

GOALS

Determine the positions your business needs

Describe the hiring process

Identify alternatives to hiring permanent staff

KEY TERMS

job description, p. 129

job analysis, p. 129

organizational structure, p. 129

recruit, p. 130

**JUMP START**

Kim had been very busy getting her paralegal service business up and running and had decided that it was time to hire some help. Richard ran a restaurant in the same town and had been hiring employees for years. Kim knew he could give her some good advice. Richard explained that it is important for Kim to decide exactly what she needs an employee to do before she hires someone. He suggested that Kim make a list of the responsibilities and then write a job description. Richard then explained the various ways Kim could recruit employees by using the job description she created. Why do you think a job description is so important?



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Identify a Need for Employees

To succeed, you probably will need to hire employees. The people who work for you are your *human resources*. Employees can help your business run efficiently. Good employees will help you attract customers and increase sales. But how do you know what kinds of employees you need? And how do you go about getting them? To find out your hiring needs, ask these questions.

- What kind of employees do I need?
- What skills am I missing?
- What skills do I need daily?
- What skills do I need occasionally?

List all the duties in your business. Then identify how much time is needed to perform each duty. Your list should help you identify whether you need

part-time, full-time, or temporary workers. You can also determine if you need managers or assistants and how many employees you need.

Write Job Descriptions

A *job* is a collection of tasks and duties that an employee is responsible for completing. A *task* is a specific work activity that is performed, such as answering e-mail or paying bills. Many positions include a variety of tasks that are sometimes referred to as *functions*. A **job description** is a written statement listing the tasks and responsibilities of a position. Job descriptions also indicate to whom the position reports, educational and professional experience required, and salary range. Job descriptions are written after conducting a **job analysis**, which is the process of determining the tasks and sequence of tasks necessary to perform a job.

A detailed job description makes clear the job responsibilities. If a receptionist objects to ordering supplies, his employer can remind him that this task is included in his job description. The tasks and responsibilities outlined in the job description also can be used to measure how well an employee performs a job and help determine how much money to offer applicants.

SAMPLE JOB DESCRIPTION

Title: Account Executive

Tasks and responsibilities: Plans, coordinates, and directs advertising campaigns for clients of advertising agency. Coordinates budget and activities of workers engaged in marketing research, writing copy, laying out artwork, purchasing media time and space, developing special displays and promotional items, and performing other media-production activities.

Qualifications: College degree with courses in marketing, leadership, communication, business, and advertising; sales experience; excellent interpersonal and written communication skills; and ability to work independently.

Reports to: Marketing Manager

Salary: \$30,000 to \$50,000, based on experience.

Create an Organizational Structure

Once your company has several employees, you will need an organizational structure. An **organizational structure** shows how the various jobs relate to one another. Many businesses use a chart, such as the one shown below, to represent the organizational structure. The chart shows who reports to whom, or the *chain of command*, in the company. In some small businesses, all employees may report directly to the company owner. In larger companies, lower-level employees usually report to a supervisor. This structure ensures that the owner is not called upon to deal with relatively unimportant issues.

| ORGANIZATIONAL CHART, NORTHCLIFFE PUBLISHING | | | |
|--|---|--|--|
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CheckPOINT

How do you determine the staffing needs of your business?

The Hiring Process

Once you have determined that there is a need to hire employees for your company, the next steps are to recruit, interview, and select employees.

Recruit Employees

To **recruit** is to look for people to hire and attract them to your business. You can recruit employees in a variety of ways.

Classified Advertising A *want ad* is a type of classified ad that announces a job opening at a company. It can be an effective way to recruit employees. A want ad should briefly describe the position and tell the educational requirements and/or experience required. It should also identify any special job requirements, such as willingness to travel or to work evenings.

Online Career and Employment Sites Many people now use the Internet to look for a job, so many employers are advertising with online career and employment sites. Most online employment services allow you to post a job and then search the resumes that are sent in response to the posting. Some online employment services have a database of resumes that you can review when you are looking for someone to fill a specific job.

Employment Agencies These agencies find employees for businesses and other institutions. They try to match people looking for jobs with businesses looking for employees. Employment agencies charge businesses a fee when they are successful.

College Placement Centers Most colleges and universities operate job placement centers. These offices collect information on career and employment opportunities, which they make available to their students and graduates. Generally, no fee is charged for using a college placement center. If college students or graduates might be suitable for your business, contact local colleges and universities and ask them what you need to do to have your business listed with their placement center.

Other Ways of Recruiting Employees One of the best ways entrepreneurs find employees is by acting on referrals from friends, acquaintances, or employees. You can also try to recruit employees by putting a help wanted sign in your store window, but be sure you have time to deal with the many people who may stop to inquire about the position. If your

TEAMWORK

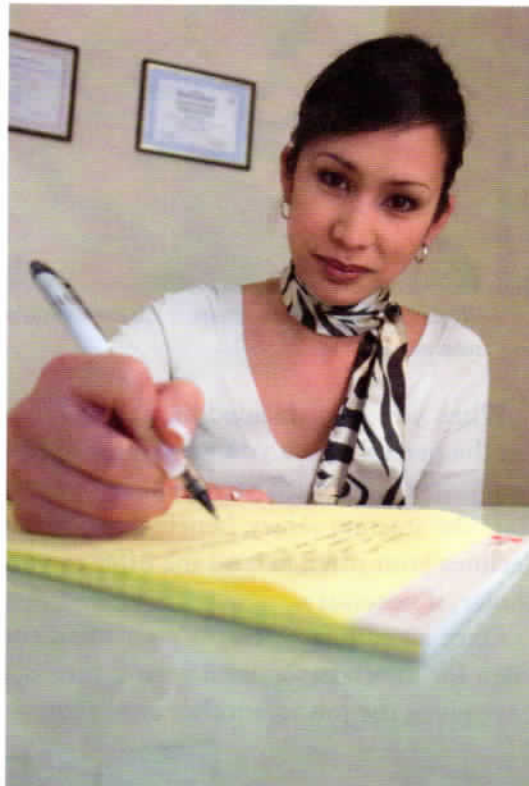
In small groups, use the newspaper or Internet to search the want ads and locate a position that you find interesting. Write a job description for that position. Share your results with the class.

company already has employees, the ideal candidate for a job you need to fill might already be working for you in another position.

Interview Job Applicants

The job interview gives you the opportunity to determine if prospective employees would improve your ability to meet customer needs. Making the most of the job interview is as important for you as it is for the job candidate. To ensure that you use your time effectively, follow these basic rules.

1. **Screen Candidates.** The first stage in the interviewing process is to screen candidates to remove the people who are not right for the job. This allows you to concentrate on looking at the most qualified candidates.
2. **Be prepared.** Make a list of open-ended questions to ask. Review the job candidate's resume and application before the interview begins.
3. **Be courteous.** Do not be late for the interview. Avoid taking phone calls during the interview. Try to put job candidates at ease by offering them something to drink. Make them feel welcome in your office.
4. **Avoid dominating the interview.** Remember that the interview is your opportunity to get to know the job candidate. To do so, be sure to allow the applicant plenty of time to speak.
5. **Take notes.** Throughout the interview, jot down your impressions of the candidate as well as any interesting information he or she reveals.
6. **Look for warnings that the person may not be a good worker.** These include frequent job changes, unexplained gaps in employment, and critical comments about previous employers.
7. **Don't make snap judgments about a candidate.** Don't rule out someone until the interview is over.
8. **Remain pleasant and positive throughout the interview.** At the end of the interview, thank the candidate for coming and let him or her know when you plan to make a decision.
9. **Write a summary of your impressions of the candidate.** You should do this right after the interview while your thoughts are fresh. Put this document in the candidate's file.



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Why should you take notes when interviewing job candidates?



COMMUNICATE

You are opening a new pet store and plan to hire an assistant manager. Write a job description for this position. What skills are you seeking? Why? Write a want ad for the assistant manager position. Write a list of interview questions. Interview two classmates for the position. Compare their answers and interview performance. Which candidate will you hire? Why?

SAMPLE INTERVIEW QUESTIONS

1. What interests you about the job?
2. How can your skills and experience benefit the company?
3. What are your career plans? How does this job fit in with those plans?
4. What other positions have you held? What did you like and dislike about those positions?
5. What were your achievements at your previous job?
6. Why did you leave your last job?
7. How do you think your education has prepared you for this job?
8. What kinds of work do you enjoy most? What makes a job enjoyable for you?
9. Describe a situation where you had to manage conflicting priorities.

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Why is it important to check a job candidate's references?

Hire Employees

Once you have two or three very qualified candidates, you need to check references. With the permission of the applicant, call his or her most recent employers to make sure he or she held the positions on the resume. Ask previous employers what they can tell you about the person's work performance and people skills.

When you have decided to make a job offer, contact the person by phone. Let the person know you were impressed with his or her credentials. Be sure to emphasize how much you would like the person to join your company. Clearly state the starting salary, benefits, and terms of employment. If the first applicant declines your offer, extend the offer to your second choice and then your third choice, if necessary.

Once a candidate accepts your offer, contact all the other candidates. Thank them for interviewing with your business, and politely let them know that you have given the job to another applicant.

CheckPOINT

What steps are involved in hiring employees?

Alternatives to Adding Staff

Adding employees to your payroll is costly. Paying wages or salaries to employees may strain your finances. It also takes time and money to recruit staff. For these reasons, you may want to consider alternatives to permanent staff.

Freelancers or Interns

Freelancers are people who provide services to businesses on an hourly basis or by the job. Business owners use freelancers when they need a job done but do not require a permanent full- or part-time employee. Examples of freelancers include bookkeepers, accountants, lawyers, graphic designers, editors, window display artists, and advertising copywriters.

Interns are students who will work for little or no pay in order to gain experience in a particular field. To find out if interns are available in your community, contact local colleges and high schools. If you hire an intern, you may have to work with the school's intern coordinator to ensure certain program requirements are fulfilled.

Temporary Workers

Businesses that need more workers or workers with special skills often use temporary workers. Some temporary workers are seasonal employees. Others are substitutes for employees who are sick or on a leave of absence. Temporary workers also can be used for long periods of time as an alternative to a full-time worker.

Temporary employment agencies provide trained temporary workers to various kinds of businesses. Businesses that use temporary agencies pay the worker's salary plus a fee to the agency. The agency manages the worker's salary and benefits.

Northcliffe Publishing has just published a book that has become a top seller. The volume of orders has gone up so quickly that the regular employees cannot get the orders filled fast enough. Robert Gotting, vice president, is trying to decide whether or not he should hire a permanent employee to help handle the increased workload. He looks at all the costs involved in hiring a new permanent employee and decides that the company would be better off hiring a temporary employee through an agency to work in order fulfillment. If the need for another employee continues, he might decide to make the position permanent at a later time.

DID YOU KNOW ?

In 1946, William Russell Kelly started a temporary staffing agency, which came to be known as Kelly Services, to meet the need for clerical staff. Today, Kelly Services also helps fill the temporary need for white-collar positions in the field of law, banking, and information technology. Temporary workers make up approximately 5 percent of the national workforce.

CheckPOINT

What are some alternatives to hiring employees?
