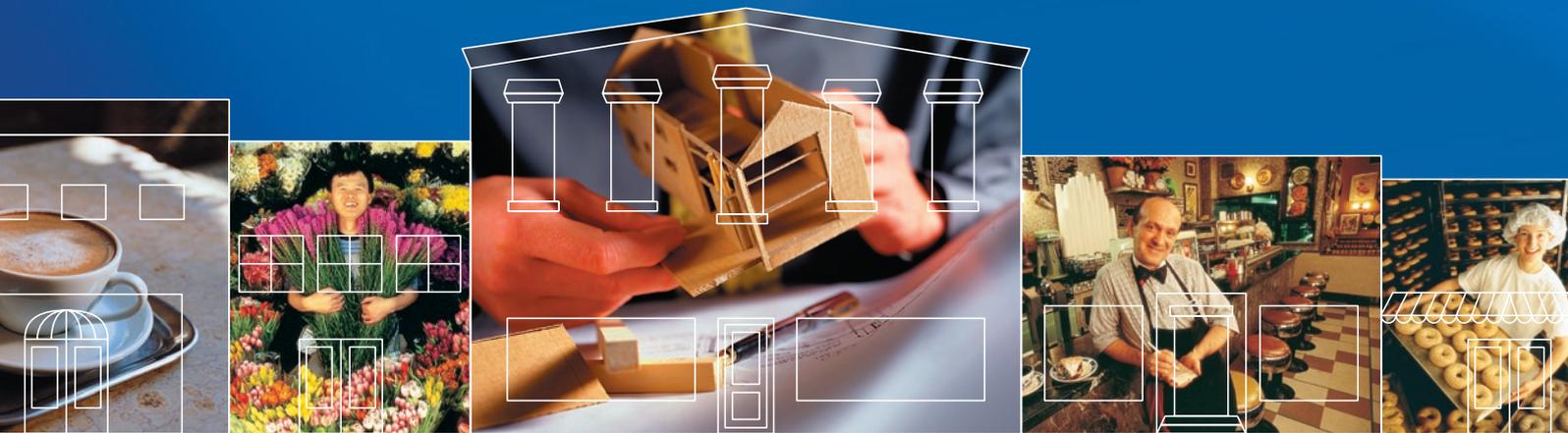


SMALL BUSINESS SURVEY PROGRAM

A Guide to Recruiting the Right Staff

NOVEMBER 2004

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CPA Australia
ACN 008 392 452
Level 28, 385 Bourke Street
Melbourne, Vic. 3000
Australia

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A Guide to Recruiting the Right Staff

INTRODUCTION

One of the advantages of small businesses is that it is characterised by good relationships between the staff and business owners. Yet, as the business grows, certain problems with staff may be inevitable. They may include problems such as high turnover, arguments on the job, absenteeism and low morale, to name a few. These types of difficulties may prove to be expensive for the business. It is, therefore, important for the business owner to look at four main areas:

1. Find, train and keep the right staff.
2. Diagnose staff problems and find workable solutions.
3. Understand legal obligations in the area of income tax, industrial relations etc.
4. Establish a simple record system.

PEOPLE: THE MOST VALUABLE ASSETS

People are the most valuable assets of any business. Other assets such as land, buildings, goods and equipment may fair well on the balance sheet but they don't make a business successful, as does the dynamic and productivity of people.

Businesses that have a good staff who are capable, creative and energetic may prove to be more successful. To attract such staff, of course, requires ingenuity and initiative on your part but the payoff in productivity and eventual high profit is worth it. Staffing your business with the best people available should be one of your highest priorities.

ANALYSE THE JOB FUNCTION

This is the most important step in staffing since it forms the basis for any hiring decisions that you will make. Unfortunately it is often omitted by employers, who rather fill the position now and ask the questions later. This may result in employees' poor performance and low morale, which may leave businesses thinking why it is so hard to find good workers any more.

Before beginning the job hunt, you should ask yourself:

1. What work needs to be accomplished
2. Do we need additional help to do it
3. How many people do we need
4. Would part time help be sufficient
5. What skills are we looking for
6. How much experience is required
7. How much are we able to pay
8. Are superannuation, payroll tax and other costs managed into the business's cash flow system
9. Have leave timings been considered, as planning needed for replacing such staff on leave

PREPARE THE JOB DESCRIPTION

A job description is a written record of the duties and responsibilities associated of a particular job. It serves a dual purpose, making it easier for you to match the right person top the right job, and it tells the employee what his or her job or responsibilities are. In preparing a job description include the following details.

1. A general description of the job
2. The duties to be performed
3. The responsibilities of the job
4. The specific skills that are needed
5. Education and experience required

Once you have put down everything on paper then you are ready to start looking for the right person to fit that particular job. This will save you time and money.

RECRUITMENT

The aim of a recruitment exercise is to attract a number of suitable employees. This means advertising vacancies in a variety of ways and providing adequate information to prospective employees. (Eg. If you are looking for someone between the ages of 17 and 20 to do odd jobs around the store then you should indicate that in your advertisement to save time). If you want someone to train in a particular line, you should state that.

The method of recruitment that you decide to use depends on your business. Waiters and waitresses might easily be recruited from your local high school. Finding qualified and skilled carpenters may require a different method.

SOURCES FOR ADVERTISING VACANCIES

Some of the sources available for you to choose from are as follows:

1. Employment Agencies
2. Job Network at www.jobsearch.gov.au
3. Local Schools and Institutes
4. Professional and Trade Associations
5. Unions
6. By advertising in newspaper, radio, magazines etc
7. Word of Mouth / Networking
8. Internet Services

Before any advertising can be done you must know exactly what kind of job you are filling and what kinds of skills are needed. You need to think about the following things:

- What the new employee has to do
- The need for previous experience
- Whether the job calls for any degree of responsibility
- The nature and amount of material or money which might be handled
- Skills involved – whether operating skills or mathematical ability is necessary
- Any special attributes which may be needed by the employee

METHODS OF ADVERTISING FOR STAFF

Newspapers

The newspaper is one of the most effective advertising mediums because of its wide circulation. You need to consider the following things when it comes to the use of newspapers:

- Choose a newspaper, which is most appropriate for your needs. A suburban bi-weekly may be better than a national daily if for example you want a shop assistant for a local self-service store.
- Carefully select where in the newspaper you want your ad to appear. Should it be in the classified, or should it be a box advertisement, or a large display advertisement in the business page, for example?
- Give the most relevant information, such as details of hours, wages, duties special benefits, etc. which may apply. Also include the main requirements that the applicant must have. (For example, the experience that they must have) Indicate how you want the applications to be made (by telephone, written or in person) and to whom the application should be addressed, and when they should be received by.

Posting the vacancy

You can post the vacancy inside your firm perhaps on the intranet or notice board. This provides all employees with an opportunity to make a bid for that job if they think they can do it and that it will be a step up from what they are doing at the present time.

If you use a system you should take note of the following:

- Post enough notices in prominent places and if necessary have them translated to provide for different languages in your workforce.
- Give enough information to allow staff members to decide whether they have the qualification and experience to apply.
- Be prepared to consider anyone who makes a bid or sends in an application and give honest reasons if you don't.

Internet Services

- Internet services such as: www.mycareer.com.au, www.seek.com.au, www.careerone.com.au
- Job Network– which is a no-fee recruitment service with a national network of over 1000 independent recruitment offices. It has Australia's largest recruitment database. For more information, go to www.jobsearch.gov.au

Using an agency

Most employers today pass over the recruitment of staff to an employment agency. There are many employment agencies in existence right around the country and there are even some that specialise in the particular type of industry or particular type of candidate.

Approaching local people

Another way to advertise your vacancy is to make your labour requirements known to the local schools, colleges and universities. You could also advise the Trade Unions and ethnic and other community groups of the vacancies. If you want to attract trainees to your operation, then you might need to consider inviting interested students to take a tour of your establishment and to have your business operations explained to them so that they can make an assessment and a decision.

Sources for advertising vacancies

Some of the sources available for you to choose from are as follows:

1. Employment Agencies
2. Job Network
3. Local Schools and Institutes
4. Professional and Trade Associations
5. Unions
6. By advertising in newspaper, radio, magazines etc

HOW TO SELECT THE CANDIDATE

The basis of selection is fact finding, either by asking questions or by requiring applicants to demonstrate the skills that they claim to have. Some organisations, which have many applicants, use an application form to save time. Basic details such as name, age, address and work experience can help shorten the time needed to select the right applicants.

The success of an interview depends to a great extent on how much preparation is done. Fact-finding can be more effective if you plan questions in advance and a standard set of questions makes comparisons easier.

Most interviews would follow the following steps:

- Introduce yourself and explain what you do in the firm.
- Give the applicant a brief description of the operations, the job and the working conditions. Ask questions and confirm that the applicant is still interested. If not, then there is no point in continuing and the interview should be terminated.
- Where appropriate ask the applicant to demonstrate the skills most necessary for the job.
- Follow up facts or other topics of interest in the work history of the applicant.
- If you have called for written references of any kind, then go through them.
- Indicate when and how you will let the applicant know of your decision.
- Take some notes to consolidate your ideas.
- If you have the names of previous employees as referees, then consult them before making your final decision.

Interviewing is not easy, but you can improve your technique by following these basic guidelines:

- Prepare adequately
- Do not talk too much
- Be realistic
- Be thorough

Once you have selected your new employee then you must also be able to set down a training program so that the employee will become a useful member of the staff, contributing to your profitability. Training can be by way of informal on the job training (probably the most common training method used for simple jobs) or it may involve a systematic on the job training program which involves a greater investment of time and resources but the return is greater in the long run.

TRAINING THE NEW STAFF MEMBER

Experience has shown that between 20% and 30% of all new employees in manual jobs and about 10% of employees in other jobs leave within the first four weeks. While a certain amount of turnover is inevitable, these high figures can be reduced by taking the next step in the hiring process – providing training. If labour turnover is high, this can cost you money as you have to go through the recruiting process again.

Regardless of how you tell it, the information you need to give at various stages during the first week of employment will include:

- Starting and finishing times
- Wages and working conditions
- The physical layout of the premises, including location of toilets, first aid etc
- Safety rules, including any special requirement of protective clothing necessary
- Local conventions and customs about matters such as getting paid, lateness, registering attendance, smoking on the job, tea breaks etc
- Supervisory procedures. Here, new staff members are introduced to their supervisor and workmates and the job that they have to do is explained fully to them.
- Also, give the new member of staff details about the size of the company, its major activities, something of the firm's history, the present capacity of the business and the growth potential and future plans of the business.

INFORMAL ON-THE-JOB TRAINING

Informal on-the-job training is probably the most common training method used for relatively simple jobs. The newcomer is placed with an experienced operator who explains how the job is done and keeps a check on how they are going periodically.

SYSTEMATIC ON-THE-JOB TRAINING

Systematic training involves an investment of time, money and resources, which, although the return is not immediately apparent, will pay dividends in the longer run. Experience has shown that with systematic training (as against the more haphazard informal methods used) the time taken to reach the standard of an experienced staff member is significantly reduced.

EMPLOYEE BENEFITS

Employee benefits which go beyond the award wages and conditions offered to employees are becoming a popular form of additional compensation throughout Australia. Where basic physical conditions and work atmosphere are good, such benefits can strengthen employee morale and satisfaction. However, if the basic working conditions are poor, then the offer of benefits whether financial or not will not buy loyalty from employees.

If you are considering an offer of extra benefits to employees, you might like to look at one or more of the following methods:

- Extra paid leave for recreation, compassionate reasons, shopping, maternity, paternity, special training directly related to the job or less directly related to the job.
- Sickness or accident leave.
- First aid classes.
- Clothing and equipment benefits.
- English lessons.
- Discounts on goods produced or sold.
- Provisional transport facilities or subsidies on transport costs if the business is in an isolated area.
- Amenities and services such as a canteen or first aid station etc.

Before adopting any of these methods, you would have to weigh up the cost to your firm against the benefits of improved morale and work satisfaction for your staff.

COMMUNICATION

Good communication between employees, supervisors and management is essential if you want to get co-operation from your staff. Communication should work two ways – both from management to employees and from employees back to management. Small businesses have a natural advantage when communicating, because messages are conveyed directly with few middlemen to mess things up.

The following points should be noted:

- Keep employees informed about the developments in the company (a simplified version of the annual report, possibly in a couple of languages, could be useful for this purpose).
- Explain management actions and discount false rumours.
- Provide guidelines to employees or matters that affect them.
- Show that you are interested in the employee's ideas.
- Review all employees' performances and give praise where due and discuss problems that arise (do this in private).
- Resolve any friction or difficult situations as they occur.
- If the business is to be expanded, what skills would be necessary to achieve the business objectives? How many more people will you need? Can some of the labour already employed be promoted or moved, or do you need to recruit new skills and ideas?

Once you have formulated a plan, you will be able to respond more intelligently to the unexpected.

Remember good staff means good business. People are the real assets. Therefore choosing the right staff requires both determination and skill. However, if the key points mentioned here are taken into consideration when choosing staff then, it may make help your business to grow and prosper.

SOURCES OF ASSISTANCE

Job Network:

www.jobsearch.gov.au

Wage Net at:

www.wagenet.gov.au

Australian Government's job website:

www.workplace.gov.au

Internet services such as:

www.mycareer.com.au

www.seek.com.au

www.careerone.com.au

www.monster.com.au

Department of Employment and Workplace Relations:

www.dewr.gov.au

Ezy Business:

www.ezybusiness.com

CPA AUSTRALIA

ABN 64 008 392 452

www.cpaaustralia.com.au

T 1300 73 73 73

NATIONAL OFFICE

CPA Centre

Level 28, 385 Bourke Street

Melbourne, VIC 3000

T (03) 9606 9606

F (03) 9670 8901

AUSTRALIAN CAPITAL TERRITORY

T (02) 6267 8585

NEW SOUTH WALES

T (02) 9375 6200

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T (0011) 603 2698 8412

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T (0011) 649 524 4935

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T (0011) 65 6836 1233