

E-BOOK

A guide to hiring and supporting your first employees

Learn how using technology can help you manage your people processes



boss it 

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The time is now

You've nurtured the idea, researched the market, scoped out your competitors. You've developed a business plan, launched your product or service, and won those customers and clients. Now's the time to boss it.

The next big step is hiring. But how do you know the time is right? Too early and you may have cash flow problems and a bored employee. Too late and you might be inundated with work or miss a critical opportunity for your business to grow.

There are some tell-tale signs you're ready to hire:

- You're overwhelmed with work, to the point where it's a struggle to fulfil your customers' requirements.
- You find yourself turning down new business.
- You need a particular set of skills.

If you recruit the right person, managing them will be infinitely easier. Effective management will foster greater productivity and engage an employee who is committed to you and your organisation, and less likely to leave. Your brand as both an employer and a business will benefit as a result.

This guide sets out what you should do to make sure you are successful in hiring, managing and supporting your first few employees.



Preparing to hire

Decide what type of support you need. It's crucial to know where your business is going—what long-term growth plans you have and the skills you need to reach them.

Well-managed and engaged permanent employees can fulfil a range of roles, work to your schedule and help you achieve your business' goals. However, a full-time employee might not be necessary straight away.

Hiring a freelancer or contractor skilled in the specific areas you need allows you to test the water before you take the step of hiring a permanent member of staff. Alternatively, [taking on an apprentice](#) could be an option. Apprentices are government-funded, can be trained according to the needs of your business and are typically motivated to learn new skills.

'A diverse workforce can open up potential new markets and is proven to have an impact on profitability, innovation, engagement and retention'

Consider the financials before you start recruiting:

- Salary and benefit expectations for the sector and job role.
- Tax and National Insurance contributions.
- Pension contributions.
- Employers' Liability Insurance.
- The recruitment process—especially if you are using an agency.

Don't forget diversity and inclusion. A diverse workforce can open up potential new markets and is proven to have an impact on profitability, innovation, engagement and retention. 'Blind recruitment'—where you choose not to see the names of your candidates and judge solely based on experience, skills and qualifications—is inclusive.

“What I love about Sage HR is that you can add on modules as you grow”

Anna Jagric

BetterSpace is an app for employees to access mental health and well-being resources. Founded two years ago, the startup had the ambition to act as the well-being concierge for more than 10 million people by 2026, but needed technology to manage its HR processes. The company decided to offer seven different types of leave—annual leave, sick pay, bereavement, maternity leave, paternity leave, mental health recovery time and working remotely.

The company started using Sage HR's Leave Management tool to manage the different types of leave, so employees can use it to show if they're working remotely or off sick. Before getting the technology, employees would take a picture, email it to director of operations Anna Jagric, and she would save it in a file for processing later that month. The company plans to add a performance management tool to the system that enables 360-degree feedback.

The recruitment process

A job profile—summarising essential responsibilities, goals, qualifications and skills—is your first step to start advertising for employees.

It will help you to formulate interview questions and an employment contract, training plans and goals for employees. For the potential employee, a job profile provides them with enough detail to decide if they can do the job, the expectations of them in the role and their position within the business.

To create your job profile, make sure you include the following details:

- A specific, concise job title.
- An attention-grabbing summary of the company and job expectations.
- Location, hours, benefits.
- Core responsibilities with specific details.
- Details of day-to-day activities of the role.
- A list of hard and soft skills required.
- The specific qualifications and experience needed.

You may also wish to include a salary range and list of perks.

The job ad is a more concise version of this. Remember, you're selling the business in a job ad as much as a candidate is selling themselves to you when they apply. Where to recruit from depends on the job and sector. Social media, jobs boards and recruitment agencies are part of a wide range of recruitment choices that you need to research.



‘Take a systematic approach to narrowing down CVs’

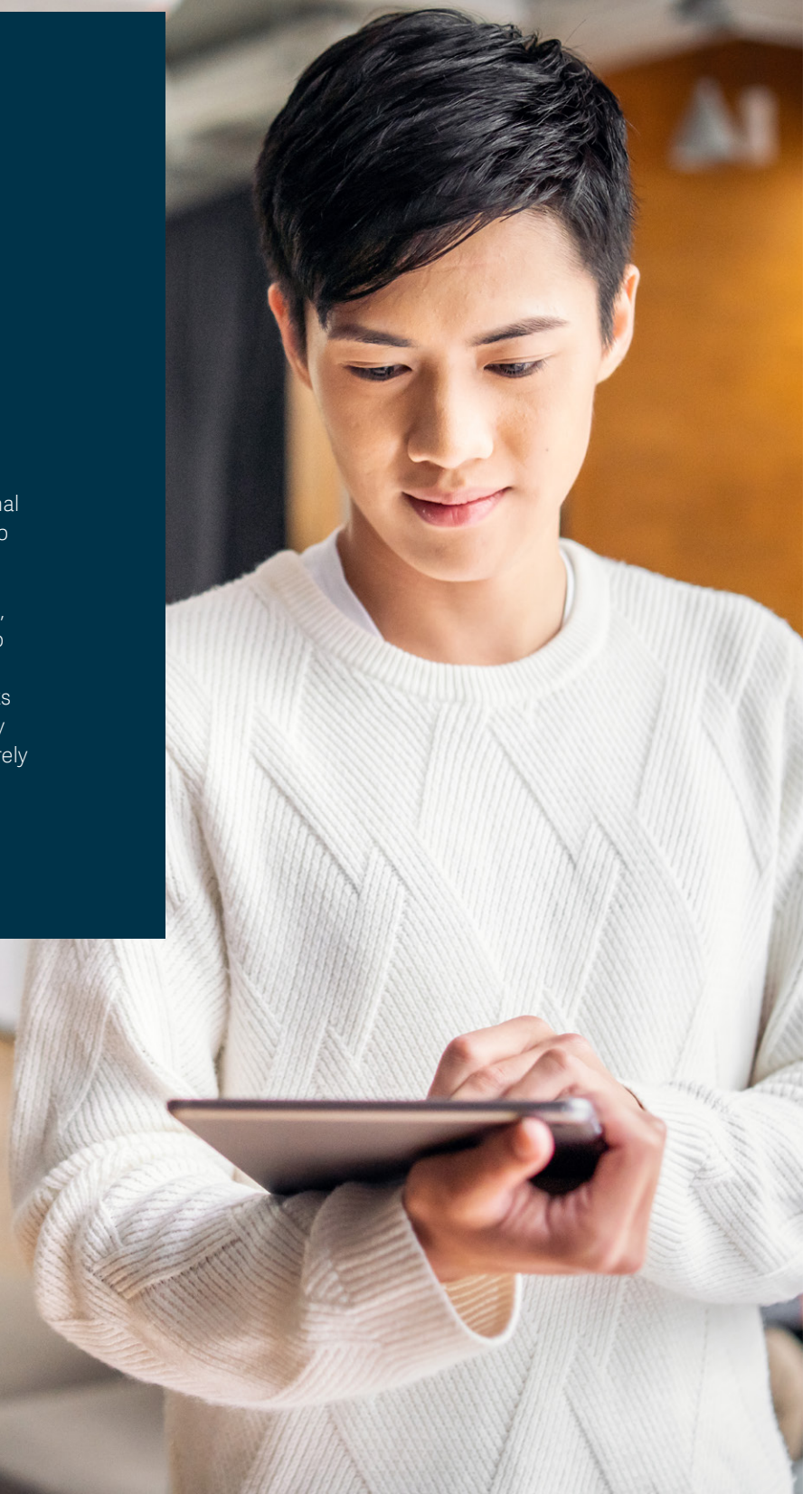
Faced with a bunch of CVs, you need to decide how many people you want to interview. Take a systematic approach to narrowing them down—essential and desirable criteria, and interesting things on the CV, for example. When you've made your shortlist, it's good practice to deliver feedback to candidates who didn't make the cut.

Decide how long you will interview each candidate for (around half an hour is good), choose whether it's face-to-face, on the phone or via video conference, do your research on each person and have a clear idea of what you're looking for before the interview. Introduce your company and the role, ask for examples of their experience or skills that will be relevant to your role and company, and give them the opportunity to ask questions.

How HR technology can help

At the recruitment stage, an HR system can share a job vacancy with external job boards and social media platforms, and automate application processing. It can track applicants' progress, communicate with them on a personal level and make the transition from candidate to employee smooth.

Once an employee has started working for you, [HR software](#) can link up with payroll systems to allow employees to manage their benefits and request holidays themselves. Technology tracks performance management, absence, maternity and paternity leave, pay, and much more, securely storing and organising employee data and streamlining processes.



Choosing your employee

Review everyone you've interviewed ahead of making your final decision.

Consider personality (they don't need to be like you!), how you will work together, and their ability to do the job. What training and mentoring might they need? How committed will they be? What potential do they have?

Carrying out applicant checks—[criminal record checks](#) (if necessary), [right to work in the UK](#), health checks (if necessary) and references—are essential. If a candidate doesn't meet the checks, you may need to go back to the interview process to find someone else.

Once you've decided on your first-choice candidate, and made a formal offer that has been accepted, you have entered into a contract with your employee. Next comes a written statement of employment particulars, which should include:

- Company name.
- Employee name.
- Job title.
- Start date.
- Pay and how often employees are paid.
- Hours or days of work.
- Holiday entitlement.
- Place of work.
- Length of probation and notice periods.
- Disciplinary and grievance procedures—the [Advisory Conciliation and Arbitration Service \(Acas\)](#) has example policies to download and adapt to your business.
- [Benefits](#)—an HR and payroll software provider can help with administering [employee benefits](#).
- Any obligatory training they need to do their job.

If you need to update any of the [employment contract](#) details, you need to inform your employee.

Don't forget

- [Register as an employer](#) with HMRC and set up your employer PAYE reference.
- [Pay](#)—you must pay employees aged 23 or over the National Living Wage. Employees between school leaving age and the age of 22 should be paid the National Minimum Wage. There's also an apprentice rate. Find out more, including current rates, on the [Government website](#).
- [Employment law](#)—consider maternity and paternity pay, holiday entitlement, sick pay, the Equality Act, and Working Time Regulations.
- [Employee benefits](#)—what can you offer to incentivise employees? Voluntary benefits such as gym memberships or retail/experience vouchers could be made available to employees through payroll deferral.
- [Pensions Act](#)—you must automatically enrol eligible employees into a pension that you contribute to.
- [Health and Safety at Work Act](#)—understand your legal obligations as an employer.

Onboarding your new employee

Develop an employee handbook, featuring HR procedures, policies and responsibilities.

Think about the equipment or training you need to provide the employee with to do their job. As an employer, you'll need to register your new employee with HMRC and set up their payroll.

Set out a probation period and identify what your employee needs to do to pass it. Then think about appraisals. They can be formal (once every six months or every year) or they can be informal regular one-to-ones. Either way, they give you the opportunity for feedback and open and honest communication about the business and your employee's role in it.

'The way you communicate with employees will form a crucial part of your culture'

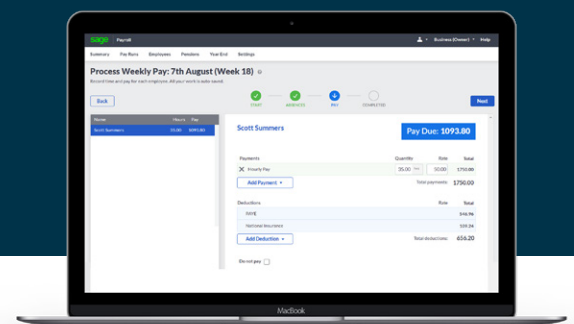
Prepare how they will spend the first day (induction—a tour of the premises or a scheduled video call with details given about their first tasks, responsibilities and expectations), first week (training, a small project) and first month (progress review). Give them structure and clear expectations.

Stay in touch with your new candidate before they start. Tell them anything they need to know about start times, documents you need, and what they can expect on their first day.

The way you communicate with employees will form a crucial part of your business' culture, which will inform engagement, productivity and performance. Two-way communication is crucial: give them the opportunity to ask questions, give feedback, and share ideas.

How payroll technology can help

By automating the process of paying employees, [payroll software](#) can save huge amounts of time and reduce errors from the moment an employee starts work to the moment they leave a business. Deductions for tax, National Insurance, benefits and pensions are made automatically, and employees can view and download their own payslips. From cloud-based systems to those aligned with HR software, the market is vast.



Managing and leading effectively

There's no shortage of good management advice. But people are all different, and successfully managing them isn't always easy.

When a business is your creation and vision, it can be hard sharing it with someone else. Delegating, in particular, doesn't come easily to everyone. Trusting your employee to achieve a task—and allowing them to exercise judgement in how they decide to do it—can empower and engage them, and it may teach you something along the way.

Set SMART goals (see box) that clearly set out what is expected of an employee and when, and support your employees in achieving them. Mentoring or training helps. Acknowledge—and reward, if appropriate—success and offer constructive feedback.

'Be confident in your decisions, abilities and experience'

Demonstrate your commitment and investment in employees by clarifying opportunities for progression, whether through training or promotion. Seeing future opportunities ahead motivates and engages employees.

Take time to get to know your employees, what they want and what inspires them. Be forthcoming and honest, and ask for that all-important feedback. If they come to you with an idea, give it the respect you'd want yourself.

Be confident in your own decisions, abilities, skills and experience. But also take the time to be human and listen to other ideas.

SMART goals

To be effective, goals need to be 'SMART':

- **Specific:** the goal is well-defined.
- **Measurable:** the goal can be measured in time or money or another way.
- **Achievable:** ways of reaching the goal.
- **Realistic:** it is possible to reach the goal.
- **Timely:** the goal has a deadline.

What to do if things don't work out

We don't always make the right hiring decisions. You may find you have employed someone unable to do the job, who you don't get on with, who projects an unprofessional appearance, is unproductive or is not a team player.

This awkward situation can happen across all industries and, whatever the reason, you need to take action immediately, starting with asking and answering some questions to identify the problem. It's crucial to analyse the employee's work and their attitude to it.

Has their job role changed? Are they unclear about standards and expectations? Do they need training? Is their workload too heavy? Understanding this requires confronting the issue head on with an open and honest conversation. If you can take steps to resolve specific issues, the situation may be fixable.

'Dismissal must be fair'

Extending a probation period or engaging in performance management—monitoring your employee's performance, setting objectives and reviewing progress—will give you more time and a more formal set of expectations for the employee. They need a chance to turn things around.

If **dismissal** is the only option, whether due to performance or conduct, it must be fair, or your employee could have grounds for a tribunal claim. Fair dismissal needs:

- A valid reason (capability, conduct, redundancy).
- To follow a procedure: take notes and gather evidence, invite the employee to a meeting, advising them of their right to be accompanied and that a potential outcome of the meeting could be dismissal.
- Explain your reasons for dismissal and invite the employee to comment and respond.
- Adjourn the meeting and tell the employee you will make your decision.
- Reflect on the evidence—is it sufficient for dismissal? Can more be done to resolve the matter?
- Meet to communicate the outcome, remind the employee of their right to appeal and follow up in writing.



Checklist

Hiring is among the most important areas for your business' growth. And managing and supporting your employees effectively is crucial to its ongoing success.

From the moment you realise you need to start recruiting people to your employee passing their probation period, it's crucial you take the right steps to hire the right person for your organisation and make sure they get off to a flying start.

Of course, managing employees doesn't end once someone has proven they're right for the business. Delegating, setting goals, and communicating effectively, reciprocally and respectfully are ongoing—daily, weekly, monthly—considerations, and help you to reach your goals.

Here's a checklist of final things to consider when it comes to hiring and managing your employees:

- ✓ Consider what roles need filling and what skills you need.
- ✓ Take a systematic approach to creating a job role and ad, shortlisting and interviewing and choosing your candidate.
- ✓ Get your new employee off to a flying start by completing all your admin, outlining achievable goals and communicating clearly.
- ✓ Trust and empower your employee to do the job they've been hired for and be confident in your own decisions, abilities and experience.
- ✓ HR and payroll software will help you manage your people processes.

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Be the Business is an independent, not-for-profit organisation, with the goal of helping business owners and leaders improve the performance of their businesses. A wide range of [guides for employers](#) covering best practice in hiring and managing employees is available.

Sage has HR, payroll and accounting technology solutions for businesses of all sizes and from all sectors. Learn how Sage's [cloud HR software](#) and [cloud payroll software](#) can help to manage people processes. Plus, there's a [wide range of articles and guides](#) to help businesses too.

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