, you can attract candidates with very specific skills. Let's review your options in terms of **online recruiting** opportunities.

4.2.9 JOB PORTALS

Job portals (job boards) now play a crucial role in connecting companies with candidates. These portals are a preferred platform for jobseekers looking for better career prospects, so they make an excellent source for a new employer to tap into top industry talent. Millennials tend to conduct their job searches on job boards, so if you are looking to attract younger talent, you should bear this in mind. Many job portals now also have CV databases which allow the employer to filter through candidate profiles based on your chosen criteria, again you have defined these criteria as part of Chapter 2. Importantly, as job boards make it easier to actually apply for the position, they can also help speed up the hiring process.

Paid online job portals or boards includes

wwwIndeed.com , wwwMonster.com , wwwLinkedIn.com , www.simplyhired.co.uk
and www.simplyhired.ie, www.careerbuilder.com/jobs-europe and more.

Most have built-in ways to target candidates based on level of experience, skill sets, education and industry. If you're looking for a candidate with specialized skills, you may also want to research niche job boards appropriate to your sector or the candidate you wish to recruit e.g. a salesperson can be reached through sites such as Sales Jobs.

4.2.10 SOCIAL MEDIA

Social media is a highly practical recruitment tool. Nearly everybody uses some form of social media, so it makes sense to run job campaigns on LinkedIn, Facebook and Twitter and use each platform's algorithms to closely target certain locations and other demographics. Younger generations of job seekers use some kind of social channel when they're looking for a job (86% to be exact). The key when it comes to using social media for recruitment purposes is to know your target candidates and where you can find them online. Remember, in addition to posting your vacancy on your own business social media accounts, it's also important to include sponsored posts in your campaign, because you can use these platforms to target passive candidates.

***Ultimately you will combine many of these methods
to reach a strong cohort of your ideal employees.***

4.3 SHORTLISTING

Creating a shortlist allows you to create a "short list" of candidates you want to talk to. Shortlisting is often the most challenging and time-consuming step in the recruitment process. It is essentially the process of going through the applications received and identifying the candidates in terms of who best meet both your required and desired criteria. It is recommended, that you aim to identify at least three candidates (and ideally more) to be progressed to the interview / assessment centre stage. Having a structured approach to short listing is the best approach with the following steps.





4.3.1 LOG ALL APPLICATIONS

It is good practice to log all applications with the candidate's name, email and source of their application. When you scan their CV you can also add in some brief notes on their skills and experience. This may seem like a lot of work but it will help review who you've rejected, who you might be interested in and allow you to evaluate where the better quality applications are coming from - useful for deciding what recruitment methods work best for your business.

4.3.2 CREATE A SHORTLIST SCORECARD

Create a shortlist scorecard by listing out each criterion and assign a rating for each screened candidate. For example, a **Retail Customer Service Assistant** role could be screened through the following headings:-

APPLICANT REF	EDUCATION LEVEL	RETAIL EXPERIENCE (INSERT YOUR OWN INDUSTRY)	CUSTOMER SERVICE EXPERIENCE	COMMUNICATION SKILLS	TOTAL
	<i>1 = minimum 2 = desired</i>	<i>1 = less than 1-year experience 2 = 1-year experience 3 = more than 1 experience</i>	<i>1 = less than 1-year experience 2 = 1-year experience 3 = more than 1 experience</i>	<i>1 = poor 2 = average 3 = strong</i>	
1					
2					
3					
4					

At this stage, you should also check for any inconsistencies in their CV and make sure that their presentation, spelling and grammar, and attention to detail are flawless on both their CV and covering letter (if applicable). Using a score card ensures you are applying each criterion fairly and consistently across candidates and allows you to easily identify and rank who the strongest candidates that you can bring forward to the next stage. Bear in mind that it is extremely unlikely that you'll find a candidate who matches every single item on both your list of criteria. It is interesting to see how recruitment agencies assess the number of short list candidates that are required to ensure a successful appointment.

They work to the 'unofficial' formula -

*For every **100** candidates you source, you need to shortlist **12** of them to interview,
2 are selected are approved candidates (ranked first and second), **1** candidate will accept*

One other check that needs to be completed as part of the short-listing process is to check that the applicant has the right to work in your country.



4.3.3 RESPOND TO ALL APPLICANTS

Everyone who takes the time to apply for a role should receive some form of response. This is especially important for very small businesses such as yours as you build reputation. A simple email thanking candidate for their interest but expressing regret that not everyone can be asked to interview is good business etiquette. Keeping your application log of applicants up to date should make it easier to ensure everyone gets an update on their application.

4.4 INTERVIEWING - WHAT CAN I ASK & GETTING BEST RESULTS

As a first-time employer, you may have only sat on the interviewee side of the table before! Being the interviewer may be a whole new experience for you so it is really important to be prepared with the key questions that will help you make decisions on who to offer the position within your business.

First step - invite your shortlisted candidate to interview. An email invitation is the best and faster approach (if you call people by telephone they may not be able to speak etc). An email template example to assist you..

To guarantee successful open rates, use a subject line that clearly states the company's name, job position or general purpose of the email, for example: 'Interview invitation at [company name]'.

New Email - □ ×

To :

Cc :

Subject :

Hi [first name],

Thank you for applying for the position of **[job title]**! I have reviewed your application and would love to discuss your suitability for the role further in an interview. This will be a good chance for you to learn about our company as well as the position in more detail.

The interview will be with **[interviewer's name and role]**, and should last around 45 minutes. Are you available for an interview next week? Here are a few available time slots:

[Date and Time]	[Date and Time]	[Date and Time]
------------------------	------------------------	------------------------

If these aren't suitable for you, please let me know what your availability is for next week. The interview will be held at **[address]**. Here is a Google Maps link for your convenience: **[link]**. Please confirm your interview time preference as soon as you can by email return. I look forward to hearing from you soon and our discussions next week.

Best regards,

[Your name]

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WHERE?

As a one-person business, you may not have a suitable office/meeting room to host the interview. If your own premises are not suitable, to ensure a comfortable and conducive environment consider:

- Renting a meeting room in a co-working or enterprise centre which gives you an atmospheric business environment. Choose according to your budget and the level to which you need to impress the prospective candidate! Do a search engine query on "meeting space rental" plus the location where you want to meet, and you'll find lots of offerings. Some of these venues will also offer videoconferencing facilities which you may utilise if required.
- A quiet hotel lobby or a meeting room at a hotel may work well if you have a small number of people to interview.
- You may be tempted to set up at a local coffee shop but this could be full of distractions and work against getting an insightful interview.
- Your accountant or other professional that you engage with may be able to offer their premises to use.



SOME PRACTICAL TIPS FOR SETTING UP INTERVIEWS:-

- Be flexible - Most job applicants are already employed so it might be difficult for them to attend for interview during work hours. In this case, you can be flexible and convenient by offering them a selection of times to choose from.
- Arrive early and let the facility know that you're interviewing. That way, they can find you easily.
- Leave plenty of time between interviews - you don't want candidates waiting in a backlog!
- The best interviews, while structured come across to the candidate as friendly and informal. One way to achieve informality is to dispense with desks and tables in the interview room and use only chairs.
- Depending on the nature of the role, will the candidate need to give a presentation? If so, the necessary AV needs to be available.
- Ensure that you can accommodate any unforeseen physical needs through ensuring the interview room is fully accessible.
- Let them know you're the one making the hiring decision. This will help engage the candidate and get their full attention, you can do this by sharing insights such as "I plan to make a decision about this position within the month," or "If I hired you, how long would it be until you could come on board?"
- Have fresh water available to the candidate – and yourself.

INTERVIEW QUESTIONS THAT WORK

While each interview is unique, the fundamentals are the same. You ask questions to the candidates and evaluate their answers. Hence, the questions you ask are important and should be treated with care. However, a good interview should be staged as a conversation, not an intimidating sequence of questions. Be casual but professional. Make the applicant feel welcome and be sure to offer the applicant to ask their own questions. How can you tell if someone is a winner in the job interview process? Here are some suggested interview questions to ask.

- **What was it about this position that interested you?** This question is a good lead-in to the interview. You want to employ a person who is genuinely interested in the work you do and being an employee of your business. The only exception to this is applicants for entry-level positions who are looking for job and may have little knowledge or experience with the work you do.



- **Describe your current position duties.** Look for strong skills and experience that can be transferred to the job opportunity in your business.
- **How would you describe your approach to solving a problem?** It is advisable to look for candidates who have a problem-solving disposition and outlook. The situation can be as simple as responding to a customer request about a product they candidate was unfamiliar with, or complex like having to come up with a marketing campaign to break into a new industry.
- **Can you give me an example of a project or activity you had to lead?** Regardless of what type of work your business does, you always want an employee that is not afraid to take charge when needed and take personal accountability when it comes to getting things done. This question helps you assess evidence of how the candidate takes responsibility.
- **What would you say is the highlight of your career?** This is one of those questions that allows the interviewee to shine, overcome any nerves and focus on something they were particularly proud of.

READ MORE - <https://smallbiztrends.com/2018/11/interview-questions-to-ask-candidates.html>

Bring the interview to a close by inviting the interviewee to ask questions and then describe the next steps. This should include a tentative result date, or if other further processes such as a second interview will be scheduled



SCORING YOUR INTERVIEW CANDIDATES

As you did in the shortlisting exercise, scoring candidates is a vital part of interviewing. Design an interview scorecard which:

- List of each critical competency and any specific skills that are vitals aspects of the job profile
- Rating system: Set up a clear scoring rating for each competency. To give opportunity to differentiate, use a 1-5 rating system (1= not acceptable; 2=weak; 3=average; 4=above average; 5=outstanding).
- Notes section for each competency/rating: With each rating, it is good to note the pros and cons behind this rating. Once the interview round is complete, review the scorecard to assign an overall score to the candidate. If you have more than one interviewer, each interviewer should score independently and then scores combined for an overall assessment.

CHECK REFERENCES

Checking the references of prospective employees is often left until late in the recruitment process, however, a previous employer's or stakeholder's opinion can be extremely useful at this stage to decide between candidates with similar experience or qualifications. There are essentially two ways in which you can get references – in writing or over the telephone. While a written reference may be sufficient, more senior roles are likely to require a phone conversation with a past employer or supervisor will get to a true insight. Contact the referees in advance (or ask the candidate to do so) and book in a specific time for a conversation.



Remember, personal references from the candidate's friends or family are highly unlikely to yield objective feedback. If the candidate had no previous paid employment, talk to someone who has worked with them on a volunteer or extracurricular basis. Please note, you should always have your candidate's permission to contact referees. Many jobseekers will prefer you not to contact their referees until an offer is made and accepted, especially if they are a current employer.

Depending on the role, questions to put to the referees include:

- Dates of employment, Job title and main responsibilities
- What were the main responsibilities of the candidate in their last role?
- What are the candidate's greatest strengths?
- Do you think the candidate is qualified for this new role?
- How well did the candidate handle a specific skill or situation?
- What kind of management style did the candidate respond best to?
- Attendance record and if they were reliable, honest, hardworking etc
- What was the candidate's reason for leaving ?
- Any disciplinary actions taken against them OR if there are any reasons why they should not be employed?

MAKING THE JOB OFFER

Jorg Stegemann, a recruiter and director at Experis Executive (a division of ManPower Group, shares **the top 9 tips on How to Make the Perfect Job Offer:**

1. MOVE FAST

If you've made a decision, why wait? Time is always your enemy in your recruiting, exceptional talent is rare. Whenever possible contact the selected candidate later the same day of their final interview or make contact within a day or two at most. Jorg advises "not only can you ease the candidate's stress during the post-interview waiting period but you also show how thrilled you are to make them a part of your team".

2. ALWAYS CALL

Some companies send emails or letters. Don't. Make a phone call; not only can you convey your excitement, but you can gauge the level of enthusiasm of the selected candidate, too.

3. BE ENTHUSIASTIC

Be professional but be enthusiastic. Tell the candidate they were your first choice out of X number CVs. Explain how impressed others are with their background and skills. Jorg advises "It's natural to play your cards close to your vest during the interview and selection process, but once you've made a decision, drop your reserve. Don't worry—conveying your excitement won't affect the salary negotiation process. Remember, the employer-employee relationship doesn't start the first day on the job. It officially starts with the job offer. Make that moment memorable for the candidate".





4. APPLY THE 10% RULE

Generally speaking, candidates expect a pay increase when they change jobs. Jorg advises never offer a salary below their current salary unless there are concrete, objective reasons to do so—and even then, think hard about it. A 10% increase on current salary is regarded as a benchmark number.

5. SHOW THE MONEY

Explain pay and benefits as thoroughly and accurately as possible. Describe the base salary, how any bonus plans work, provide a fairly thorough overview of health and other benefits, and describe any other perks. Then follow through with a written breakdown of all salary and benefits terms.

6. GET A COMMITMENT—EVEN A TENTATIVE ONE

Many candidates will ask for time to consider the offer. That's natural—but that doesn't mean you can't ask questions. Say, "I completely understand... but can I ask what you think about our offer?" Any hesitation the candidate feels indicates they may turn you down, so ask questions, without being pushy, and see if you can overcome any objections or provide additional information that will make acceptance more likely.

7. FOLLOW UP IN WRITING

Then put everything in an email or letter. Include all elements of the offer: job title, base salary, benefits, holidays, perks, etc. And make sure to set a deadline to accept; three days is typical.

8. FEEL THEIR PAIN

In Jorg's experience, one-third of the candidates who refused a job offer did so because they accepted a counter-offer to stay with their current employers. Talk about how it will feel giving notice: "How do you feel about giving notice after working there for five years?" "How will your boss react?"

9. ASK THE "KILLER QUESTION"

If the decision-making period has passed and they have not got back to you, or if you just want to make absolutely sure the candidate will show up on their first day, ask this question: "I interviewed two other good candidates for this job. Can I tell them the job has been filled?" This article was shared on inc.com: <https://www.inc.com/jeff-haden/how-to-make-the-perfect-job-offer-9-tips.html> Be sure to let the other candidates know they were not successful. A short and sweet email (Adapted from source: [Workable](#)) could look like ...

New Email

To :

Cc :

Subject :

Hi *[first name]*,

We appreciate your interest in [company name] and the time you've invested in applying for the position of [role title]. We have selected another candidate on this occasion, but we'd like to thank you for meeting us and giving us the opportunity to learn about your skills and accomplishments.

We wish you good luck with your job search and professional future endeavors.

Best regards,

[Sender Name]



4.5 RED TAPE AND CONTRACTS

Across Europe, it is necessary to register as an employer. As a first-time employer, this will be an area that is new to you but it really is very straight forward. Let's look at the requirements in **UK and Ireland**:-

UK



- As a UK employer if you employ someone that is not eligible to work in the UK, you are liable to a fine of up to £20,000 per employee that isn't allowed to work in the UK. There's a fairly simple system to confirm this though. It's called 'Obtain. Check. Copy'. All the details you need are on [Gov.UK website here](#).
- As a new employer, you'll get 30 days to register your new employee once you have paid them; but don't miss the deadline as you could incur a fine of at least £100. When taking on your first member of staff, you will need to register yourself, and your new employee with HMRC. There's a quick and simple government web portal where you can [register as an employer](#). You'll need to do this before you pay your new worker and it usually takes about two weeks to get set up.
- To register your employee you will need to do a Full Payment Submission. In order to register your employee in this way you'll need a P45 from their previous employer if possible – that's if they earn above £111 per week and qualify for PAYE.

IRELAND



- Regardless if you are an individual sole trader, partnership or company you must register as an employer in Ireland if you pay your employee more than €8 per week (or €36 per month), if they are full time employees and €2 per week (or €9 per month), if they have other employment(s).
- You must tell Revenue Commissioners that you are making these payments within 9 days from the employee's starting date.
- eRegistration – Revenue's e-Registration facility allows you to manage your employee registrations online. To use eRegistration you must be registered for the Revenue Online Service (ROS), or myAccount. As the employer, you are then issued with a unique Employer Registration number usually consisting of 7 digits and a letter.
- When a registered employer, you can then register individuals as employees and will be issued with the relevant tax certificates and documentation to operate PAYE correctly on his employees earnings. The employer then submits the relevant returns and payments to the Collector General.
- All new employees you hire must receive a written statement of terms and conditions within two months of commencing employment.

SETTING UP PAYROLL

Set up a system to withhold taxes. Each taxation system requires that employers keep records of employment. You can choose to do this inhouse or subcontract the payroll function to your accountant or book-keeper for an agreed fee.

UK

15 Steps for Setting Up Payroll For Your Small Business in the UK - <https://www.smallbizdaily.com/setting-up-your-payroll-uk/>

IRELAND

Payroll Submissions <https://www.revenue.ie/en/employing-people/becoming-an-employer-and-ongoing-obligations/employer-obligations-from-1-january-2019/payroll-submissions.aspx>

4.6 EMPLOYMENT CONTRACTS



Employment contracts are the basis of your new employee's agreement to work for you, so it's essential that you get them right from the outset. Be clear, what type of employment contract do you need for your new employee? Permanent? Fixed Term? It is a breach of employment law not to issue a contract within a short period of your new employee starting. When you have taken on your new employee, check that you have the following:

- Start date
- Job role/title
- The address of where they will work
- Their hours of work
- Their salary, including when it will be paid
- Holiday entitlement
- Any probationary and notice periods

PROCESS IN UK

The UK government give very clear guidance as to their requirements. An employer must give employees a '**written statement of employment particulars**' if their employment contract lasts at least a month or more. This isn't an employment contract but will include the main conditions of employment. The employer must provide the written statement within 2 months of the start of employment. A written statement can be made up of more than one document (if the employer gives employees different sections of their statement at different times). If this does happen, one of the documents (called the 'principal statement') must include at least (use the hyperlinks below to access more information):

- the business's name
- the employee's name, job title or a description of work and start date
- if a previous job counts towards a period of continuous employment, the date the period started
- how much and how often an employee will get paid
- hours of work (and if employees will have to work Sundays, nights or overtime)
- holiday entitlement (and if that includes public holidays)
- where an employee will be working and whether they might have to relocate
- if an employee works in different places, where these will be and what the employer's address is

As well as the principal statement, a written statement must also contain information about:

- how long a temporary job is expected to last
- the end date of a fixed-term contract
- notice periods
- collective agreements
- pensions
- who to go to with a grievance, how to complain about how a grievance is handled
- how to complain about a disciplinary or dismissal decision

The written statement doesn't need to cover the following (but it must say where the information can be found):

- sick pay and procedures
- disciplinary and dismissal procedures
- grievance procedures

In Northern Ireland, a written statement must explain what the disciplinary rules and procedures are. Employers can download a template of a written statement of particulars to fill out.



PROCESS IN IRELAND

Although the complete employment contract does not have to be in writing, you (the employee) must be given a written statement of terms of employment. Since 4 March 2019, an employee must receive part of this statement, containing certain core terms of employment, within the first 5 days of starting a job and receive the remaining terms in writing within 2 months of starting work. Most employees in Ireland work under open-ended contracts of employment. In other words, the contract continues until the employer or employee ends it. Many others, however, work under fixed-term or specified-purpose contracts.

Citizen's Information share a very clear overview of the Irish system with embedded links that guide employees and employers through the system.

https://www.citizensinformation.ie/en/employment/employment_rights_and_conditions/contracts_of_employment/contract_of_employment.html#startcontent



CHAPTER 5

MANAGING TALENT EMPLOYEE?

- 5.1 Introduction
- 5.2 Prepare to Onboard
- 5.3 The First Day and First Week
- 5.4 Training and support – the first months of employment, the key to success.
- 5.5 Training and support – year one review.



CHAPTER 5:

MANAGING TALENT

5.1 INTRODUCTION



You have worked hard and invested a lot of your time and resources to find your ideal employee. And now starts the process of getting that talent to work and deliver a return for your company. Would you believe, this starts in earnest the very first day? In Chapter 5 Managing Talent, you will learn new skills to value, manage and retain talent as we cover important content.

- Prepare to onboard!
- The First Day and First Week
- Training and support – the first months of employment, the key to success.

5.2 PREPARE TO ONBOARD

A corporate term or management jargon, it actually makes sense! Onboarding was coined in the 1970s and refers to the mechanism through which new employees acquire the necessary knowledge, skills, and behaviours in order to become effective organisation members and insider¹. Onboarding is the process in which new employees get acquainted with their role and your business. It makes total sense in that:-

- Your new employee will feel comfortable and appreciated right from the start
- Newcomers become productive more quickly and have a greater commitment to the organisation
- They will have reduced stress with higher job satisfaction
- You will benefit through better retention with associated cost savings

Failure to properly onboard a new hire will cost significant amounts of time and money.

¹ <https://en.wikipedia.org/wiki/Onboarding>



THERE ARE THREE AREAS THAT YOU WILL NEED TO PREPARE FOR:-

- 01 | **Operational:** Make sure that your new employee has the right materials and knowledge to do their job well
- 02 | **Social:** Make your new employee feels welcome and feel part of the business
- 03 | **Strategic:** Ensure that your new employee knows the business (structure, vision, goals, key developments, sector nuances, competition and culture)

SOME OF THE TOOLS YOU CAN DEVELOP AND USE BEFORE YOUR NEW EMPLOYEE STARTS INCLUDE:-

1. **A welcome email** is a great way to make a new employee feel more comfortable before they even start work. A simple email will serve to welcome your new employee to your business and give them any relevant information for a smooth start. If you can include a detailed schedule for the new employee for the first day and week at work on the new job.
2. **Review your Health and Safety**
For example, are you sure that your workplace is safe and secure for your employee to work in?
3. **What does an Employee Handbook contain ?**
Even though, this is your first employee, developing an employee handbook will be a valuable investment of your time. Employee handbooks signal to the employee that you are serious about respecting their rights and through the handbook you can outline all of expectations you have of the employee. An employee handbook should include your business's policies, your expectations of your employees, and what your employees can expect from your business. It should lay out your legal obligations as an employer and your employees' rights. Refer back to your contract of employment so some of the content.

READ

<https://smallbiztrends.com/2017/04/what-should-be-in-an-employee-handbook.html>

EXERCISE 1:

While this handbook is used for a non-profit company, you can use it as a basis to edit your own version

https://www.employerresources.ie/uploads/1/4/0/6/14/069721/er_employee_handbook.pdf





4. Preparing your Employee's Workstation

To make sure you provide your employee with all the necessary items; you can note down the steps you take each day and what tools you use. How many of these will be of importance to and relevant to them? Save time on day one by having your employee's workstation ready and in place for when they start. Whatever industry you are in and whatever role they will play, ensure it follows the comfort and health guidelines that apply. For an office based role, this would include:- Furniture (desk, chair), Telephone, Computer/laptop, Desk supplies (notebook, stapler, letterhead, paper, pens etc.)

Before your employee arrives, also prepare the following access details to be able to present to them on day one – again much of this information depends on your industry and their employment type.

- Wi-Fi Password
- Access to any online tools that the company use to communicate, such as Slack, Google Docs, Dropbox and Skype.
- Keys or security codes to buildings and rooms they will need access to
- Company mobile phone and transport - if part of the job role and functionality.



Preparing Your Attitude

The practical arrangements for taking on your first employee will be quite straightforward. What is more challenging is ensuring you are feeling confident about the process as your new employee is about to start. It is an important milestone in your business, so it makes good sense to organise your thoughts and prepare your mind for this important day. Take time the day and evening before your employee starts to remind yourself of the following important issues:

- They are joining your business to help it grow so their function is an important part of the overall business growth to the next level.
- Your role needs to focus on creating an environment for a motivated person to do their best work. The best advice is that your job is not about being in charge, but rather, it is about what you can do to support and help develop your new team member.
- Resist the urge to criticize and instead gain their input on identifying improvements.
- Respect is the base ingredient for trust as you embark on managing your new employee.
- Your new employee is likely to be anxious as they start their new job (as you may be also!). Find a way to put them at ease as quickly as possible. Eliminating fear from the work environment is essential for success.
- Resist the urge to assert authority on your first day. In advance do some reading about management styles that work (see Chapter 5 exercises for some suggestions).
- Invest in yourself – do you need some training in becoming an employer. Now could be the ideal time for you to take on a business mentor so you can have a sounding board for what is a new experience for you as a business owner.
- Concentrate on fostering a positive work environment.



5.3 THE FIRST DAY AND FIRST WEEK

According to a BambooHR survey, three quarters of new hires said training during the first week on the job is most important to them. Employees need to have a crystal-clear understanding of what their job duties entail, and responsibilities are from Day 1. There are really two main goals for the first day of employment –

1. **Setting expectations**
2. **Introducing objectives**



THE FIRST DAY

Often a new employee will arrive during a busy working week. Make sure you clear your schedule and make the new employee your number one priority for the day. First days are typically awkward for you both. Over a tea or coffee, you should welcome and introduce them to the company - talk about their role, tell them why you selected them and what you expect from them- this will help give them the full context of your motivation to take on your first employee.

As a guide, go through....

- What goods and services should their job produce/output?
- What impact should their work have on the company? E.g. Increased sales, faster turnaround times, new product or service introductions
- How do you expect the employee to act with clients and others in your network?
- What are the organisational values the employee must demonstrate?
- What are the processes, methods, or means the employee is expected to use?



Source: <https://hr.berkeley.edu/home>

1. **Tour of the workplace**

Take your employee on a tour around your workplace ensuring you highlight some basics – where is the bathroom and the kitchen (if there is one!) and your office. Be clear on if you practice an open-door system and encourage them to visit you if they have any questions.

2. **Induct into company culture**

Talk through the type of company culture you want to achieve. Explain details such as when s/he must arrive at the workplace, where s/he must park and what your company's dress code is.

3. **The specifics of the role**

Then move on to give clear directions and instructions of processes and procedures in actually doing their job. Typically, this involves the business owner showing the new employee how to do things correctly and to your standards. Working with the employee until they perfect the process will empower them.

4. **Outline any training plans**

If training is required for your employee on job specific skills, complete a training plan that will clearly outline what that training will involve and how it will be delivered.





THE FIRST WEEK

Once your new employee has settled in and feels comfortable in their workplace you should assign their first project and a deeper level of specifics about their role. A project will ensure they learn the job hands on and feel valuable to the company even at this early stage. At the end of week one, meet to reflect back on week one – what worked well, what areas are unclear and how can you assist them in excelling in the role. Explain expectations for the following month. Refer back to the job description and together make a plan for your employee letting them know exactly what they will be expected to do in the coming weeks. Share details of upcoming projects and predicted workflow.

Ensure that in the first week, you plan for review or check-in meetings to address any issues and concerns your employee might have. This is your ideal time to offer constructive criticism and advice on different tasks. Use technology where you can e.g. set up a Google Calendar for you both and add your employee to the weekly events. Make sure you are both ready for the weekly review meetings so that they are valuable to you both. Over the coming weeks, as your employee's confidence builds, explain your medium to long-term goals for the business, letting them know where they fit in this vision. This will help your employee have clarity on the way ahead and also, importantly, feel more secure and understand the contribution they need to make. Clarity can often be underestimated in management!

5.4 TRAINING & SUPPORT – FIRST MONTHS OF EMPLOYMENT, THE KEY TO SUCCESS

As we discussed, the term onboarding is becoming well known. Nearly 90 percent of employees decide whether to stay or go within that first six months. Reviewing and giving thoughtful feedback on your new hire's early contributions are really important. It's important for both you and your employee to have a one-month formal check-in to make sure that the new employee is comfortable, happy and engaged. Decide how often you should meet in a formal way – weekly, fortnightly or monthly (no longer than monthly is advised). In addition to the practicalities of the job itself, always ask your employee a question like –

What do you need me to do to help you succeed in your role?

Be certain to schedule their meetings in your calendar. Your willingness to commit to meeting with and listening to your employee is a sign that you respect them.



5.5 TRAINING & SUPPORT – YEAR ONE REVIEW

The end of the first year is when traditional onboarding transitions into retention and employee satisfaction. It is typically the time to move from on-the-job training to continuous development. This requires a commitment to a work-based learning. It is also the time to have the formal performance review and as per your initial agreement, a compensation conversation.

FORBES HAVE SHARED THE NINE ITEMS YOU WANT TO COVER IN A YEAR-END PERFORMANCE REVIEW:

1. Employee accomplishments
2. Review of day-to-day responsibilities
3. Areas to develop – skills and qualities – how can you employee evolve even further through professional and personal development.
4. Strengths – skills and qualities
5. Priorities for the company
6. Career next steps
7. Immediate next steps – refresh the employee's action plan for what to do in the next month, quarter, and year.
8. How can the employer help?
9. People they should know - assisting to build their professional network is important.

Don't just go through the motions of a year-end performance review. Build an agenda with these nine items so you can give the feedback, information and support your employee needs for their development, advancement and long-term career success. Jump Ship: An eBook From Forbes

CHAPTER 6

BUILDING A TEAM (of two +)

6.1 Introduction

6.2 Three top tips for managing talent

6.3 The Power of Work Based Learning

6.4 Work-based Learning - a focus on Intrapreneurship


6.5 Final Advice from your Business Peers/New Employers



CHAPTER 6:

BUILDING A TEAM (of two+)

6.1 INTRODUCTION



Given on average, companies now spend over one-third of their revenues on employee wages and benefits, managing talent has never been more important. Talent is an increasingly scarce resource, so it must be managed to the fullest effect. While much effort is put into hiring and developing staff - retaining that first and subsequent employees, their skills and their talent is both cost effective and essential.

A wise employer wants ideas, not echoes.

In Chapter 6 you will learn that talent is a rapidly increasing source of value creation in even the smallest business where people are really the only true competitive advantage of a micro business. Even though there are only two of you in the business right now, you now have the systems and learning to employ others, when the time is right, and really accelerate your business growth.

6.2 TOP TIPS FOR MANAGING TALENT

1. **Provide Opportunity Continuously** -the biggest enemy for talent is blocked opportunity as having to wait for an opportunity for advancement could mean they will simply go somewhere else.
2. **Praise and recognition** - praise has to be individualized. SME owners need to give clear and ongoing directions and instructions of processes and procedures. Positive reinforcement that they are doing a good job will help to build self-esteem and make your first employee feel like they are a valued part of your business. Positivity breeds positivity so if you highlight the positive value that your employee brings to the business, it will have a multiplier effect.
3. **Treat your employee as an individual** - a unique, valuable individual. A new employee can bring energy, enthusiasm, a fresh perspective, a dedication to achieve and technological know-how to the job. Focus on building the strengths and positive attributes that person brings to the job.
4. **Use technology tools where you can** – for example - Time tracking software – a tool for mapping out where time is spent, by whom. Such analysis when properly utilized is great for accountability, process improvement, and productivity. Examples are Clockify and Get Harvest (also facilitates invoicing. This has a number of benefits including making project time estimates more accurate and helping boost productivity. There are many time tracking tools available, including desktop applications, online tools, and even services integrated into larger project management or bookkeeping software. Use project management and task management tools to stay on top of your employee's daily business responsibilities. There are many options in this regard – Asana, Monday, Basecamp.



In communicating with your new employee, business messaging apps have several advantages over email. Text and chat provide a sense of immediate connection, they encourage brevity but please remember it can be difficult to use them to convey anything more complex than basic information. They suit spontaneity e.g. open a chat thread called "Brainstorming," and people can add an idea whenever it strikes them. Team messaging apps that come are bundled with other packages include Google Hangouts Chat (included with a business G Suite account) and Microsoft Teams.

Dedicated platforms both for web and App include What's App, Slack and Flock, the latter two are team collaboration platforms with attractive interfaces and useful integrated to-do lists.

6.3 THE POWER OF WORK BASED LEARNING

Training on the job is absolutely essential. There are two types of work-based learning – that which happens on the job and that which occurs off the job.

ON-THE- JOB

For many very small businesses work based learning/on the job training involves the business owner or working directly with the employee to show them how to do things - do not just leave them on their own to get on with it. Showing a new employee how to do things correctly and working with them until they perfect processes will empower them.

On-the-job training is teaching the skills, knowledge, and competencies that are needed for employees to perform a specific job within the workplace and work environment. Employees learn in an environment in which they will need to practice the knowledge and skills taught in the on-the-job training. The simple objective of on-the-job training is to use the existing environment, tools, and skill training that are available in their workplace to train an employee to do their job—on the job

OFF-THE-JOB

Off-the-job training occurs when employees are taken away from their place of work to be trained. It often utilizes lectures, case studies, role playing and things like simulation. In contrast to on the job training, which is hands on and practical, off the job training is usually more rooted in theory.

Types of off-the-job training includes: -

- Industry specific field trips, conferences or learning expeditions
- Time off work to attend a local college or training centre
- Self-study, Distance/Online learning



LET'S CONSIDER THE DIFFERENCES:

COMPARISON	ON-THE-JOB TRAINING	OFF-THE-JOB TRAINING
MEANING	On the job training refers to a form of training which is provided at the workplace during the performance of the actual job.	When the employees are given training outside the actual work location, such a type of training is termed as off the job training.
APPROACH	Practical	Theoretical
ACTIVE PARTICIPATION	Yes	No
LOCATION	At the workplace	Away from the workplace
PRINCIPLE	Learning by performing	Learning by acquiring knowledge
WORK DISRUPTION	No, because employees produce the products during learning.	Yes, because first training is off site meaning downtime in the completion of their day job duties
CARRIED OUT BY	Experienced employees	Professionals or experts.
COST	Inexpensive	Usually Expensive

The formal meaning of work-based learning refers to all forms of learning that takes place in a real work environment. It provides individuals with the skills needed to successfully obtain and keep jobs and progress in their professional development.

WORK-BASED LEARNING YIELDS MANY BENEFITS

- It enables an agile workforce - "Agile" is more than a buzzword; it's a movement taking hold as enterprises of all types around the world position themselves to respond rapidly to change and opportunity
- It creates a culture of learning and a free-flowing exchange of knowledge and ideas
- It is highly adaptable; it is everything from an informal micro-learning session to formal apprenticeships
- It encourages the easy sharing and updating of employee knowledge for rapid training and retraining
- It enables employees to show what they know, with the side benefit of making them feel more important and valuable to the SME.

Small businesses are constantly pressured to be more innovative, efficient and productive. Work-based learning can be a powerful response to that pressure. For SMEs, increasing competencies of their employees through innovative Work Based Learning and immersion in the key areas of entrepreneurial, innovation and digital skills has a clear return on investment – it enables them to innovate new responsive products and services demanded by ever changing markets. Today's employees' value professional development. More and more businesses are finding value in providing their employee with professional development and lifelong learning Chapters.

Business owners are always learning but may not be aware of the formal description of Lifelong Learning. Lifelong learning is the "ongoing, voluntary, and self-motivated" pursuit of knowledge for either personal or professional reasons. A culture of learning in a company, even for yourself and your first employee, is a very valuable asset that brings with it endless business development opportunities. For learning cultures to bring value, they need to be embedded into all aspects of the SME's work. Nurturing a culture of continual improvement built on appreciation and respect will help you drive better results with your small team.



GETTING STARTED, MAKE A PLAN

- Establish learning needs – what does your new employee most need to learn about in the weeks/months ahead? What training would you benefit from e.g. leadership, delegation, HR?
- Learning activities – what learning activities will meet these learning needs, what help will you need and how long (time) will it take?
- Evidence of learning – Once training is completed, how can you demonstrate learning progress and achievements?

6.4 WORK-BASED LEARNING - A FOCUS ON INTRAPRENEURSHIP

Intrapreneurship is highly relevant to the area of employing your first staff member. It is a relatively recent concept that focuses on employees of a company that have many of the attributes of entrepreneurs. Intrapreneurs take the initiative, often on their own, to create new products, processes, policies, and services for their organisation, while still abiding by its mission, values and objectives. To be an intrapreneur, your employee will need the vision and desire to pursue an idea that you believe will benefit your company, clients or customers.



Pinchot's definition of an intrapreneur

An Intrapreneur is the person within an existing organisation who takes direct responsibility for turning an idea into a profitable finished product through assertive risk-taking and innovation



READ MORE

<http://pinchot.edu/what-is-intrapreneurship/>
<https://www.mindtools.com/pages/article/intrapreneurship.htm>

Intrapreneurs can help even the smallest of companies to “win the innovation game”, fostering product or service improvements and working on the next big product or service that the business owner might have overlooked. A key benefit of intrapreneurship is that an SME saves money on traditional research and development. With the savvy insight of a new, ambitious and enthusiastic employee eager to contribute their expertise, the business is able to innovate and bring their innovation to market effectively and quickly, expanding market share and financial performance.





A business with an intrapreneurial mindset attracts like-minded professionals to an internal innovation culture where creativity is fostered and recognized. The morale of your employee goes up when they know there is a business culture in which entrepreneurship is valued and rewarded. This phenomenon typically occurs in technology companies or the retail or service sectors but can also be applied to most other sectors.

READ MORE - How to Encourage Intrapreneurship at your company

<https://www.getvetter.com/posts/178-how-to-encourage-intrapreneurship-at-your-company>

6.5 FINAL ADVICE FROM YOUR BUSINESS PEERS/NEW EMPLOYERS

It is always good to get the perspective of other first-time employers who can share their experience and learning having been through the process and experience.

CLARITY, SPELLING OUT WHAT NEEDS TO BE DONE

My first employee was the type of person who did not absorb verbal instructions which meant we had some misunderstandings in the early weeks. At a review meeting just a few weeks in, we realised we needed to use a task management system – we used www.monday.com – so I can list each and every task, when it needs to be done by, how urgent it is, any specific notes/instructions and they then track progress and I can see same. It is so reassuring, the investment in the subscription was really worthwhile.

John, Security Software Business, UK

ENCOURAGE INDEPENDENCE AND SELF-SUFFICIENCY

There is never enough time and I was very fearful that a new employee would suck my time and energy and divert me from getting everything done. The worst result for me would have been a new and 'needy' employee. From day one, and even back in the interview, I was really clear I needed a self-starter as my first employee somebody that I empower to give the initiative to solve problems and give me solution.

Juan Carlos, IT Consultant, Spain



DELEGATE CAREFULLY AND STRATEGICALLY

I was surprised that the main struggle I had when I took on my first full time employee was to find tasks I would let go of. Even though I know my new employee was wholly capable of completing key business tasks, I struggled with relinquishing the control of same. It was almost like I wanted to stay in the nitty gritty details as opposed to concentrating on the big picture and growing the business strategically. This surprised me and I had to consciously LET GO and trust their abilities. Of Chapter, it worked out really well and the more I delegated key tasks and expanded their remit and role, the more my employee thrived and contributed to real business progress. I have now expanded my business to employ three other people. Without doubt, the first is the hardest but it does pay off.

Maria, Marketing Consultant, Ireland

EMPLOYEE TIME IS MY MONEY!

I have been very careful to ensure that my new employee knows that their time is money, in a nice way of Chapter! Obviously, and particularly at the beginning of their employment, you are establishing how long the tasks take another person to completion, a person that is in learning and induction mode. Managing another person's time is one of the most difficult things to get used to with a new employee. We spent the first few weeks testing and experimenting to find what the baseline time is involved in completing their tasks. Breaking down tasks into chunks of time gives you great insights. It can also help you review your costing and pricing approaches – when I analyzed some of our jobs properly, it was clear we needed to charge more. Time is money is my new motto! Track employee progress over the early weeks and months and over time you will establish a sound baseline.

Kevin, Mechanical Engineering Business, Ireland

BUILDS RELATIONSHIPS; COLLABORATE

Collaboration is all about working together. For me, the value is in the relationship with my first employee. By working together and really taking advantage of their educational knowledge, we have come up with new approaches in the marketplace, solutions and ideas. They tell me they find working in my small business stimulating as they get to try out the newest solutions and ideas.

Anna Marie, Mobile Beauty Business and Blogger, Northern Ireland

TRY NOT TO MICROMANAGE

I was very conscious to avoid micromanaging my new employee. Yes, oversight of their work is really important, but so too is building their capacity and their confidence. I found that a project management and task tracker really helped. There are many that can help – some free and some paid for.

Jacek, web designer, Poland

If you're committed to continuing to grow your business, this first employee won't be your last. Our Chapter has purposely ensured that all the learning and processes you are using to take on your first employee are scalable.