

# Eight step guide for hiring an employee



Here's a summary of the points raised in the NAB online training module 'How to hire an employee'. These are set out in a logical step-by-step process. Don't move on to the next point until you've sorted out the previous ones.

## 1. Work out what you want them to do (job description)

Job descriptions should give employees a clear idea of their duties, responsibilities and who they report to. They should state an overall goal along with clearly set tasks required to achieve the goal.

Don't make descriptions too long, and include a '...and whatever else we want you to do' statement at the end. Sample job descriptions were provided in the module.

## 2. Work out what you want to pay them

Use the cost calculators in the training module to work out how much you can pay and whether you can make a profit out of your new employee.

You can ask the candidate what wage or salary they have in mind – this may be less than your budget. Make sure that you're complying with your legal requirements to pay at least the minimum rate.

## 3. Advertise the job

You have a number of options – for many small businesses word of mouth brings the best results.

Other methods discussed were:

- Newspapers
- Specialist magazines
- The internet
- Social media
- Recruitment agencies

## 4. Shortlist and then get them in to your business

Regardless of what people say during an interview, the only real way to determine their effectiveness is to get them to do some work so organise a trial first or a probationary period. Make sure that you pay them for trial work.

## 5. The interview

Try not to be nervous – remember that the potential employee will be more nervous than you!

Let them do the talking rather than being too excited yourself or telling them everything about your business and your plans.

## 6. Check references

Having conducted your interviews you'll have formed an opinion on who will be the best person for the job.

It's very important that you now check the prospective employee's references to ensure that the applicant has been accurate and honest about his or her previous occupations and employers.

## 7. Make an offer of employment

Once you've found the perfect employee, you need to offer them the job. You can make an initial offer of employment by phone, in person or by letter.

## 8. Probationary periods

Some important guidelines to follow:

- You must make the probationary situation very clear to them at the start – they are on trial for a set period of time to determine whether they can do the job to the required level.
- While employed they have the same rights as permanent employees (statutory holidays, dismissal procedures, personal grievance).
- You must very clearly spell out what your job standards and expectations are.
- If they're not performing, you must give an opportunity to improve by offering help such as additional training or resources.
- If you have to dismiss them, you must follow the same procedures as for a normal employee. However the notice period for both parties may be shorter than that when the probationary period is completed.

## **Other points to note:**

### **Legal requirements**

As an employer you are required to keep certain basic information by law. You won't go wrong if you store all business records for 7 years.

These should include:

- All wages and time records details
- All leave taken and outstanding leave details
- All tax information such as gross wages and PAYE records.

### **Getting new staff up to speed**

You also need to recognise that new employees will take some time to get the hang of things.

Allow them some time to work out your way of working, and if possible provide a 'buddy' who can help them get up to speed. Also allow them some room to make a few mistakes (within reason) as they find out how your business works.

**For more information,  
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