



MPH Accountants

Taking on your first employee

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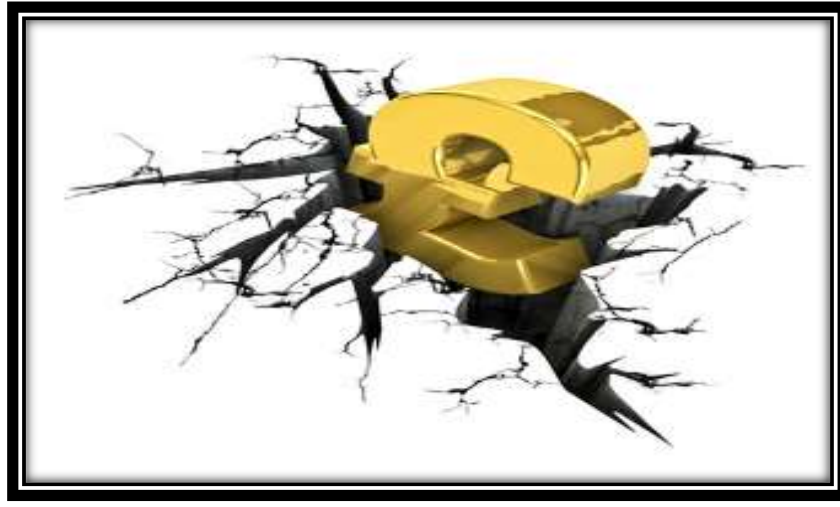
Taking on your first employee

It can be difficult knowing where to begin, especially if you haven't hired someone before. For example, what qualities should you look for in an individual apart from being able to do the job itself? Once you find the right employee, this can help bolster and reinvigorate a small business.

The positives and negatives of taking on a member of staff

Positives	Negatives
Increased productivity	Additional costs
More skills to offer your clients	Need for additional space and equipment
Sick cover	Time and money spent on finding the right person
New skills	Legal responsibility such as contracts, PAYE, pension scheme etc.

Wage cost



Before taking on a new member of staff, it's worth speaking to us about the true cost of employing someone.

For example, if you wanted to pay somebody £20,000 a year, the true cost would be greater, as not only do you have to supply paid holiday, but you also have to pay national insurance on behalf of your staff. Therefore, this should be carefully considered, as well as any other potential costs i.e., pension, training etc.

How to begin



The best place to start is to work out what you need, as you are the person looking for help. Make a list of skills and attributes you are looking to find in your new employee. By doing this, you will get a clear idea of the person you are looking for.

Once you have determined what the job involves, sit down and write a job description. You should consider which areas you need specific help with, as well as additional skills which will also benefit the company. From this you will be able to construct an advert for the job. You should also make it clear how to apply. You may want to do a telephone assessment, you might want a CV and covering letter or you might require completion of an application form. Whichever method you use, it's important to create a solid base for an interview.

At MPH Accountants, we always ask the candidate to send in a CV and a hand-written covering letter. For us, this gives them the ability to highlight what they are capable of, as we are looking for a CV that stands out from the rest. The covering letter will also give an indication of not only their handwriting, but of the pride and presentation they take.

How to find the ideal member of staff

Depending on what industry you work in and what kind of person you are looking for, there are various ways of finding the right candidate: -

- **Paper advertisement**

You could advertise in the local paper. Nowadays, there are a small amount of job vacancies shown, whereas in the past, there used to be pages and pages. It seems that online advertising is the most popular way of doing it.

- **Recruitment agency**

If you have the spare money, you should consider hiring a recruitment agency to assist. They do charge for this facility but they interview lots of people on your behalf and narrow down the candidates which match your criteria, and then forward them onto you for interviews. This will save you time.

- **Social media**

Social media is one of the biggest platforms for wider reach. You could advertise your job on Facebook, LinkedIn and Twitter. You can then ask people to share your post, which will help attract more potential candidates.

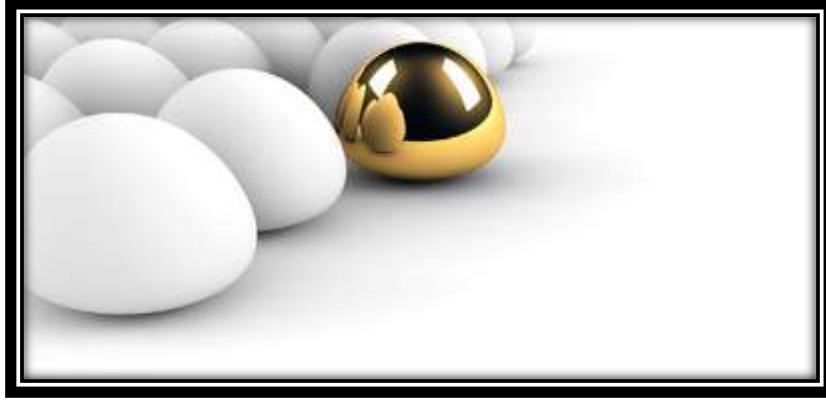
- **Word of mouth**

Use your contacts or networking groups to let them know that you are hiring and what kind of candidate you are looking for, and again, how they should apply for the position.

- **Other options**

Include your local job centre, local careers centre as well as an apprentice.

The interview



The interview is probably the most important stage of taking on a new member of staff. Before this process, you should have a set of questions to ask each candidate. This makes it easy to compare each applicant based on their answers and ultimately, decide who the best person is for your business.

Interview tips

- When you are interviewing, make sure you read over their CV's directly before they arrive.
- Ensure that you are not interrupted within the interview.
- Be friendly – the applicant is already nervous about the interview and if they don't relax, they will not be as forthcoming with information.
- At end of the interview, make sure the applicant is given time to ask their own questions. Whilst taking notes throughout the interview, you should also make a note of these questions.
- As soon as the interview finishes, make more notes about how it went and your opinions.
- Trust your instincts – if something just doesn't feel right, don't employ them.

Hiring the right person for your business is not just about their abilities and qualifications, it's making sure the person will fit into your organisation and has the right attitude. When somebody has the right attitude, they can be trained and will develop, whereas someone with the wrong attitude will not be willing to change, and this can have a negative effect on your business.

References can be used to check up on the candidate's work history, however, to contact the current employer, you will need the candidate's permission.

Once you have made your choice, you must make sure you have a second or even third choice in case your first choice declines.

Once you have offered the job, ensure you give a courtesy call/letter to the unsuccessful applicants.

We would recommend an induction day. This will help your new employee to see how your business runs, shows what is expected of them and what procedures need to be followed.



Contracts

Before the new employee starts working you, will need to ensure that their contract is drawn up and that you are aware of statutory rights given to all employees.

We would always recommend taking legal advice on this. There are solicitors who can deal with employment contracts and assist you further with this.

Statutory rights

There are statutory rights that the government has set in legislation. Some of these are: -

Not to be discriminated against.	To allow to apply flexible working.
Equal pay for the opposite sex.	To be entitled to redundancy pay.
Not to be unfairly dismissed.	To be entitled to statutory sick pay.
To receive an itemised pay statement.	Trade Union memberships.
To receive maternity/paternity leave.	To receive National Minimum Wage.
To receive adoptive leave.	To receive annual leave.
To be allowed time off for dependants.	To receive a written reason for any dismissal.

Personnel files

It's important to keep an up-to-date record system of your employees. This can either be kept in a paper format or electronically.

We have carefully researched the electronic systems and are able to make recommendations of systems that would benefit our clients. These systems will prompt you to ensure that you gather the correct information required.

The system we use asks for the employee's full name, address, telephone number, email address, sex, marital status, previous names, date of birth, age, national insurance number, nationality, ethnic orientation, driving licence number, start date, job title, notice period, period of employment, statutory sick pay terms and conditions, pay frequency, payment method, tax code, contracted hours, bank details, eligibility to work in the UK, emergency contacts, as well as offering a full back up system on holidays, sickness etc.





Other things to know

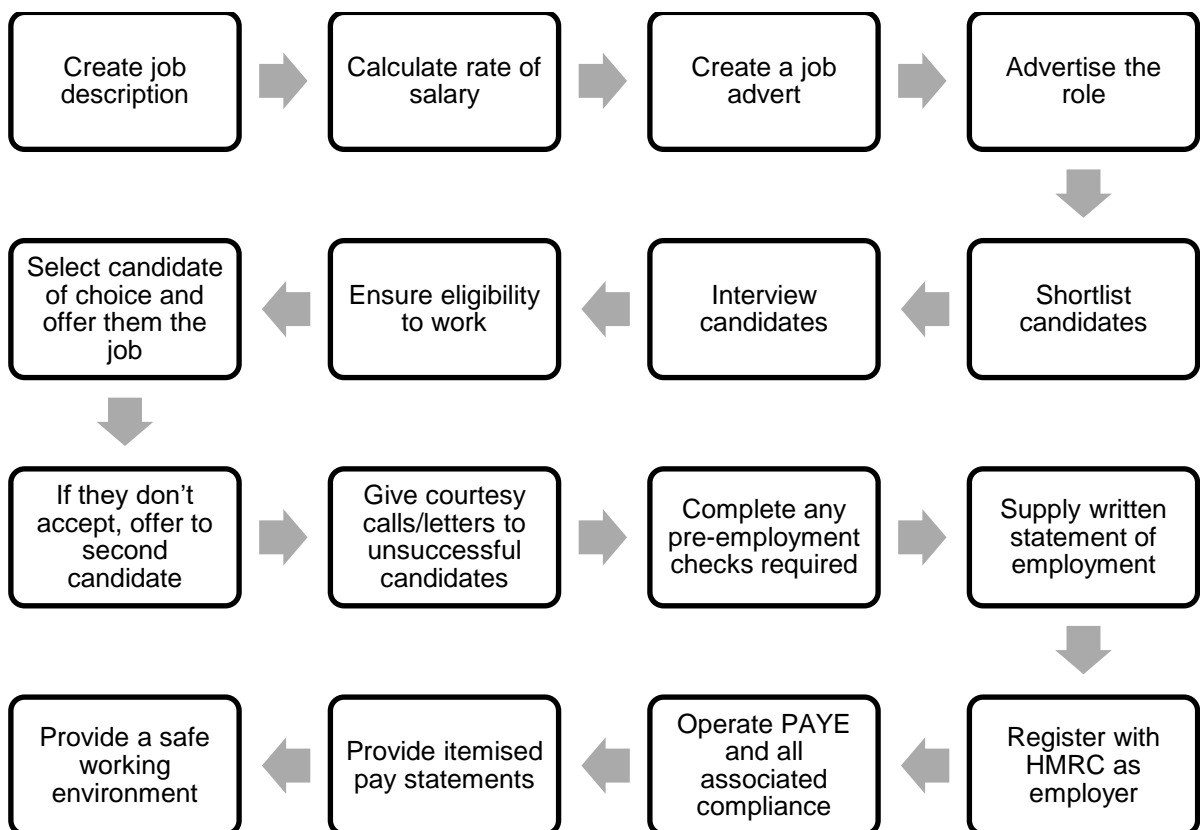
Please be aware that you do have certain requirements under health and safety. More information can be found at www.hse.gov.uk.

You will also need to operate PAYE and offer a pension scheme. This can be operated yourself, although most of our clients instruct us to deal with this to remove the headache and to ensure all compliance is met.

We would request all relevant information and any documents required i.e. P45s etc. We would then enter them onto the payroll system, arrange when details of the wages should be sent to us and when it will be processed. We would send you the payslips for distribution to your staff, the amount to pay to HMRC and the amount to pay across to the pension provider, if applicable.

When taking on a new employee, you should always make sure you have the correct employer insurance in place.

Checklist



Summary

We hope you have found this information useful. Being in business is one of the biggest challenges that you can take on, but it can also be one of the most rewarding and can change your life for the better.

Good luck with your business and if you would like any help, please contact us on 01227 277667 or email us at admin@mphaccountants.co.uk.

You can always find out more about us by visiting our website at www.mphaccountants.co.uk where you will find additional information, other downloads and can view our testimonials.