

START-UP BRIEFING



Highlands & Islands
ENTERPRISE

Recruitment and interviewing

● There is nothing more crucial to the success of a start-up business than the skills and attitudes of the first few people it employs. Every time you recruit someone, you take a risk. For example, a good sales person will increase your sales. A bad one might sell nothing and could destroy your business's reputation as well. But if you put in the time and effort needed to find the right people, your investment will be repaid many times over.

This briefing explains how to:

- ◆ Decide the type of person you need.
- ◆ Attract the right applicants.
- ◆ Interview to select the best candidates.

1 Who do you need?

Before you start looking for a new employee, be sure you have answered four key questions.

A Do you **need** to recruit?

- ◆ Do you have the time and ability to do the work yourself?
- ◆ Would you be better off using an outside contractor, eg a maintenance company?
- ◆ Is the work that needs doing temporary? If so, should you bring in a temp?

B What does the **job** involve?

- ◆ What major responsibilities does it carry with it?
- ◆ What parts of the job are routine and what are occasional tasks?
- ◆ What equipment has to be used?
- ◆ Who will the new person work with?

C What kind of **person** do you need?

Think hard about what you are looking for.

- ◆ What is essential and what is desirable?

For a small business, practical skills and experience are often more valuable than formal qualifications.

You need people with the right attitude — reliable, flexible and willing to learn.

- ◆ Which skills can you teach, and which skills must candidates have already?
- ◆ How much experience is required?

In a start-up business, you need to recruit people who will become productive as soon as possible.

- ◆ Basic qualifications are a rough guide to people's ability, interests and the standard of work you can expect from them.

A maths GCSE, or equivalent, shows that

FURTHER HELP

There are other Start-up Briefing titles that can help you. These briefings are referred to in the text by name and by the code given to each briefing. For example, SuB 27.

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someone is numerate, English indicates that the candidate should be able to write a letter and Art suggests some design flair.

- ◆ What kind of personality does the job require?

Note that it is illegal to discriminate on the basis of race, sex, age, disability or marital status.

Do not require applicants to have attributes that rule out a particular group.

D How much are you prepared to **spend**?

- ◆ You will have to pay the cost of recruiting the employee.
- ◆ Once you take someone on, you will pay a salary and other continuing costs.
These will include employer's National Insurance, any pension contributions you make and any other perks you provide.
- ◆ How will your offer compare with other employers? Will the value of the salary package be high enough to attract the right candidates?

Useful interview questions

- ◆ *Why are you looking for a job?*
- ◆ *What is most important to you in the job you are looking for?*
- ◆ *What are the best and worst parts of your present job? Why?*
- ◆ *How has your current job changed?*
- ◆ *Which work do you find easy, and which difficult?*
- ◆ *Who do you work with best in your current job? Why?*
- ◆ *If we get a reference from your present employer, what will it say about you?*
- ◆ *What did your last work assessment say?*
- ◆ *What are your strengths and weaknesses?*
- ◆ *What do you think is your greatest success? Your greatest failure? Why?*
- ◆ *When were you last angry at work? What made you angry? How did you deal with your anger?*
- ◆ *What worries you about this job? What excites you? What would you see as the key challenge?*

Encourage the candidate to answer your questions with real-life examples.

Ask unemployed candidates how they have spent their time out of work.

2 Finding employees

A Advertising can attract a wide range of applicants (see **3**).

- ◆ New opportunities are opening up with the development of large and sophisticated job sites on the Internet.

It is often possible to find suitable employees without going to the trouble and expense of placing paid advertising.

If you have a website, list your job vacancies there. You can guarantee that anyone who sees the ad has at least a passing interest in your company or your products.

B The right people for a start-up business are often found via **recommendations** and unsolicited applications (eg people walking in and asking for a job).

- ◆ Keep a file of potential candidates and a record of the date each applied, so you can call them when you need someone.
- ◆ A quick interview — even when there is no job available — will tell you whether someone might be suitable in the future.

C If you plan to grow fast, foster links with local **schools** and **colleges**.

Get to know them, so they send you their promising candidates.

- ◆ Many companies hire bright, enthusiastic trainees to fill junior positions, with the intention of promoting them later.

D Jobcentre Plus is most often used for the recruitment of temporary and permanent staff earning up to £15,000 a year.

- ◆ Jobcentre Plus can screen applicants for you, and select the best for you to interview yourself.
They can also provide you with interviewing facilities.
- ◆ The service is free to employers.

E You may need to use employment **agencies** and consultants.

Agencies may specialise in anything from van drivers to research scientists.

Good agencies will have a wide range of suitable candidates registered with them and provide a fast and effective service.

- ◆ Specify clearly what you are looking for.
- ◆ Most agencies offer temporary and permanent staff.
- ◆ Many will test for personality and skills (eg use of particular software packages) and carry out interviews to select a short list, or a suitable person.

"Do not underestimate the power of networking. Unless you need people with highly specialised skills, asking friends, relatives and trusted business contacts is a very effective way to find the sort of person you are looking for."

*Liz Trumper,
management consultant*

"Using clear criteria will help you focus on the qualities and skills you really need for your business and will help you distinguish, fairly, between candidates."

*Margaret Dale,
employment consultant*

- ◆ Recruitment agency costs can be high — sometimes up to 25 per cent of the employee's first year's salary.
- ◆ Check any agreement you sign.
For example, is there any charge if the agency fails to find you an employee?
- ◆ If an employee is unsatisfactory, the agency should find you a replacement, free of charge.
- ◆ Most agencies will give a refund if the employee leaves within 12 weeks.

3 Advertising

Advertising is the most common method of finding job applicants. A well-thought-out advertisement can work like magic, attracting just the right candidates.

- A** Include all the **basic information**.
- ◆ A description of the job, including the employer's name and location.
 - ◆ What the pay and benefits will be. It is fine to just state 'good package'.
 - ◆ What experience, skills and qualifications are required — and what are desirable.
 - ◆ How to apply and the closing date.
- B** **Sell the job**, by stating:
- ◆ What makes the work interesting.
 - ◆ What the promotion prospects are.
 - ◆ What training will be given.
 - ◆ What makes your business so good — eg expanding, financially sound, good working environment.

Make the ad less impersonal by using 'we', instead of 'the company', and 'you', instead of 'applicants'.

Don't take it all on trust

- A** Look for concrete **evidence** of what an applicant can do.
- ◆ Ask to see previous work. They should be able to talk about it in detail.
- B** Ask **test questions**.
- ◆ For example, ask candidates for a sales job how they would sell your product and what he would do if a customer became abusive.
- C** Recognise your own **limitations**.
- ◆ For example, if you are recruiting an accountant, and that is not your field, ask someone who knows the subject to help you assess the candidate.

- C** Choose the right **newspaper, magazine, website** or other advertising medium.
- ◆ Local papers are best for local employees.
 - ◆ Special recruitment sections in trade magazines and national newspapers will help you find skilled staff.
Many papers run recruitment ads for specialists in different fields on particular days of the week.
- If the publication you use does not carry recruitment ads for jobs that are similar to yours, you are advertising in the wrong place. (See **Advertising**, SuB 8.)

4 Drawing up a shortlist

- A** Tell applicants to apply in a way that will give you the **information you need**.
- ◆ Letter plus CV is usually the best format.
 - ◆ You can design your own application form to ensure you get the right information.
 - ◆ Avoid applications by telephone, if these will interrupt your work.
 - ◆ Consider taking applications via email.
- B** Select the most **promising applicants**.
- ◆ Rank them in order, starting with the best.
 - ◆ Decide how many are worth interviewing and send polite rejection letters to the rest.
- C** Arrange a **time and place** to interview the selected applicants.
- ◆ Interview as soon as possible, in batches (five on Monday, five on Tuesday).
This makes it easier to compare everyone.
 - ◆ Consider offering some evening interviews for candidates that can't make it during the day.

5 The interview

- A good interview will allow you to confirm the facts given in the application, assess the candidate's personality and suitability, and sell the idea of your job.
- Avoid having only one interviewer, as this means there is no-one to help you get a balanced view.
- A** **Preparation** is important.
- ◆ List the questions you want to ask.
How does the candidate compare with what you are looking for? What essential information needs checking? Arrange to see any relevant documents or certificates.

"If you need to recruit a lot of people, or you get a flood of replies to your advertisements, try group interviews. Spend two hours with a group of applicants and you'll have a pretty good idea who might fit in."

*Julian Richer,
Richer Sounds*

"Using a recruitment agency may seem expensive. But if it helps you plug a vital skills gap quickly, with a 'refund or replace' guarantee, it can make sound business sense."

*James Hey,
Profile Management
and Specialist
Recruitment*

- ◆ Be ready to answer questions on subjects like pay, benefits, starting date, hours of work, promotion prospects and holidays.

B Make full use of the **interview** to find out what you need to know.

- ◆ Start by putting the candidate at ease. For example, ask how the journey was.
- ◆ Tell the candidate about your business. Then ask a question that lets the candidate do the talking.
- ◆ Be prepared to wait in silence for the candidate to speak.
- ◆ Use open questions that do not lead to a simple 'yes' or 'no' (see box, page 2).
- ◆ Do not prompt the candidate to give you the answer you want. For example, "Are you reliable?" will be answered "Yes." You learn nothing.
- ◆ If the candidate seems evasive on any subject, probe a little deeper.
- ◆ Suspend judgement until the end of the interview.
- ◆ Ask if the candidate has any questions.
- ◆ Check the candidate understands what is involved. Ask what appeals about the job.
- ◆ Check the candidate would take the job if offered it, and what notice is necessary.

If certain skills are essential for the job (eg computer skills, arc welding or cold calling), always set up a practical test as well.

C **Evaluate** the candidate — against the criteria and then in comparison with the other applicants.

- ◆ Make your notes right after the interview (see 5D).
- ◆ As well as general comments, give marks for each characteristic you are looking for. For example, presentation skills 3/10, IT literacy 10/10, and so on.
- ◆ Compare the candidate with what you need, not with yourself.
- ◆ Assess how the candidate would fit in.

D Carefully consider each candidate and take care with **notes** you take during interviews. Under the Data Protection Act candidates can ask to see any notes you have taken.

6 Selection

A Take up **references** for the best candidate.

- ◆ Before checking references with a current employer, confirm you have the

applicant's permission.

- ◆ Ask previous and current employers for evidence to support claims made by the candidates.

B Send an **offer letter**.

- ◆ State the pay and benefits you are offering and when the salary will be reviewed.
- ◆ Specify any conditions. For example, subject to a trial period, satisfactory references or after a medical (for physically demanding work).
- ◆ Indicate how much time the candidate has to decide whether to accept.
- ◆ Say when the job starts.

C When the offer is accepted, it becomes the basis of the **contract of employment**. (See **Employment law**, SuB 29.)

D Write courteous **rejection letters** to all the unsuccessful candidates as soon as possible.

- ◆ Thank them for their interest in the job.
- ◆ If you have to reject some good people, keep their details in case you need to find more employees quickly. Under the Data Protection Act it is best practice not to keep these details for longer than necessary.

E If none of the shortlisted candidates meets your requirements, you must **start again**.

- ◆ Try to be specific about what went wrong.
- ◆ Do you need to offer more money to attract a higher quality of applicant, or do you need to advertise differently?

7 Welcome to the job

Do not throw away all your good work now by forgetting about your new employee.

A Plan a **warm welcome**.

- ◆ Make sure other people know when someone new is joining your company.
- ◆ Show your new employee round and introduce his or her new colleagues.
- ◆ Arrange an induction sequence that allows time in different parts of the business.

B Set up any **training** that is needed.

- ◆ Who is going to explain what to the new employee?

C Arrange periodic **reviews**.

- ◆ Schedule regular meetings to discuss the new employee's progress, problems and plans.

EXPERT CONTRIBUTORS

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