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Managing Time and Personnel

by Gerard R. Dodd and friends of The Maine Idea

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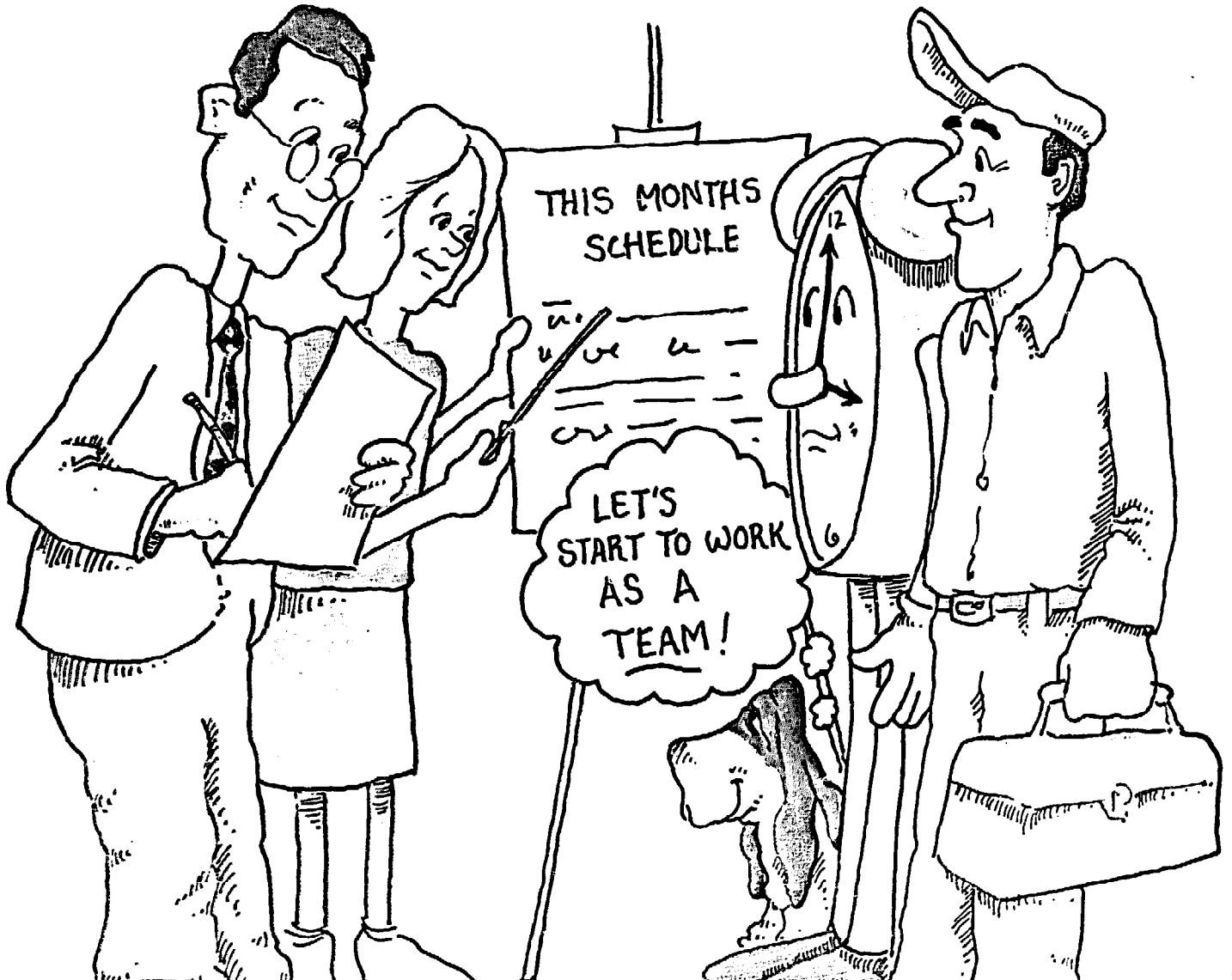
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# MANAGING TIME & PERSONNEL



FOR THE SELF-EMPLOYED

USING YOUR TIME & RESOURCES EFFICIENTLY

**WORKBOOKS IN THIS SERIES:**

<b>VOL. I</b>	<b>The Business Review</b>
<b>VOL. II</b>	<b>The Business Plan</b>
<b>VOL. III</b>	<b>Basic Finances</b>
<b>VOL. IV</b>	<b>Basic Marketing</b>
<b>VOL. V</b>	<b>Managing Time &amp; Personnel</b>

**FRIENDS OF THE MAINE IDEA**

Among those who made an **outstanding contribution** to these workbooks are: Sheila Denton, Maria Gasbarrone, Ron Goldstein, Mindy Loveitt and Paul Nevin (The Maine Idea), Bill Burrus, Jeff Ashe and Bill Taffel (ACCION International), Gerry Mitchell, Roland Hallee and Lynn Carlow (Royal Printing), Tim Sample (The Sample Studio), Ed Armstrong (C. P. Snowman & Co.), Lester Clark (Clark's Heating Oil), Barbara Luce (Rocky Luce Chimney Sweep), Dick Parkhurst (Oakes & Parkhurst Glass), Dick Peck (Peck's Welding), Puck Purnell (OBERON), Ron Serina (POP's Advertising), Nancy Whitman (Goose Eyed Shuttle), Carlton McGary & Joel Stevens (Key Bank), John Moulis (Bank of Maine), Les Stevens (State Development Office), Roy Taylor (Piscataquis Economic Development) and, of course, Annie Blair without whose help, encouragement and love this second edition could have never occurred.

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**MANAGEMENT WORKBOOKS FOR SELF-EMPLOYED PEOPLE, VOL. V**

**MANAGING TIME  
& PERSONNEL**

by  
**Gerard R. Dodd  
and friends of  
The Maine Idea**

**DODD-BLAIR & ASSOCIATES, P.O. BOX 644, RANGELEY, ME 04970**

The contents of **Management Workbooks for Self-employed People** are derived from a wide variety of sources, including direct experience with micro-businesspeople throughout Maine. The information presented is intended only for use as general management guidelines. These workbooks stress self-help, but are not a substitute for competent professional assistance. Although the material has been prepared meticulously, the publisher is not aiming to provide legal, accounting or other professional services and cannot assume responsibility for errors and omissions.

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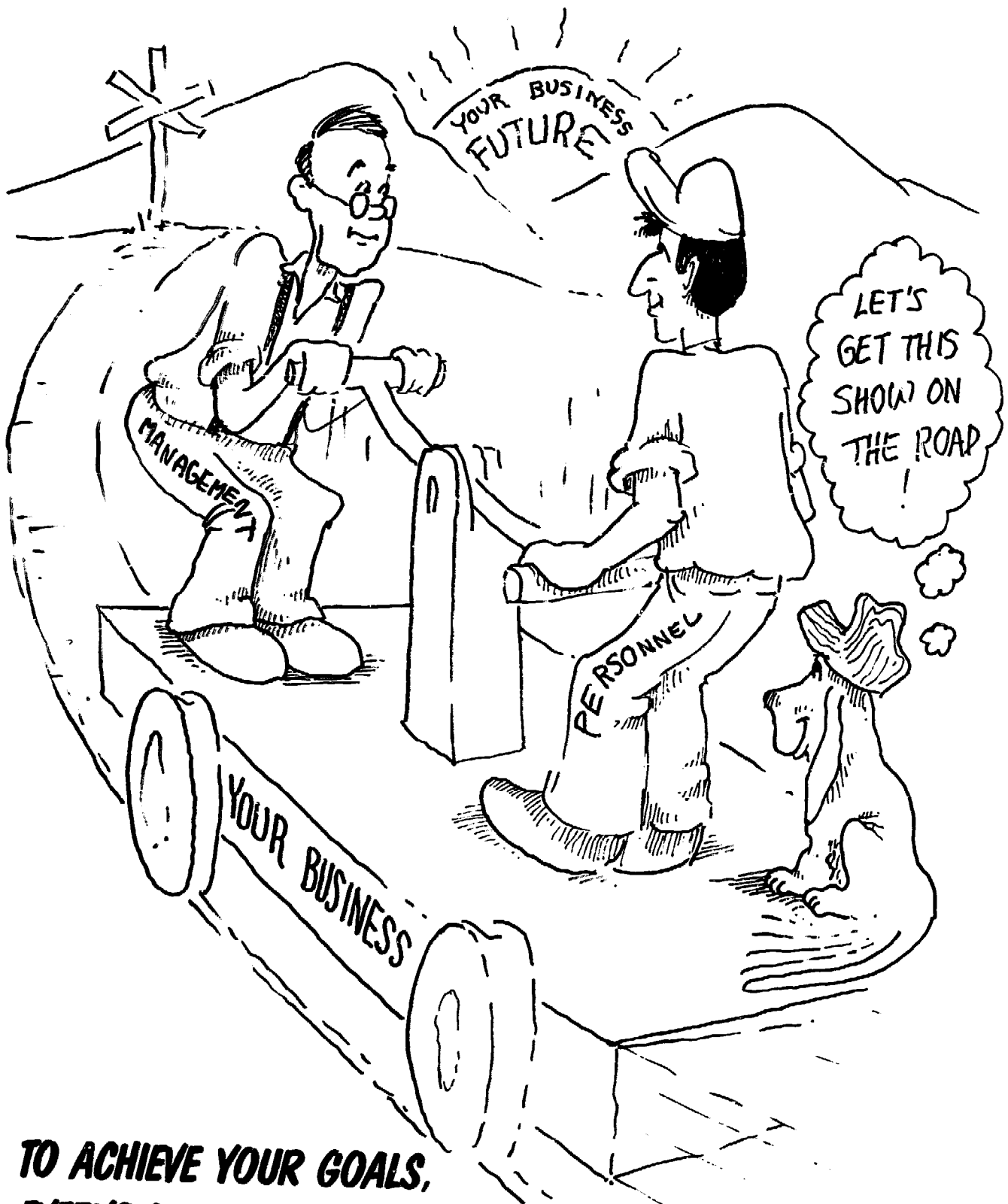
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*To the 22,000 self-employed people in the State of Maine.  
May these workbooks serve you and help you continue being  
the backbone of our community.*

**A MICRO BUSINESS...**is the smallest economic venture — usually owner-operated with few employees and less than \$200,000 annual sales. Most craftspeople, service people, small farmers, “mom and pop” shops, cooperatives, and alternative businesses are micro businesses.

The terms “self-employed person,” “small time operator” and “micro (or mini) businessperson” are used interchangeably in these workbooks.



**TO ACHIEVE YOUR GOALS,  
EVERYONE NEEDS TO WORK TOGETHER**



## **Introduction**

**Our purpose is to orient the owner/managers of tiny companies to the concepts of sound time and personnel management. We outline the basics in a workbook format, providing many tips and helpful hints for the self-employed person: looking for practical, clear information.**

**Before you think of hiring outside help, make sure that you're clear about your own objectives and expectations for the business and that you're using your existing resources to their fullest advantage. Take time to do a component-by-component business review. Make plans and carefully monitor your cash flow. Once you know where your business stands, and what you want to achieve in the future, it will be easier to manage your own time and to deal with others who are involved.**

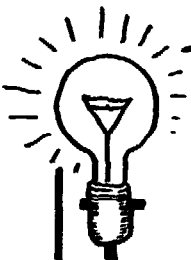
**Hiring someone is a big responsibility! The close personal relationships which often develop in micro business are not found in larger companies. Hiring an employee can be like adopting a child. You may be able to purchase someone's time and labor, but loyalty, cooperation, and enthusiasm must be carefully nurtured.**

**Learn to distribute the load and encourage others to take the responsibility to think for themselves. Motivate them! Encourage them to identify with and be a part of your business undertaking.**

**The basics of time and personnel management are contained herein. We hope they are helpful and simplify your task.**

# STEPS TO MANAGING TIME AND PERSONNEL

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**IDEA BLOCKS** like this are for jotting down changes you want to make and new things you want to try out in your business. If you carefully use the idea blocks, they will be helpful when you start organizing your ideas into a coherent plan later on.

## **ARE YOU COVERING ALL THE BASES?**

The management process touches every aspect of your business. Careful time and personnel management go hand-in-hand as the company grows, and together will improve the efficiency of operations. It's necessary to take a close look at every corner of the business and ask yourself:

**Are the important jobs getting done? Do I understand which jobs are the important ones?**

Every job slot has to make good business sense; each new project must be measured for its cost-effectiveness.

**Who are the members of my team?**

More people than you may realize are involved! Keep in mind the "outside" help; your accountant, banker, vendors, customers — all help you keep things going.

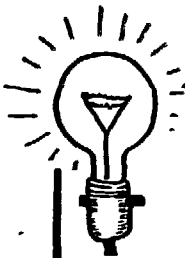
**Who does what in the company? Am I using everyone's time (and my own) most productively?**

Make up an organizational chart: a graphic view of the business structure.

To run the most productive business operation possible and to effectively manage your team requires a clear, reasonable plan of action, open channels of communication, an understanding of public relations and human nature, and the ability to make sound decisions. Analyze and understand your strengths and weaknesses and your capabilities as a business manager. Improve your management skills by delegating responsibility and tapping the resources within your business team.

Hiring an employee is a big step for your company! Make sure that the new position fits into your overall long-term goals. Never hire a person without a good reason! Personnel costs are fixed and come with obligations and responsibilities. Hiring unwisely can be a costly mistake, both in time and money.

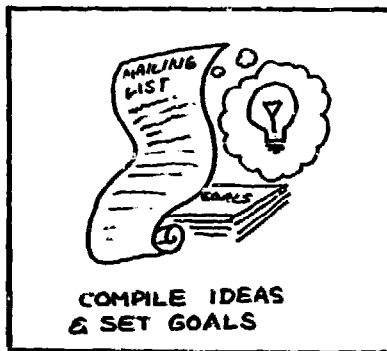
***A WEEKLY OR BI-WEEKLY BUSINESS MEETING IS A GREAT WAY TO FOCUS EVERYONE'S ENERGIES, IDEAS, AND SUGGESTIONS ON THE PROBLEMS AT HAND!***



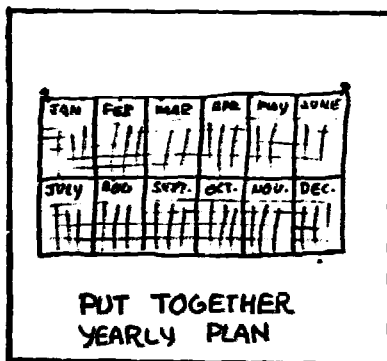
# DEVELOPING AN OVERALL PLAN



So few people are involved in a mini business that their time and skills must be managed efficiently. Use existing resources completely before integrating new ones! Effective management means planning, organizing, directing and evaluating your use of limited resources. To begin this process, we recommend a step-by-step appraisal of where your business stands — **The Business Review**.



Develop a “complete idea” of your business before hiring anyone. Think about where you want to be in one, three and five years. Consider your limitations along with your expectations. What are your objectives and what do they tell you about running the business?



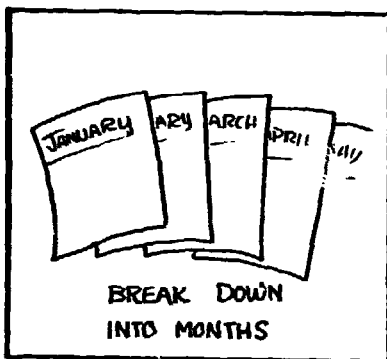
## PLANNING SUGGESTIONS:

**STEP #1** Conduct a systematic business review.

**STEP #2** Develop a complete idea of your business with long term goals (1, 3, 5 yrs.)

**STEP #3** Write out a yearly activity plan and a cash flow projection.

**STEP #4** Break down quarterly activities into specific monthly tasks.

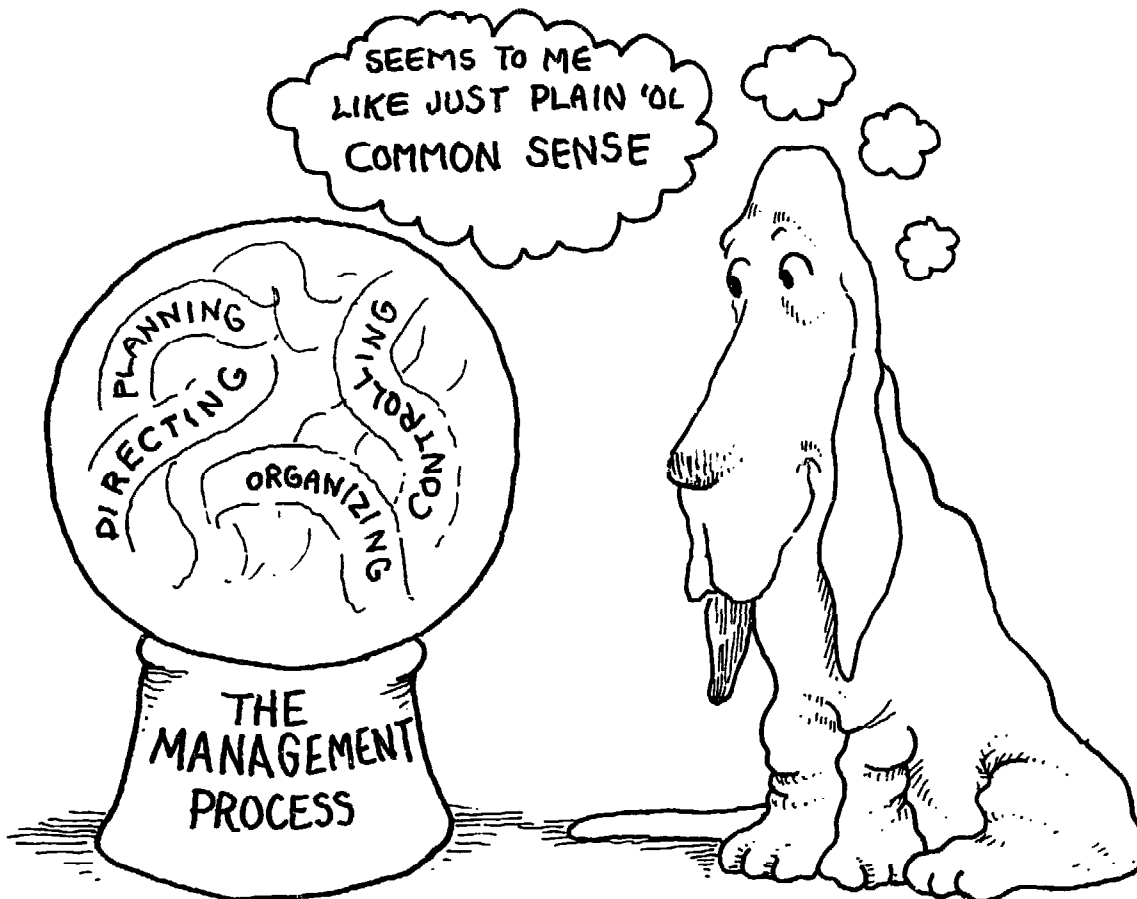


**PLANNING** is setting goals and deciding what's to be done. Choose practical goals that are within the scope of your resources.

**ORGANIZING** is putting plans into action — matching people and resources with tasks. It's the “how to” of getting the job done!

**DIRECTING** is guiding the activities you've chosen and motivating people to work more productively.

**CONTROLLING** is measuring your level of achievement.



***THE KEY TO AN EFFICIENT OPERATION***



## **A FEW MANAGEMENT TIPS**

**TIP #1**      **PERFORM A PERIODIC BUSINESS REVIEW TO HELP YOU GET ORGANIZED**

Look at the entire operation as objectively and systematically as possible. Analyze your strengths and weaknesses honestly.

**TIP #2**      **SET REALISTIC GOALS AND EVALUATE THEM AT REGULAR BUSINESS MEETINGS!**

Plan to do the easier, less expensive things first. Break big projects into smaller steps. Regularly review progress and resolve problems.

**TIP #3**      **USE A MONTHLY CASH FLOW TOGETHER WITH YOUR BOOKKEEPING SYSTEM!**

Work with an accountant to get set up properly from the start. Find out about one-write bookkeeping systems. Use a monthly cash flow to compare your real income and expenses against those for which you planned.

**TIP #4**      **DEVELOP A MARKETING STRATEGY WHICH SATISFIES CUSTOMER NEEDS!**

Find out about your customers and their needs. Get their reactions to prices, quality, dependability, etc. Analyze the competition to determine your place in the market. Target your market using the 80/20 Rule of Thumb.

**TIP #5**      **BE OPEN TO OUTSIDE HELP AND USE IT WISELY!**

Be aware of potential resources such as business and service organizations in your community or state. Accountants, bankers, lawyers and business consultants can all be helpful.

**WORK SMARTER, NOT HARDER!**



# BUSINESS MEETINGS

As simple a practice as it is, people constantly report to us that regular business meetings are a great boon to their management. They often help turn a floundering business around. "All of a sudden I began to understand more about Rocky's problems on the road...and he began to see what I had to deal with on the management side," says Barbara Luce of Rocky Luce Chimney Sweep. "We started talking together about the business end, which made it possible for us to carry out our expansion plan."

Make them formal sessions with fixed agendas (to which everyone contributes). Hold them once a week (bi-weekly minimum), if only as short coordinating meetings. Involve everyone!

**Consider doing The Business Review in a series of business meetings. Do it every 6 months! Write it on your wall calendar so you don't forget.**

## **SOME SUGGESTED TOPICS**

Do we have a complete idea of what we're trying to do?  
Do we share the same complete idea?

Are we targeting our market well enough? Are we really filling our best customers' needs completely?

Is our cash management tight enough? If not, what are we going to do about it?

Are we each working to our fullest potential in our area of greatest strength?

Are we using our time effectively?

Do we have the right outside help?

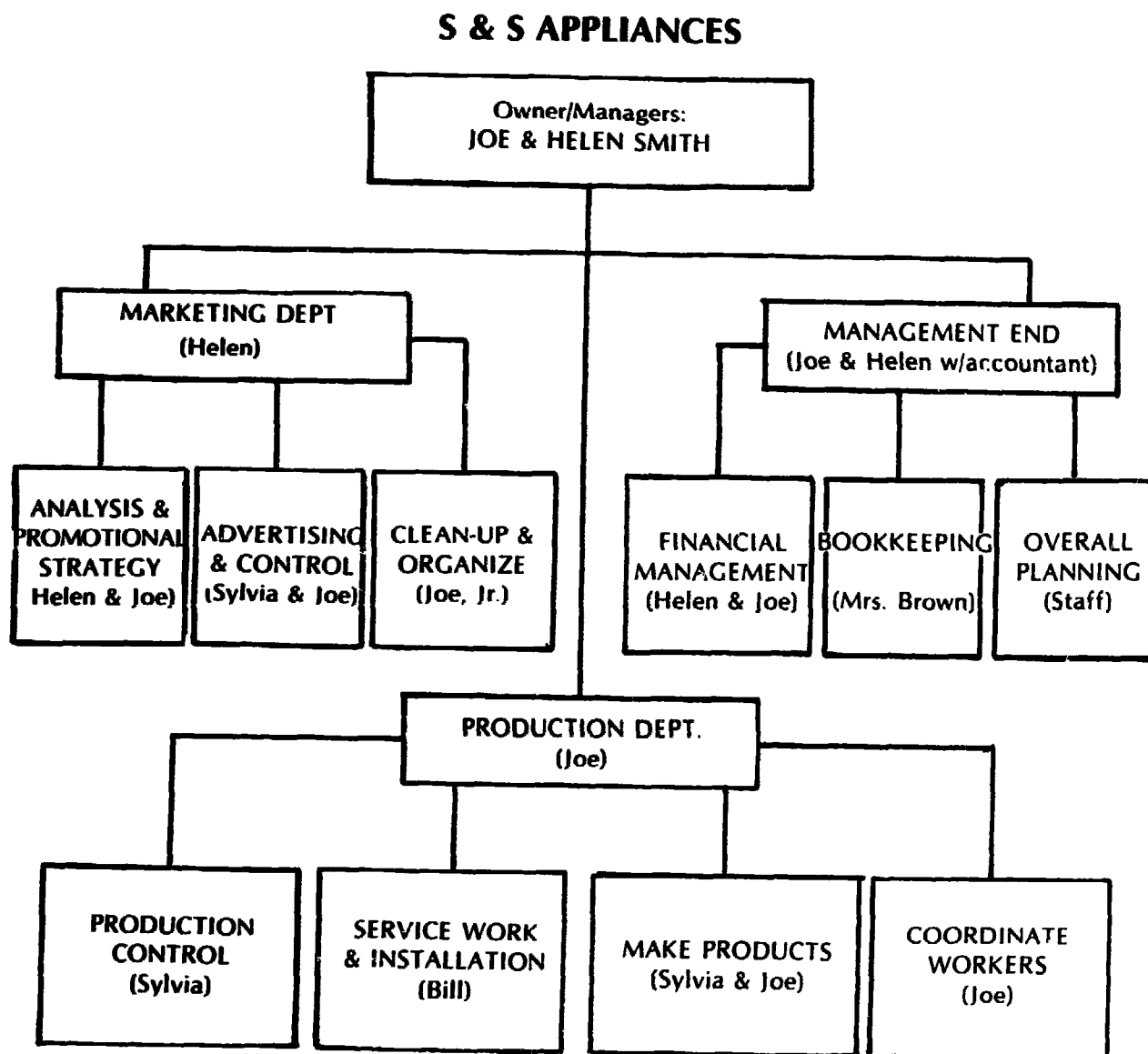


**REGULAR BUSINESS MEETINGS HELP YOU MANAGE BETTER**

# THE ORGANIZATIONAL CHART

Most self-employed people are sole proprietors. Other micro businesses may be partnerships, cooperatives or corporations. **The Business Review** presents the pros and cons of the most common legal structures.

The organizational chart you draw for your business will vary somewhat according to the legal structure. A typical sole proprietorship will look something like this...



## HOW IS YOUR COMPANY ORGANIZED?

Draw an organizational chart for your business! Design it so that all the important bases are covered. Make sure responsibilities are clearly defined, divided, and delegated.

**Business Name:** \_\_\_\_\_

**Owner/Managers:**



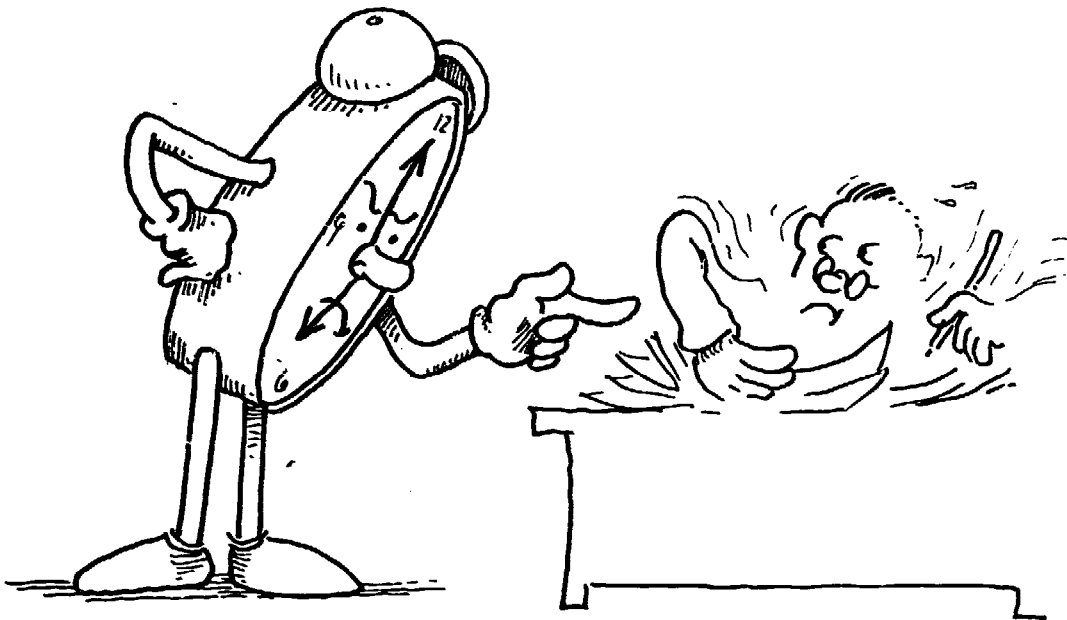
(You fill in the rest!)

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- 
- (1) Fill in the major areas of endeavor — production, marketing, etc.
  - (2) Divide “Departments” into their components.
  - (3) Designate areas of responsibility.
  - (4) Circle the problem areas and consider possible changes.



Lined writing area consisting of 25 horizontal lines.



**WHO'S IN CHARGE HERE?**



# **MORE EFFICIENT TIME MANAGEMENT**

## **.....a few principles**

There is time enough to get the really important things done if we organize it and learn to manage it more efficiently.

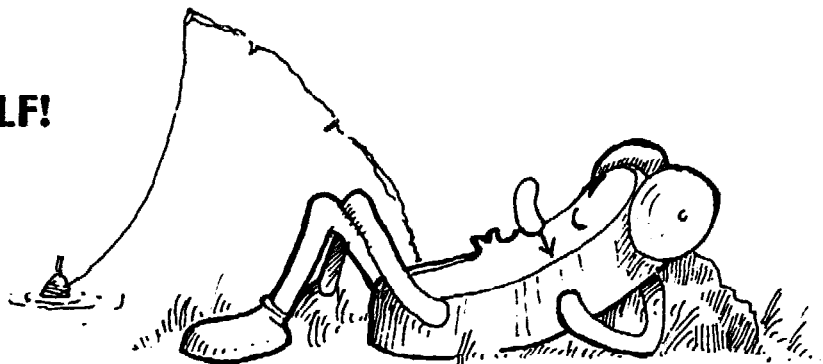
### **Better time management can...**

- ... help you focus your activities.
- ... help things run smoothly so that the essential jobs get done.
- ... help enrich your work and give you more time to do the things you like.
- ... help improve the quality of time spent with others.

When important matters are taken care of expeditiously, everyone's time (Your own, employees, customers, vendors) is used to the best advantage. You may reduce your working hours and have more time for family, friends, and self! Your outlook on the business will be brighter, and you'll be better able to plan for the future.

The first step towards improved time use is developing a positive attitude toward it. Don't let time control you. Time management is a vital skill to be learned and used.

### **START WITH YOURSELF!**



Your own use of time affects everyone else's. When time wasters strike, they steal your productivity and profits. Learn to identify the time robbers (whatever or whomever). — eliminate the biggest offenders and regulate others!



**ASK YOURSELF...**

How do I spend my time?

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---

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What are my strengths and weaknesses as a manager?

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---

---

How much time do I spend "doing what I do best?"

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---



**HOW ABOUT EVERYONE ELSE?**

Is each person doing his/her job?

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---

---

Are there weak areas that need more attention? Can we work together to re-distribute responsibilities?

---

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## THE TIME WASTERS

DO THEY PLAGUE YOUR OPERATION...		Little	Some	A Lot
...in PLANNING?	<ul style="list-style-type: none"> <li>Unclear objectives</li> <li>Trying to do too much</li> <li>Haste or impatience</li> <li>Shifting priorities</li> <li>Unrealistic time estimates</li> <li>Not listening to others</li> </ul>			
...in ORGANIZING?	<ul style="list-style-type: none"> <li>Cluttered workspace</li> <li>Too much paperwork or communication</li> <li>Inadequate equipment or facilities</li> <li>Lack of internal systems</li> <li>Duplicated effort</li> <li>Poor distribution of responsibility</li> </ul>			
...in DIRECTING?	<ul style="list-style-type: none"> <li>Lack of teamwork</li> <li>Too much attention to detail</li> <li>Untrained employees</li> <li>Indifference or lack of motivation</li> <li>Procrastination or indecision</li> <li>Not thinking things out - snap decisions</li> </ul>			
...in CONTROLLING?	<ul style="list-style-type: none"> <li>Starting and not finishing tasks</li> <li>Lack of standards or guidelines</li> <li>Audio and visual distractions</li> <li>Inadequate information</li> <li>Drop-in or telephone socializing - idle talk</li> <li>Absenteeism or tardiness</li> </ul>			

## **JOB DESCRIPTIONS HELP!**

Simply stated, a job description is a written summary of facts about a particular job. It outlines duties, how they are to be performed, the skills needed and the importance of the job. It deals with the basic requirements of a job, NOT with how well an individual does it.

Just as a written plan sets a business on course, job descriptions outline what each person has to do to keep a business moving towards its goals. Job descriptions help you analyze the efficiency of your operation. They help structure the communication between you and your employees, giving you both a better understanding of what's expected. They help you appraise whether additional help is needed or if responsibilities can be distributed better.

Know the vital work functions and have a good idea of each individual's strengths and weaknesses (starting with yourself). Match the best people to the best jobs for them, building on each person's strengths.

Think jobs through carefully and ask everyone to help prepare job descriptions. Ask your employees' opinions on how jobs can be done better. Have each list his/her job tasks and estimate the hours per week to complete each task. Carefully study each list, making observations and adding other functions you consider important. By doing this, you and your employees will get a better idea of the relative priority to be placed on the different functions.

When establishing a new job, write the best descriptions you can and let the employee test it. This way you can revise the description as necessary during the test period.

***TO FIND THE RIGHT PERSON, YOU MUST DEFINE YOUR NEEDS!***

# JOB DESCRIPTION

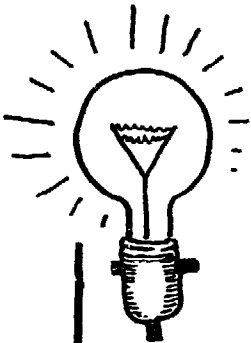
Job Title: \_\_\_\_\_

Responsible to: \_\_\_\_\_

Principle Functions & Tasks (list them)	Approx. hrs./wk.	Qualifications (list them)

Observations:

Date: \_\_\_\_\_



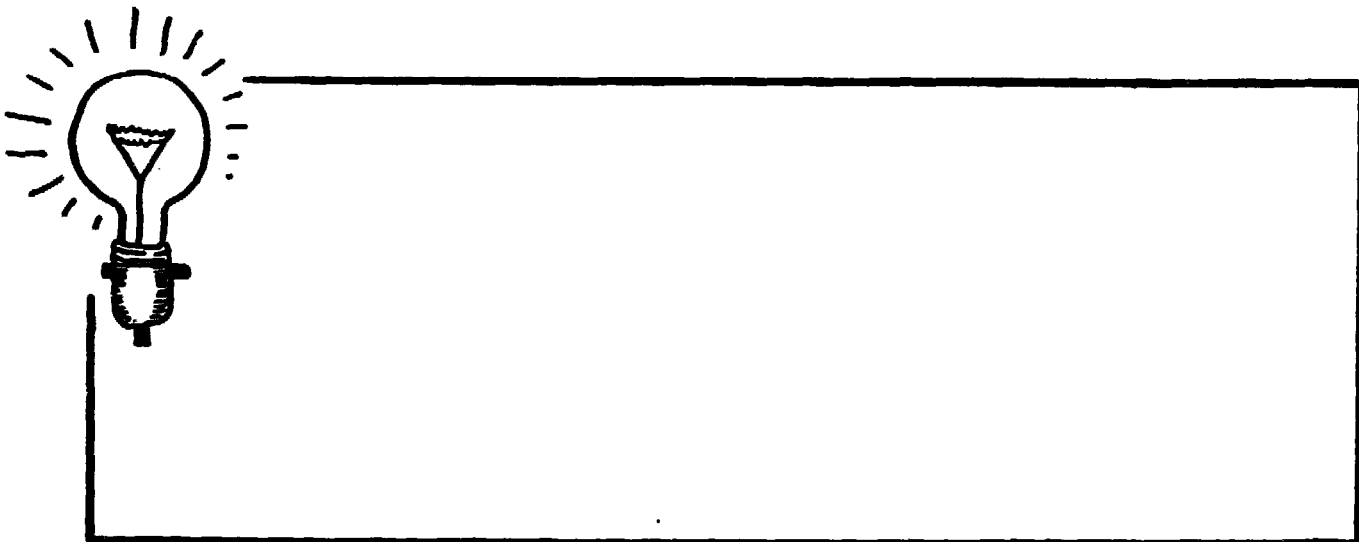
## ALTERNATIVES TO HIRING

### SUBCONTRACTORS:

An alternative to hiring permanent employees is sometimes subcontracting. Outside contractors are "people in business for themselves, who follow an independent trade and offer their services to the public." (I.R.S. definition). Be sure to hire only subcontractors who carry their own workmen's compensation and health insurance, otherwise you may be held liable should they become injured on the jobsite! Check references! By being careful to hire only honest, reputable businesspeople, you'll save money and headaches.

### CONSULTANTS:

You may also find professional consultants useful. These include accountants, lawyers, and business advisors of all types. As a rule, don't have consultants do work you can do yourself. Ask them to advise you on general matters and teach you to do things for yourself. Shop around to find consultants with a sincere interest in small business and who readily relate to your situation. Find someone with whom you feel comfortable.

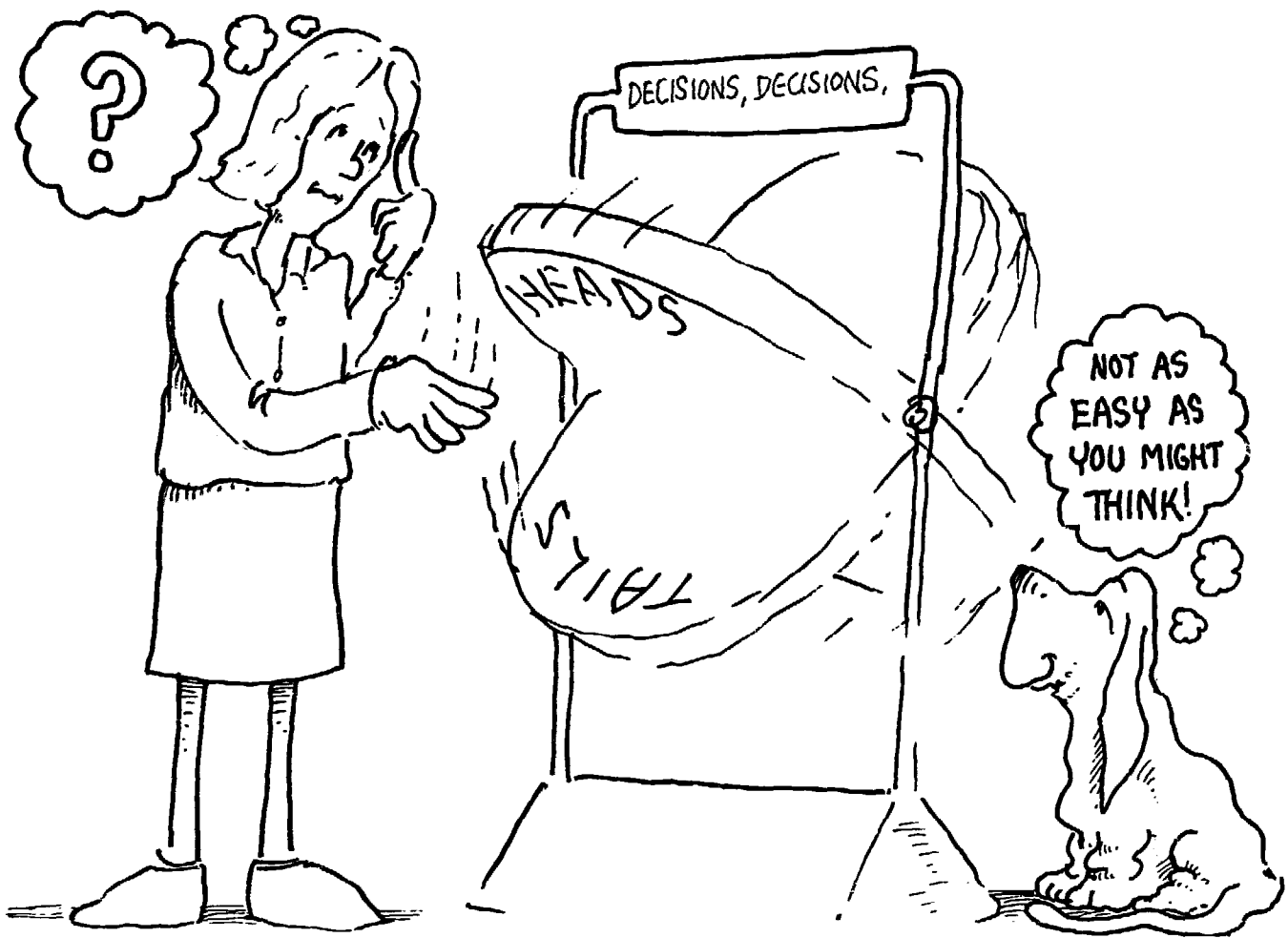


**If you pay over \$600 during one year to a consultant or sub-contractor, you must file a #1099 Non-Employee Compensation Form with the I.R.S.**

## MAKING THE DECISION TO HIRE

Careful assessment of your situation points to the fact that you need more help! Since you've been managing better, you feel things are under control and have a clear idea of where you want to go. Now you need "People Power"!

The prospect of taking on employees, whether your first or additional ones, can be frightening because of the amount of responsibility involved. Don't be overwhelmed! Do your homework and make careful decisions. Will the increased overhead justify itself in the long run? Is your company stable enough to support more people? Is your cash flow under control enough to take on additional risks? Carefully weigh the pros and cons of these questions!



**CAN WE SUPPORT MORE PEOPLE?**

## ...WEIGHING THE PROS & CONS

### PROS:

...Lessens your workload, since many of the responsibilities you've been shouldering alone are now shared.

...Means increased production; hence increased sales and profit potential.

...Brings new talent, fresh ideas, more energy and creative approaches.

### CONS:

...Means increased paperwork (about twice as much).

...Raises your overhead (provisions for insurance, etc.)

...Brings stricter government regulations and scrutiny:

\*workmen's compensation requirements

\*unemployment insurance requirements

\*prompt and regular payment of withholding taxes.

## ...CONSIDERING WHAT TO & WHAT NOT TO DO

**DO**  
carefully assess your needs and consider all of the alternatives to full time help.

**DO**  
prepare a written job description to outline specific tasks, the skills needed and minimal standards of performance.

**DO**  
interview various people — have at least three qualified candidates to choose from.

**DO**  
make sure your recordkeeping systems are set up properly before hiring.

**DO**  
be clear about what's expected of the new employee and use a three to six month trial period.

**DON'T**  
rush into anything! Take enough time to study the options and to make the right decision.

**DON'T**  
be persuaded to relax your standards in order to fit someone in who doesn't really fill your needs.

**DON'T**  
hire the first person who comes along without considering others.

**DON'T**  
put it off until after you see if the person works out.

**DON'T**  
expect people to figure out things for themselves or to do things exactly the way you do.



# FINDING PEOPLE TO HIRE

## WHERE TO LOOK

- \*Newspaper, magazine and trade association listings
- \*Referrals of customers and suppliers
- \*Chance applicants or referrals of acquaintances
- \*Former employees or employee referrals
- \*Schools (high schools, vocational training institutes, universities — there are student employment services and work-study programs)
- \*On-the-job training programs (mostly government)
- \*Vocational rehabilitation agencies (there are special tax credits if you hire someone with a disability).

### **THE WHIP AND SPOON**

**Sales Positions Available**

**Full time/Part time**

**for someone who:**

- is friendly and at ease with people
- will enjoy learning about our products and will enjoy telling our customers about them
- has an interest in food, food preparation, and cooking equipment
- can take inventories.
- can write orders
- is able to cheerfully work retail hours including evenings, Saturdays, Sundays, and holidays

**Previous sales experience desirable. Salary commensurate with experience. Send resume indicating position applying for to: Box 777, Smalltown. Interviews will be held the week of 10/1. No phone calls please.**

## WHAT TO DO

**Printed Job Descriptions...**can be sent or given to employees, friends, customers, suppliers, clubs, churches, etc.

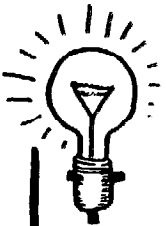
**Newspaper Ads...**can be costly, and leave you the task of screening numerous applicants.

**“Help Wanted” Signs...**may bring in many unqualified applicants, causing you to lose time.

**State Employment Services...**can advise you about regulations, help you screen applicants, and tell you about special training programs or opportunities. They will send you their referrals (good job descriptions will greatly improve your chances of getting the right type of people).

**Private Employment Agencies...**do charge for their placement service, but are efficient and know their business.

### *SPREAD THE WORD-OF-MOUTH!*



# JOB APPLICATION

NAME: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

### SCHOOLING

Elementary: From \_\_\_\_\_ to \_\_\_\_\_

High School: From \_\_\_\_\_ to \_\_\_\_\_ Where? \_\_\_\_\_

College: From \_\_\_\_\_ to \_\_\_\_\_ Where? \_\_\_\_\_

Other (Please specify): \_\_\_\_\_

### EMPLOYMENT

List below all present and past employment including military, beginning with the most recent job. Use back of form if necessary.

Company Name & Address	From mo yr	To mo yr	Supervisor's Name	Reason For Leaving	Your Job(s)

May we contact these employers? Yes  No

Are you physically unable to perform certain kinds of work? Yes  No

### COMMENTS OR REMARKS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

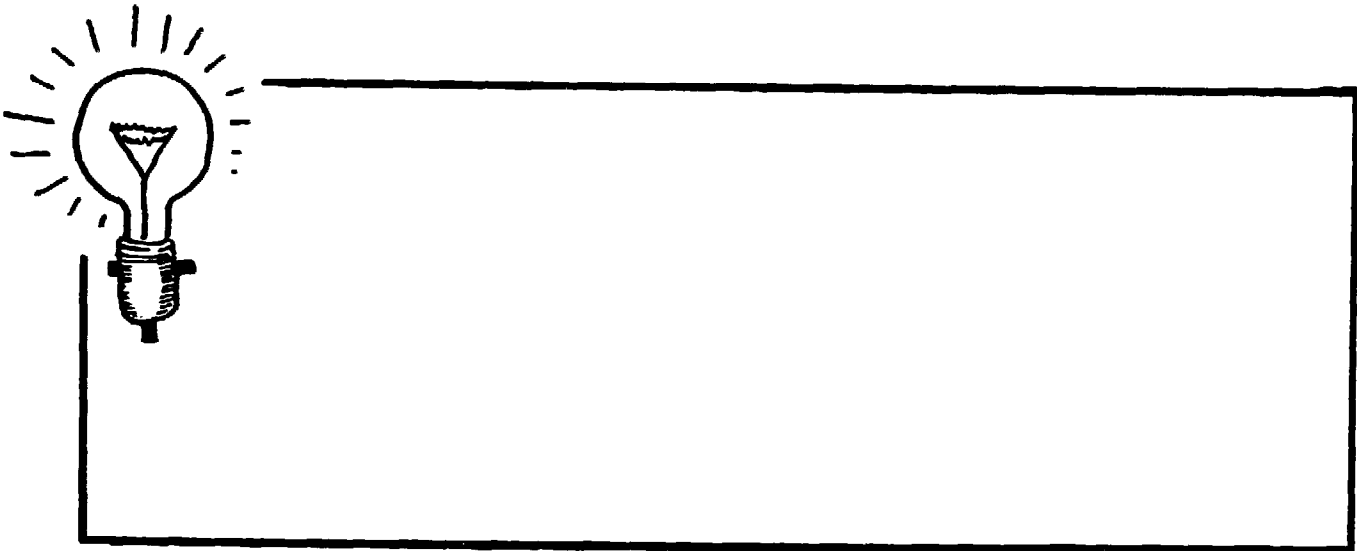
## THE APPLICATION FORM

Since your objective is to find three good candidates from whom to choose, you'll probably "process" quite a few people. A good application form will help standardize the information you get — allowing you to compare people's backgrounds more easily.

**It will help you pick those to interview. It will also give you a way to start the interview.**

An application form will contain basic information about the applicant's professional, educational, and personal background. It will also provide the names and addresses of previous supervisors...so that you can check references later on! An alternative would be to ask people to supply you with resumes that they design themselves.

Here's a sample application form. Design your own or get a standardized one from a paper goods store. Ask each prospective employee to fill out one.



# THE INTERVIEW

The objective of an interview is to learn about the person's experience, work habits, and skills. Encourage the applicant to talk about himself or herself. Don't do all of the talking yourself! Ask simple, specific questions...

**What did you do on your last job?**

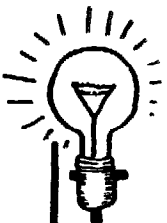
**What did you like or dislike about it?**

**Which of your supervisors did you like best? Least?**

**What's most important to you about a job?**

**What are your career plans?**

Think about the answers and look for clues to personality, habits, strengths and weaknesses. If you think you may be interested in a particular applicant, ask the person to check back with you later. Never commit yourself until you have interviewed all the likely applicants. Always allow a short break between interviews to jot down your impressions while they're fresh in your mind...also jot down the other questions you wish you'd asked. Keep good records of your thoughts or you may mix people up!



***ALWAYS ASK WHY???***

## REFERENCES

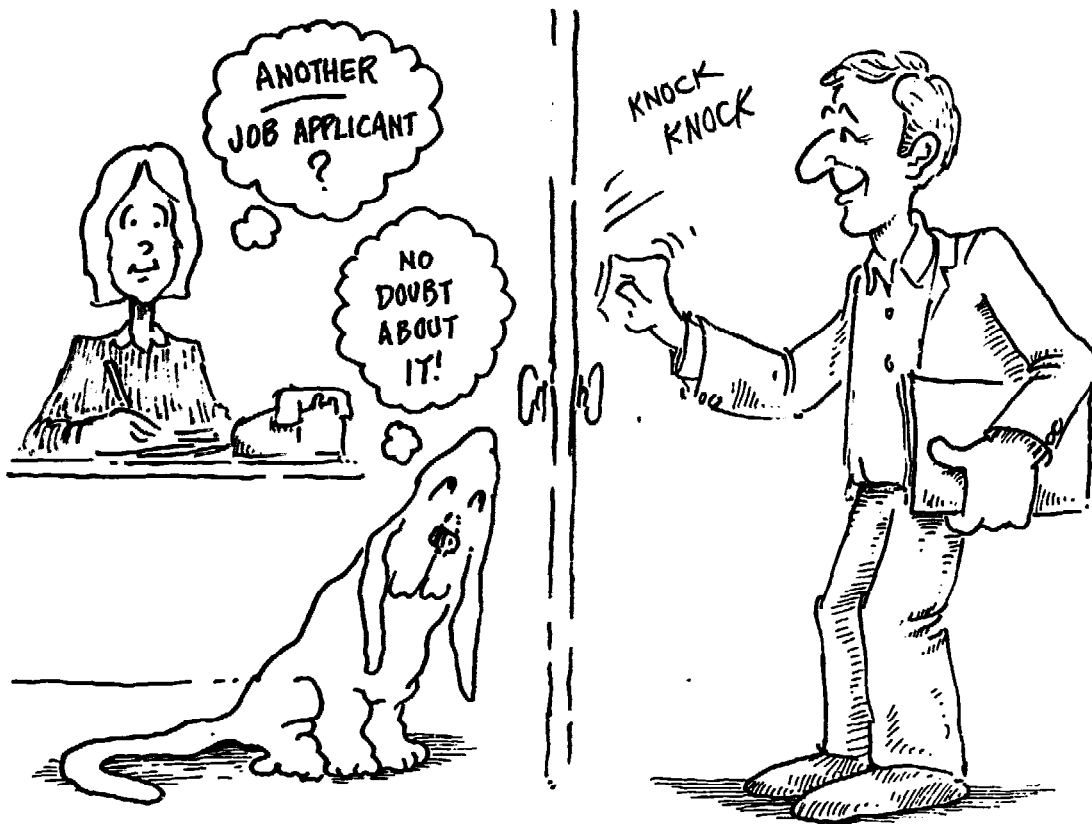
The only references worth checking are past supervisor's unless you happen to know someone who knows the person. Don't rely too much on a friend's judgment — it doesn't take much effort to check a reference, and you can gain a lot of useful information. Do it by phone! Ask the former boss...

**Why did Joe leave?**

**What do you consider to be his strong and weak points?**

**Would you re-hire him? And for what position?**

Encourage the former boss to talk about the employee. Mention the nature of your small business, and ask if s/he thinks this person would fit in.



**GET AT LEAST THREE GOOD CANDIDATES**

## COMPARING THE APPLICANTS

Gather your information and carefully evaluate each person! Then compare your evaluations for the different candidates. Remember the minimum qualifications for the job.

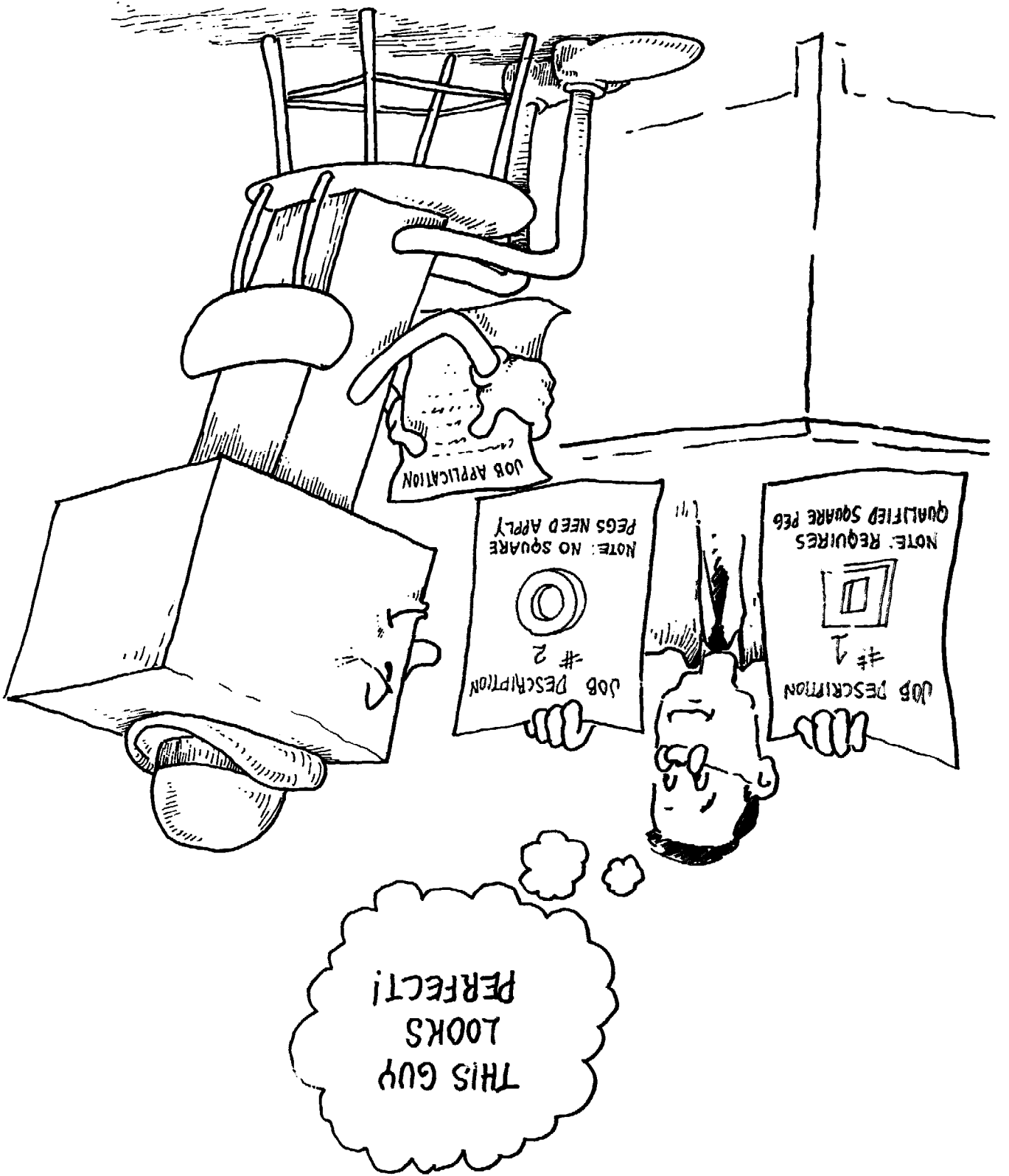
APPLICANT'S NAME:	EXCELLENT	VERY GOOD	GOOD	AVERAGE	POOR
JOB QUALIFICATIONS STABILITY OF PAST EMPLOYMENT ASPIRATIONS AND EXPECTATIONS SELF—MOTIVATION NEED FOR EMPLOYMENT WILLINGNESS TO LEARN ABILITY TO GET ALONG WITH OTHERS GROWTH POTENTIAL  _____ _____ _____					

**REMEMBER EQUAL EMPLOYMENT OPPORTUNITY:** "No one can be refused employment on the basis of race, nationality, sex or age."

*Got it all together now? You've recruited widely and wisely.  
You have three good candidates for the job!*

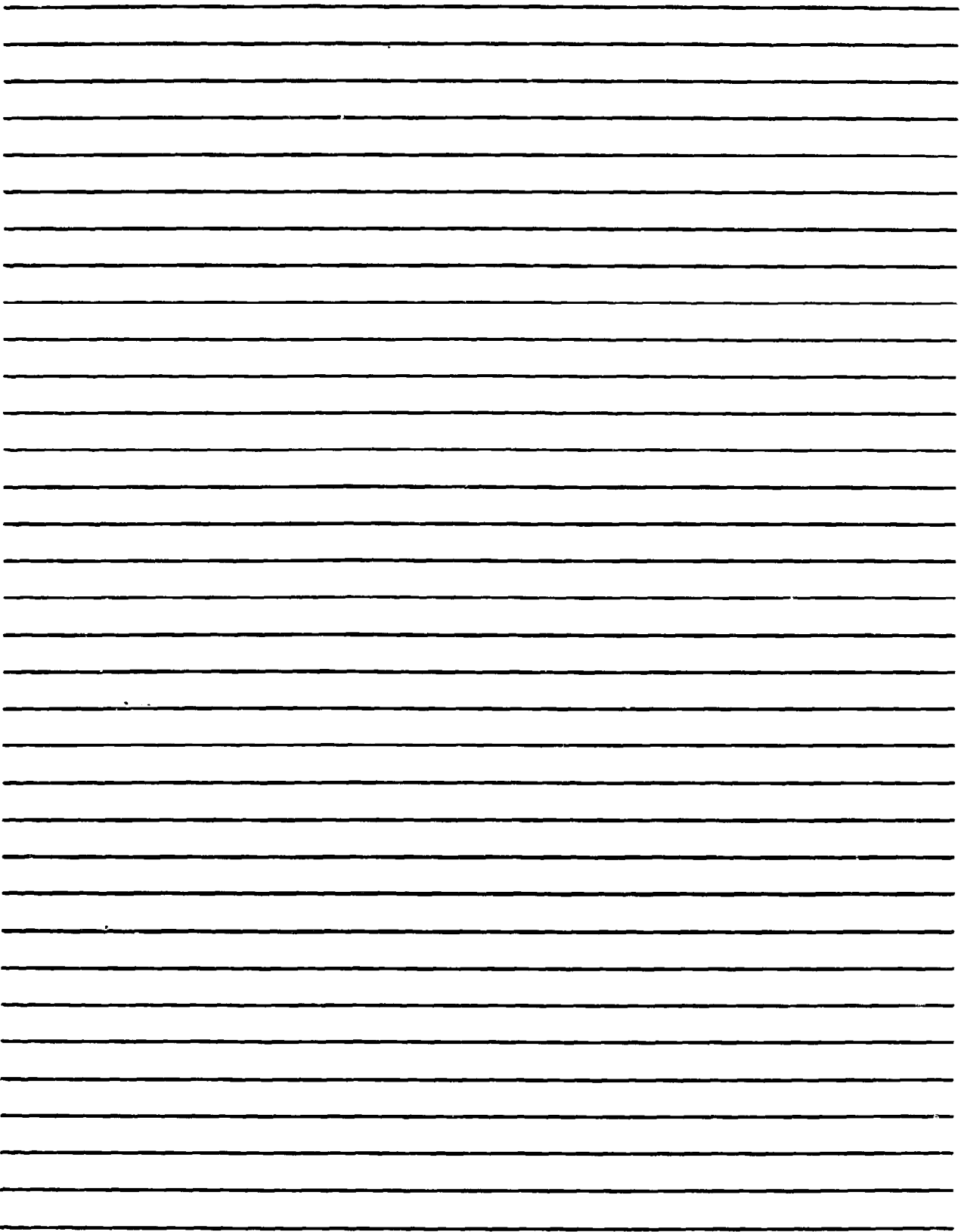
**YOU'RE READY TO DECIDE!!!**

# MATCH THE RIGHT PERSON TO THE RIGHT JOB!!!











**MAKE EVERYONE A PART OF THE TEAM!!!**

## GETTING OFF TO A GOOD START!

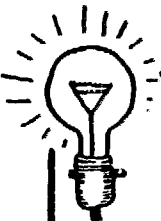
Make your employees feel at home with the work operations. Introduce new people and explain how different jobs interrelate. Encourage everyone to ask questions. Share your plans for the company and ask others' advice. Learn to listen and to keep communication flowing. Weekly business meetings can be invaluable as a way of sharing ideas and constructive criticism. Try them!

Let your employees know you're working for them! You'll be rewarded with respect, diligence and fair treatment.

### THE KEYS TO HIGH MORALE

- Job satisfaction
- Pride in the company's philosophies, and its workers
- Acceptance of pay scales and promotion opportunities.
- A sense of "BELONGING"

***ALONG WITH INSTRUCTIONS, GIVE COMPLIMENTS AND ENCOURAGEMENT!***



## **YOUR BENEFIT PACKAGE**

Think about the benefits you offer. Write up a short description of them! It will help set a nice tone for your operation! Make people feel welcomed, secure and fairly treated. Some considerations...

### **WAGES:**

A salary or hourly rate based on fair, competitive scales. Any other economic incentives such as a percentage commission or bonus plan? How often will salaries be reviewed?

### **FRINGES:**

May include discounts on merchandise, paying for additional training, life insurance, health insurance, etc. Trade associations sometimes offer group rates for these things.

### **VACATIONS & HOLIDAYS:**

Largely depends on your size and budget. How much vacation will be given in the first year? Second year? Any special time when you prefer vacations to be taken?

### **TIME OFF:**

How do you treat emergencies and personal matters? Will the time off be deducted from the person's salary? What's your attitude towards longer leaves of absence?

### **TRAINING:**

What are the opportunities or requirements? Who will be responsible? Who will pay?

### **PROMOTION:**

What are the possibilities, if any? How about changes in title or responsibility?

# A PERSONNEL POLICY

Together with the benefit package, this helps you clarify a variety of issues while structuring the hiring process. It puts your company's internal procedures into a printed, usable form.

## HIRING:

Some sort of fixed probationary or trial period is common practice and usually lasts from three to six months.

## PERFORMANCE:

Job descriptions help avoid misunderstandings and provide a base for evaluating performance. Will you routinely review performance? How often?

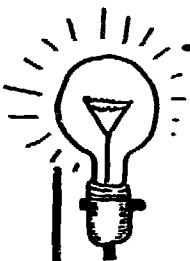
## DISCIPLINE:

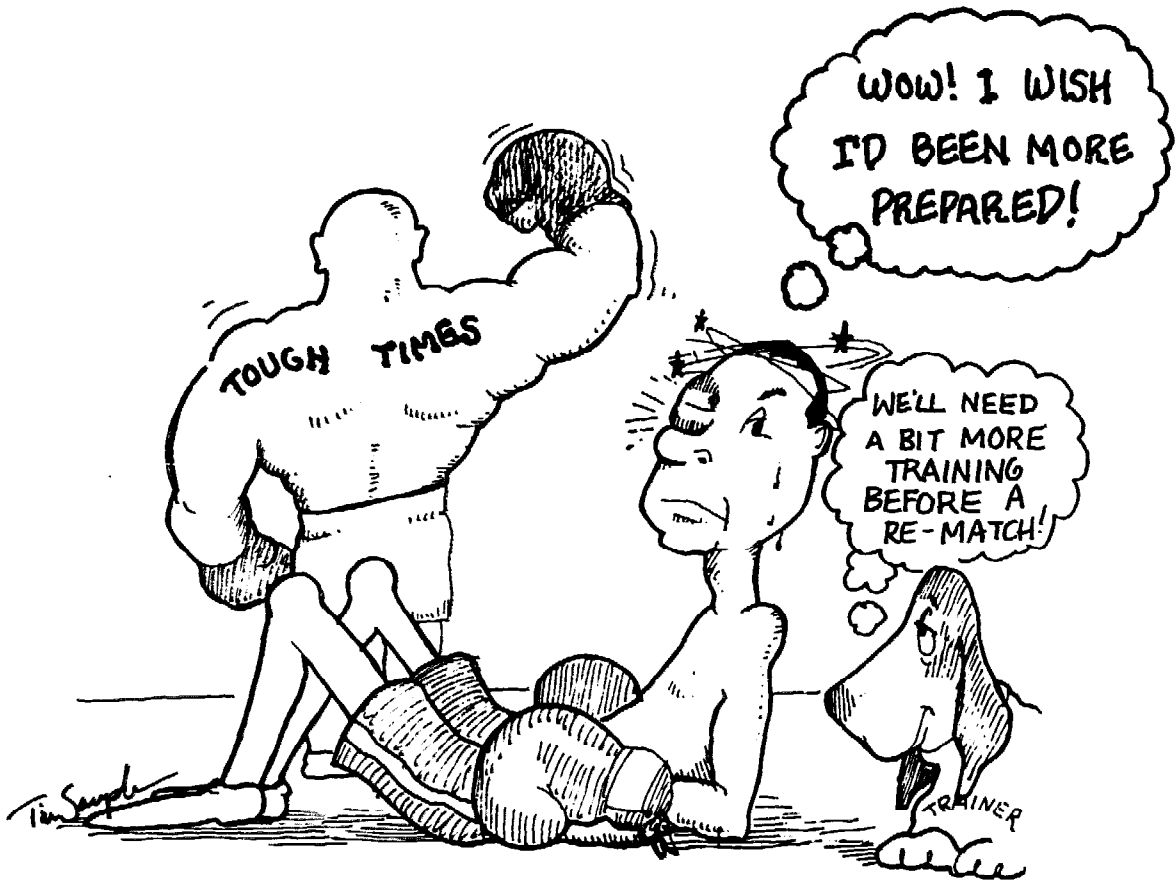
Insubordination, repeated tardiness, poor quality work, sloppiness and personal appearance may all crop up and need to be dealt with from time to time.

## GRIEVANCES:

An opportunity to air grievances will give everyone a chance to express their feelings about the overall work situation.

***SET THE RIGHT TONE!***





**WHEN TIMES ARE TOUGH, YOU'VE GOT TO USE ALL YOUR RESOURCES TO STAY ON YOUR FEET**

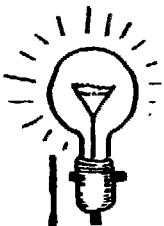
CONSIDER YOUR TRAINING NEEDS AND PRIORITIES: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



\_\_\_\_\_

## A WORD ON TRAINING

A good way to reduce turnover, motivate your employees, and build morale is to provide training opportunities. This gives everyone a chance to polish old skills and acquire new ones. Training is an investment in the growth of your company!

Using your job descriptions to guide you, analyze training priorities. The specific type of training will depend on the job, the existing skills, and the employee's interests and ambitions. Balance the cost of training against the cost of under-qualified or poorly motivated people. Look to the future! Helping your employees to learn new skills is an investment in the growth of your company.

**Adult Education Courses...**often help people obtain new skills or knowledge valuable to the company.

**Special Certification Courses...**in vocational training or other learning centers can be invaluable to the growth and diversification of a small company.

**On-the-job Training Program...**available through government agencies, can be a cost-efficient, organized method of getting extra help.

**Work-study Programs...**through universities and secondary schools help both you and the student.

*Encourage your employees to share what they've learned!*

***HELP EACH OTHER TO LEARN!!!***



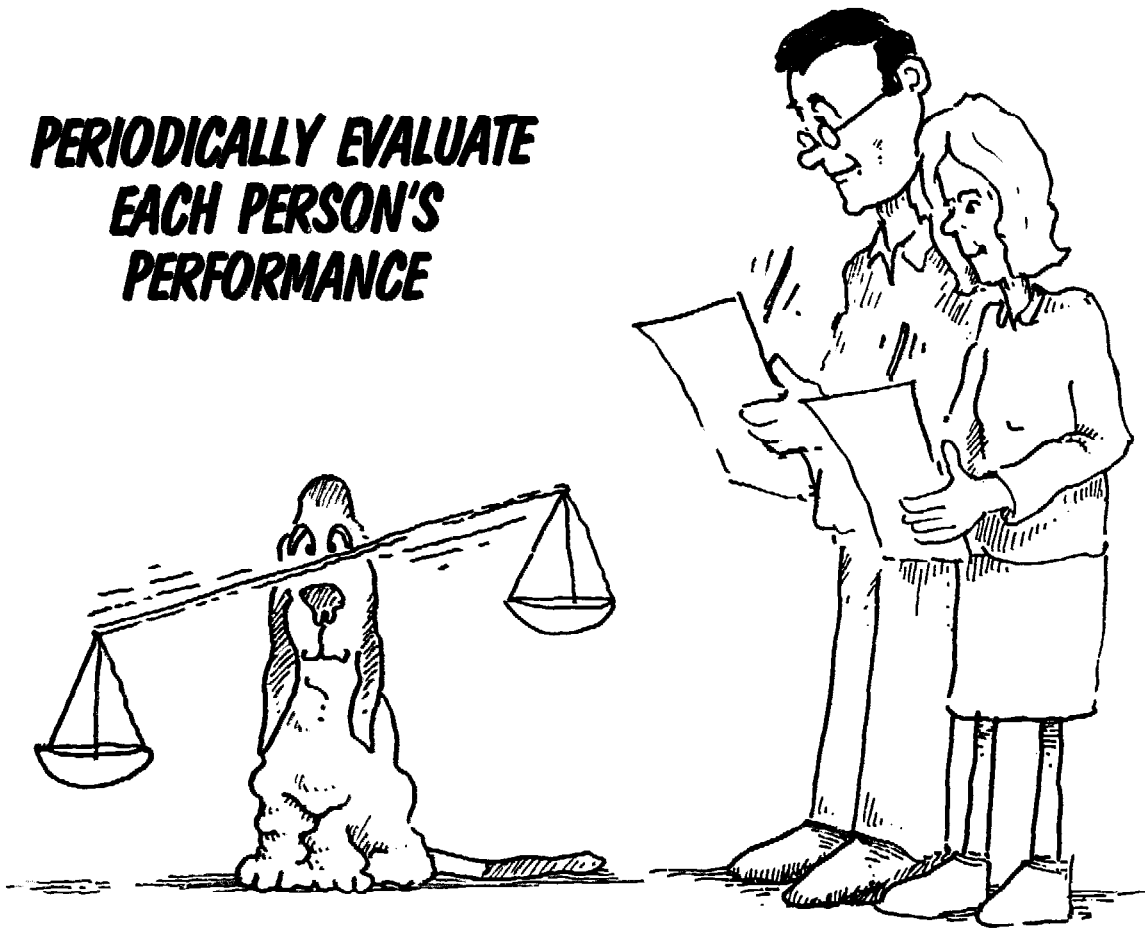
# EVALUATING PERFORMANCE

It's a good practice to periodically evaluate your employee's performance. Try doing it twice a year. Do it independently of salary reviews so it can be treated in the most positive, objective manner possible.

The goal is to find out how everyone is doing, to provide objective feedback, and to keep employer-employee communication channels open. Try to be fair and honest in your appreciation of jobs well done!

<b>BI-ANNUAL EVALUATION</b>  EMPLOYEE'S NAME: _____ DATE: _____	EXCELLENT	VERY GOOD	GOOD	AVERAGE	POOR
*QUALITY AND QUANTITY OF WORK *INITIATIVE *RELIABILITY *COMMUNICATION SKILLS *PRACTICALITY (COMMON SENSE) *PROBLEM-SOLVING ABILITY *SUPERVISION REQUIRED *ABILITY TO RELATE TO OTHERS  _____ _____ _____					
OBSERVATIONS:					

## **PERIODICALLY EVALUATE EACH PERSON'S PERFORMANCE**



## **TERMINATIONS**

You may eventually have to fire or lay off someone, and we want to give you some moral support! It's never an easy task but it's always better to muster your courage and stand up to a bad situation than to allow it to go on for too long. If someone is not doing his/her job to your satisfaction, and you've done everything possible to get him/her on the right track, you have no choice but to terminate that employee.

Be sure to speak in private. Explain the situation and the reasons for the lay-off or dismissal as best you can. Try to avoid any type of argument or confrontation — this does little more than confuse matters and create bad feelings. Be sensitive and diplomatic! Try to part as friends!

# THE LEGAL END

Businesses with part or full-time employees are required to withhold, deposit, and pay taxes to the government. The I.R.S. puts out two publications which explain these taxes and the system for paying them:

- \* Publication 15, Circular E
- \* Publication 539, Withholding Taxes and Reporting Requirements

Available from your nearest Internal Revenue Service Office.

Simply put, the regulations governing employees stipulate that you must: (1) pay minimum wage or better; (2) insure people in case they get hurt (workmen's compensation); (3) protect them from severe hardship should they be laid off (unemployment compensation); (4) contribute to Social Security; (5) withhold a part of their check for federal and state taxes; and (6) check special restrictions on hiring persons 18 years old or less.

## WHO PAYS WHAT?

You'll have to deal with five tax obligations!

- \* Federal Income Tax (withholding)
- \* Social Security (FICA)
- \* Federal Unemployment Tax (FUTA)
- \* State Income Tax (withholding)
- \* State Unemployment Tax

The employee pays the federal and state income taxes but you do the withholding paperwork. You pay all of the unemployment taxes (...and workmen's compensation insurance). You both contribute equally to social security. Plan on adding at least 10-15% to the base salary to cover these costs.

## GETTING STARTED!!

You can eliminate many of the hassles of employee paperwork by starting off with a good payroll reporting system. Have your accountant help you get set up properly.

The tax reporting forms are available through state and federal offices. You'll need an employer's identification number to get started (I.R.S. form SS-4). Remember, by law, you're required to meet the appropriate deadlines in order to avoid paying fines and penalties.

### ADDRESSES FOR FILING AND FORMS:

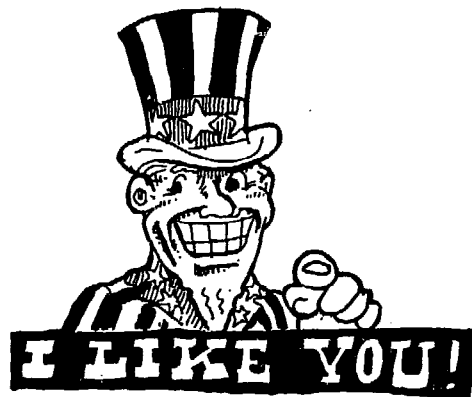
Internal Revenue Service Center  
Andover, MA 05501

(There are local offices in each state)

Social Security Administration  
Wilkes-Barre Data Operations Center  
P.O. Box 5  
Wilkes-Barre, PA 18703

Bureau of Taxation  
Income Tax Station  
State Office Building  
Augusta, ME 04333

Maine Department of Manpower Affairs  
Employment Security Commission  
P.O. Box 309  
20 Union St.  
Augusta, ME 04330



Managing your time and personnel efficiently and effectively is the only sensible approach to take. You and your employees are the most important assets of your business — use them wisely!

Once again, before you think of hiring people, consider the alternatives, know your objectives and make sure your shop is in order. Complete **The Business Review**. Get people working in their areas of maximum strength. Know exactly where your business stands financially.

Hiring people is a big responsibility! Plan carefully and don't rush into it. Once you have people on board, encourage them to take responsibility and to think for themselves. Take a personal interest in their work and be fair in your dealings. Remember, their livelihood depends on you, and you need their cooperation and loyalty to move your business forward.



## DODD-BLAIR & ASSOCIATES

Dear Self-employed Friends,

In our work with self-employed people throughout Maine, we find great pride and integrity in the high quality of the products and services they produce. We, too, are proud of our work and know you'll appreciate our publications!

These workbooks fill the need for practical, down-to-earth information which can be easily applied to daily business operations. The focus is on **BASICS** — the general principles behind effective, profitable management. Since all business situations are different, you can apply the material as best suits your needs. Let us know what you think of them. We guarantee your satisfaction!

**Managing Time & Personnel**, the new book in our series, gets into the real nitty-gritty of management practice — using ALL your resources well. Look at yourself and your use of time first, then consider the others on your "team" and finally, think about hiring. All the steps for this process are outlined herein.

If you're thinking of hiring people, we recommend reading **Managing Time & Personnel** entirely to get a general sense of the process. Then develop a reasonable strategy and timetable. Use the workbook for reference each step of the way!

In addition to the workbooks, we've developed a variety of management services including workshops and one-to-one consulting. We stress practical, self-help information designed especially for the small operator. Our business is based in Rangeley, a beautiful micro business community in the western mountains. For further information, please write P.O. Box 644, Rangeley, ME 04970 or call (207) 864-5195.

Best wishes,

*Gerry + Annie*

**\$18.00 (set of five)**

0-930205-00-6 (5 volume set)  
0-930205-05-7 (Time & Personnel)