

## 11.0 PERSONNEL ADMINISTRATION

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### **11.1 Introduction and Summary**

Entrepreneurs can find themselves unprepared for the extra demands of hiring and directing employees. This Section provides some tools for establishing and maintaining effective personnel policies and practices. They are designed to maximize the hiring of quality employees and increase productivity.

### **11.2 Recruitment**

Questions to be considered before recruiting additional staff:

- Could the existing staff absorb the additional workload?
- Could current work assignments be reprioritized or eliminated in order to take on the new work?
- Can the additional workload be handled with overtime?
- Can temporary staff fill the need until the consistency of the additional work is determined?
- Can part-time rather than full-time do the work?

Plan your recruitment efforts:

Prepare a job description. Include job title, reporting relationships, primary function, main duties, and job requirements (skills, knowledge and training)

Select recruitment sources most likely to achieve results for the particular search. Recruitment sources include: existing employees; employee referrals; personal contacts; educational institutions; walk-ins; the internet; employment agencies (public, private, and temporary); media advertising; community organizations and welfare recipients (contact Chamber of Commerce)

Establish a recruitment budget.

### **11.3 Interviewing**

Employment interviews have the following objectives:

- To obtain as much information as possible as to the applicant=s knowledge, skill levels and ability to do the job
- To confirm levels of past performance
- To assess the candidate=s personality; Can he/she work effectively with co-workers?

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Ask only job-related questions during the interview. Avoid questions regarding a person's age, race, color, sex, marital status, national origin, or disability status.

### **11.4 Selection**

Assure that an offer of employment is conditional upon favorable reference checking and convey this to the job candidate.

Go on-line and search using the criteria *employment reference checking* to find companies that will provide these services:

Prior employment: Obtain dates of employment, reason for leaving and any positive/negative comments.

Credit history: Important when employee will handle cash.

Driving record: Where use of the company or private vehicle is required for company business.

Criminal record: Essential when the employee will have unsupervised contact with the public.

### **11.5 Administrative Details – New Employee**

A new employee must complete all required documentation including:

Tax forms

I-9 Immigration and naturalization Service forms verifying authorization to work in the United States

Benefit enrollment: Review workplace policies and procedures with the new employee

A new employee must be made aware of all policies and procedures, including:

*Attendance and punctuality:* Call-in and requirements for a written doctor's note.

*Dress code:* What is acceptable and what is not?

*Overtime work:* Availability and approval requirement.

*Loans and pay advances:* If you allow them for one employee it opens the door for others!

*Employee problem resolution:* Whom do they go to if they have a problem?

*Conduct:* What behaviors/actions are not permitted because they can create work disturbances or dangerous and/or undesirable working conditions?

### **11.6 Compensation**

Minimum wage: Check the latest minimum wage; it's a legal requirement.

Overtime pay: Time and one-half after 8 hours of work per day and for the first 8 hours on the 7<sup>th</sup> consecutive day of work. Double time must be paid after 12 hours a day and after 8 hours on the 7<sup>th</sup> consecutive day.

Exempt v. non-exempt: Are you required to pay overtime? It depends upon the rate of pay and the job duties and responsibilities. Definitions have recently changed; check with the State Department of Labor: [http://www.leginfo.ca.gov/.html/lab\\_table\\_of\\_contents.html](http://www.leginfo.ca.gov/.html/lab_table_of_contents.html).

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General Guidelines:

First threshold: If employee does not earn at least twice the minimum wage, overtime pay is required.

Second threshold: If employee meets the first threshold, contact the U.S. Department of Labor to obtain the guidelines that exempt an employee from overtime.

Meal periods: A 30-minute meal period is required after 5 hours of work. An additional 30-minute meal period is required after 10 hours of work. If the employee is not relieved of their duties, meal periods are to be paid for.

### **11.7 Benefits**

Basic benefits: The extent of basic benefits depends upon applicability and cost. They are offered as part of the total compensation package since employees have come to expect them. Benefits such as paid holidays, vacation, health insurance and paid sick leave help to recruit and retain employees.

Mandated benefits:

Social Security B shared cost

Workers Compensation B employer paid

Unemployment Insurance B shared cost

State Disability B employee paid