

# Hiring 101: Guide book for small businesses

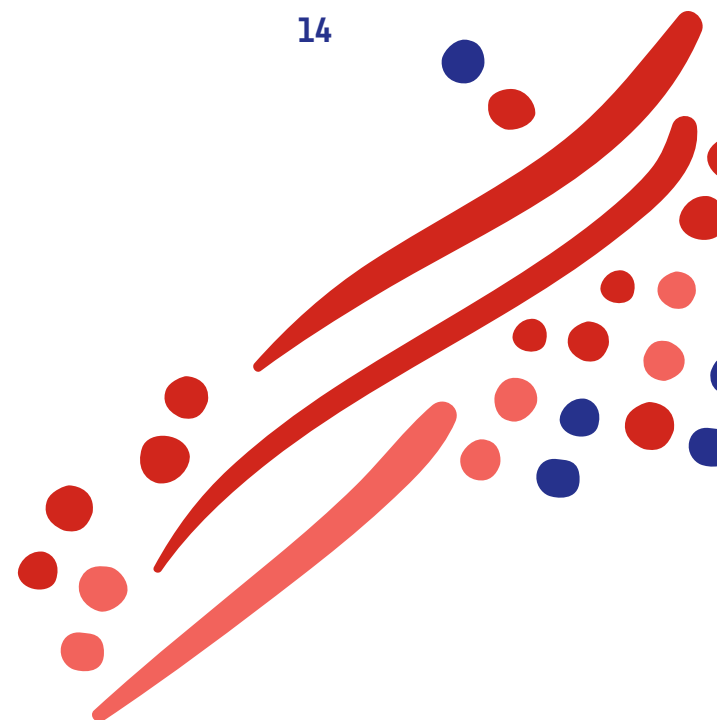


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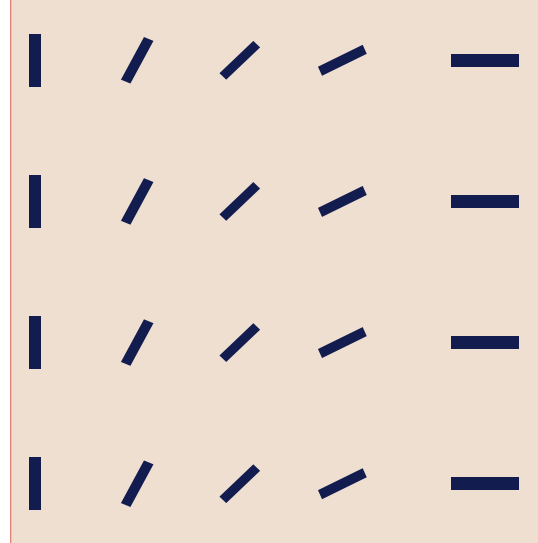
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# Introduction

For small businesses, finding and hiring the right candidates quickly is critical to success. That's why we partnered with ZipRecruiter®, an online employment marketplace, to help companies quickly identify qualified candidates. ZipRecruiter proactively reaches out to quality candidates, saving you valuable time so you can focus on running your business. This guide will walk you through the hiring and onboarding process and highlight best practices as well as regulations that may apply.



# Step 1: Define your hiring requirements



## Determine what type of employee you need

Consider the time commitment your business needs from its employees before you hire.

### Full-time

While there is no bright line rule regarding the number of hours an employee must work to be considered full-time, these employees generally work at least 40 hours per week and are typically eligible for company benefits. Be sure to include the cost of the benefits in your employees' compensation package.

### Part-time

Hiring part-time employees may be more cost-effective for small businesses. These employees generally work less than 35 hours per week and may or may not be eligible for company benefits. The Affordable Care Act (ACA), as well as some states, may require certain employers to offer benefits to part-time workers. Visit the [U.S. Department of Labor](https://www.dhs.gov/eis-viv/index.cfm?fuseaction=mainMenu) for more information.

### Temporary

This is a good option if you need to fill a short-term vacancy. Companies generally partner with staffing firms to help fill these vacancies, and do not offer benefits to temporary employees.

### Seasonal

If your business peaks at a certain time of year, hiring employees for your busy season can be helpful.

### Independent contractor

Hiring an independent contractor is ideal if you need an expert in a certain area for a specialized project. Independent contractors work for themselves and are not employees of your company. **Note:** Federal and state government agencies can impose significant fines and penalties for misclassification of employees as independent contractors, so be sure to classify correctly. Visit [IRS.gov](https://www.irs.gov) and your state labor department website for more information.

### Remote working

The increase in flexible and remote work reflects changing work norms, facilitated by the diffusion of technologies like videoconferencing and office chat apps. According to Global Workplace Analytics, 80–90% of employees would like to work from home at least part-time, and telecommuting is becoming normalized for professionals.





## Define job responsibilities

Before writing a job description, identify the essential functions, responsibilities and any physical demands for the job.



## Define candidate requirements

Consider what qualifications the ideal candidate should have in terms of experience, education and training. Remember to prioritize your requirements. Note must-haves vs. nice-to-haves.



## Write a job description

The job post and job description should be clear, concise and list the essential functions and responsibilities. Our partners at ZipRecruiter have a few pro tips to keep in mind when crafting your job post.

### Job title

Keep the title concise (60 characters or less) and avoid using special characters. Use a title that is easy to understand (HR Manager, not Happiness Coach) and don't abbreviate words (Sales Representative, not Sales Rep).

### Location

To expand your reach, use the closest metro area to you (within 25 miles).



## Company description

Briefly describe your industry, products and services, as well as the mission and goals of your company.

## Job description

Keep the description mobile-friendly (500 characters or less) and make it easy to digest with bullet points. Be sure to include information about the job, experience required, growth opportunities, benefits, perks and company culture, and include an “Equal Opportunity Employer” statement.

## Screening questions

Use screening questions to eliminate applicants who do not meet basic job requirements, so you can focus on identifying top talent. Most applicants apply through mobile, so Yes/No or multiple-choice questions work best.

**For more tips on how to optimize your job post, read [Writing Job Descriptions: Top 5 Tips to Help You Attract the Best Candidates](#) on the ADP SPARK blog or check out [ZipRecruiter’s job description templates](#).**





# Step 2: The hiring process



## Advertise your job opening

ADP® has partnered with ZipRecruiter to help you find quality candidates, fast. When you post a job on ZipRecruiter, it's instantly sent to 100+ job boards. Then, ZipRecruiter's industry-leading AI actively searches thousands of resumes, identifies the best matches for the job and invites them to apply.

Your job post reaches 30 million candidates<sup>1</sup> every month through innovative mobile, web and email alerts. In fact, four out of five employers who post a job on ZipRecruiter get a quality candidate through the site within the first day.

ZipRecruiter also offers products that can make your job post more competitive for urgent hiring needs. For instance, with [TrafficBoost®](#), your job gets prioritized on ZipRecruiter's site, in the network of 100+ job boards, and in daily alerts sent to over 10 million job alert subscribers.<sup>2</sup> With TrafficBoost, you can receive 2.5 times more quality matches, on average.<sup>3</sup>



## Other advertising outlets to consider

### Online advertising

There are many websites available for job seekers (both free and paid) that offer different levels of service for employers advertising on them.

### Newspapers

Although slowly becoming outdated, advertising in newspapers is effective when hiring for manual, administrative, entry-level and local positions.

### Staffing agencies

Outsourcing can be helpful if you don't have the time or resources to do your own recruiting, need to hire for a highly specialized position, or are seeking temporary employees.

### Trade journals

Advertising in trade journals is best when recruiting vocational or specialized skills, such as medical or technical positions.

### Professional associations

Focus on the specialty and level of experience you're seeking by contacting professional and alumni associations.

### Virtual career fairs and career centers

A virtual career fair can be a great opportunity for job seekers, as they make use of software like videoconferencing, so job seekers who feel they come across well in face-to-face interactions can still leverage a personal approach. Job seekers with excellent skills and a great resume who are less outgoing might find an advantage in virtual career fairs.

1. ZipRecruiter internal data, March 2018.

2. ZipRecruiter Internal Data, January 2019.

3. Quality matches are scored by a machine learning model using the applicant's skills, job titles, years of experience, recency of job titles, location, resume length, and application rate. Averages, based on ZipRecruiter Internal Data, Jan. 2017–Jun. 2018, includes only ZipRecruiter Apply jobs on standard distribution subscription plans.



## Try prescreening

After you start receiving resumes, you can use a prescreening step to help choose who to interview. Prescreening could include a job application form, pre-employment questions and/or tests that gauge job-related knowledge.

For more tips on how to choose the right candidates to interview, check out the SPARK blog [Interviewing 101](#).



## Conduct interviews

Choose an interview style that works best for you.

### Phone interviews

You can set up phone interviews prior to in-person meetings to get preliminary information about potential candidates.

### Video interviews

If an in-person meeting isn't possible due to geographical reasons, setting up a video interview is a great way to "meet" candidates.

### In-person interviews

Invite strong candidates to visit the business and meet you in person. This allows both parties to assess whether the job is a good fit for the candidate.



## Interview tips

Determining your questions and interview process in advance will help you during the actual interview.

### Prepare

Set aside adequate time prior to the interview to review the candidate's application.

### Be consistent

Consistency is important for a fair interview process. Come up with a core set of questions and stick to them.





## Ask only job-related questions

Federal, state and local laws protect job applicants from discrimination based on, among other things: race, color, religion, sex, national origin, age, disability, genetic information and military status. Many state and local jurisdictions include additional protections beyond those included at the federal level. Refrain from asking questions that would cause a candidate to reveal their protected status.

## Consider behavioral-based questioning

It can be helpful to ask candidates how they have handled a specific work situation in the past — one they might encounter working for you. Ask them to outline the issue, their actions and the resolution for a snapshot of their character and competency.

## Take notes

It will be helpful to have notes to reference when reviewing all candidates and making a final decision.



## Make an offer

Your conditional offer can start with a phone call and should follow with a letter that outlines:

- Job title
- Pay
- Anticipated start date
- Supervisor
- Brief summary of benefits
- Employment at-will relationship (recognized in all states except Montana)
- The contingent nature of the offer (pending background or reference check, and/or drug test)



## Follow up with candidates

It's a good idea to send a letter or email thanking candidates you didn't select for their interest, and wishing them luck in their continued job search. If a candidate is particularly promising, you can let them know that you may consider them for future openings.

**Note:** Equal Employment Opportunity laws, including Title VII of the Civil Rights Act and the Americans with Disabilities Act, require employers to retain resumes and employment applications for at least one year. Some states may impose more stringent record-keeping rules.

**For more tips, check out [Interviewing Tips You Need to Know on SPARK](#).**



## Conduct reference and background checks

### Reference checks

It is generally considered a best practice to wait until you have extended a conditional offer of employment and completed any applicable background checks before conducting reference checks.

Request a list of at least three professional references from each candidate. These may include current or former supervisors who can attest to their work experience and skills. Entry-level employees may also use teachers, professors or coaches as references.

Make sure to obtain authorization from applicants to contact their former employer(s). Many employers use reference checks to verify information provided in employment applications, resumes and interviews. Whatever information you seek, make sure it is job-related and that you are consistent in your questions. It is a best practice to contact the reference directly via phone, even if a job candidate provides a letter from the reference.



## Background checks

Depending on your industry and the position you are filling, you might want to include a background check to evaluate an employee's work and education experience, criminal records and driving records.

### General guidelines

- Notify the individual in writing that you are conducting a background check for employment purposes. The notice must be a separate document from the application form.
- Obtain the individual's written authorization.
- Conduct background checks equally for all candidates to avoid discrimination.
- Ensure that any background check relates to the applicable job position and is performed consistently with applicable state rules.

Visit [U.S. Department of Labor](#) for more information on government regulations.



# Step 3: Onboarding a new employee



## Apply for your EIN

If you didn't do so while incorporating your business, you must apply for an Employer Identification Number (EIN). You need an EIN for tax administration purposes. You can submit the form through the [IRS website](#).



## Determine how to handle federal and state tax requirements

When a new employee starts work at your company:

- Have them fill out a Form W-4, which determines tax withholdings.
- Determine Social Security and Medicare tax withholdings. You will need to deduct your employees' contributions from their wages and pay the employer's share yourself.

For more information on the wage base limit, withholding thresholds, allowances and this year's rates, visit the [IRS website](#).

Taxes are perhaps the most tedious and time-consuming part of employee management. They can be complicated and carry a high level of risk if you get them wrong. Consider outsourcing your payroll to an accountant or [payroll service provider](#) like ADP.



## Create an employee handbook

Companies with at least one employee should have an employee handbook. It is a great tool for communicating policies and information to your employees, helping to ensure consistent adherence, and educating everyone on how to respond to situations that may arise.

Generally, employee handbooks:

- Inform employees of their at-will status (i.e., both the employee and employer may terminate the employment relationship at any time, for any lawful reason).
- Provide employees with information regarding company benefits and eligibility requirements.
- Provide employees with general information about company history, mission and goals.
- Outline the organization's operations and structure.
- Meet requirements for certain employment-related information that must be provided in writing, such as harassment policies, equal employment opportunity notices, paid sick leave requirements and pay schedules.



## How to get started

In addition to your company culture, your employee handbook should include a blend of relevant notices consistent with federal, state and local employment rules and integral company policies, such as:

- Equal employment and nondiscrimination policies
- Workers' compensation policy
- Family and medical leave
- Drug and alcohol use
- Paid time off policy
- Confidentiality policy
- Personal appearance policy
- Meal and break periods
- Payment structure and schedule
- Benefits overview
- Complaint procedure
- Standard of conduct

Many payroll providers, like [ADP](#), offer employee handbook customization as part of their payroll and HR services. Payroll software may also include handbook templates for you to create your own handbook.



## Display workplace posters

The U.S. Department of Labor (DOL) and state and local labor departments require that U.S. businesses display workplace posters. Failure to display the correct posters could result in a citation and/or a penalty.

Use the DOL's [FirstStep Poster Advisor tool](#) to help ensure that you meet compliance requirements.



## Obtain workers' compensation insurance\*

Once you hire your first employee, you are responsible for their safety and well-being in the workplace. Workers' compensation insurance will cover medical costs, rehabilitation and lost wages should an injury occur on the job.

### Workers' compensation Q&A

#### When do I need to buy workers' compensation insurance?

In most states, workers' compensation insurance is required for companies with one or more employees. States typically enforce stiff penalties for employers who do not purchase workers' compensation insurance.

#### How much does workers' compensation insurance cost?

Workers' compensation insurance pricing is based on numerous factors including, but not limited to, your payroll, the number and job classifications of your employees, the classification of your business and past loss experience.

#### What does workers' compensation insurance do?

It pays for the rehabilitation, recovery and medical bills of employees' work-related injuries, as well as lost time due to a work-related injury. Workers' compensation insurance is not a substitute for health or medical insurance. Employees are only covered for on-the-job injuries.

\* This is informational only and not intended as tax or legal advice. Should you have questions regarding your specific situation, you should consult with your tax or legal advisor.

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## Set up a record-keeping plan

Some aspects of record keeping are governed by law, but good record keeping will also let you track expenses and growth, and support your annual tax return.

Keep the following paperwork on file in a secure location, with backup copies:

- **Gross receipts:** These are records of income from your business.
- **Expense receipts:** Expense reports include any costs your business incurs.
- **Purchases:** Records of items you buy and resell to customers, if relevant.
- **Assets:** Property you own and use in your business, like machinery or furniture.
- **Employment taxes:** Keep track of the amounts and dates of employee wage, annuity and pension payments.

In addition, you should also have the following information on file for each employee:

- Name and date of birth
- Occupation
- Workweek days
- Regular pay rate and exclusions for overtime
- Hours worked
- Straight-time earnings and other rates of pay
- Overtime pay
- Deductions from and additions to wages
- Pay period covered
- Pay dates
- Wages paid by pay period
- Retroactive payment
- Paid time off
- Payroll certificates, union agreements and benefit plan documents



# Next steps

**Congratulations!** You are ready for recruitment and onboarding success. Hiring employees is an exciting milestone for your company, but it also means greater administrative responsibilities and requirements. From payroll and tax filing to human resources and benefits, there is a lot to consider.

You didn't start your business to be a payroll and tax pro. That's why we created **RUN Powered by ADP®** — a one-stop solution for payroll, tax, record keeping and more. Now you can access ZipRecruiter through RUN to help you find quality candidates, fast and save you time to run your business. If you need advice or a helping hand along the way, **our experts are available 24/7 to help.**

Ready to RUN?

**Let's get started >**

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