Fit Small Business

Hiring Employees for Your Small Business

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Introduction

Welcome to the Fit Small Business How to Hire an Employee ebook! We are so glad that you're here. We understand that hiring can feel like an overwhelming task for many small business owners, but our goal with this ebook is to break down every step to make it less scary. As we dive in, we're going to take a closer look at the hiring process overall and give you all of our best tips to ensure that your next hire is as simple and effective as it can be.

In this ebook, we'll talk about how to find candidates, the applicant screening process, how to interview candidates, making a hiring decision, hiring laws, and onboarding. You'll even get access to free hiring templates that you can start using today.

We encourage you to start from the beginning but feel free to jump ahead if you're looking for something specific. You can click on the links next to each topic to take you directly to that topic within the ebook. Use the link at the bottom of each page to return to the Table of Contents with links to each chapter and topic.

If you're interested in learning more about providers that can help with hiring for your business, go ahead and check out our Best Recruiting Software for your small business.

Before we break down the hiring process into individual sections, let's take a look at how to hire employees as a whole. You can refer back to this quick reference to hiring employees at any time during this ebook or use it as a guide to follow along through the chapters.

Quick Reference to Hiring Employees

Hiring great employees is the key to growing your business. A thoughtful hiring process includes well-written job descriptions, effective recruitment ads, and strong interview processes, all of which should promote your values and culture and adhere to fair labor practices.

Step 1: Create a Job Description

A job description helps you connect with qualified applicants as well as clarify their work expectations once hired. A great job description also includes information on the company culture, education and experience requirements, and an outline of the benefits provided.

Job Outline

Before the duties of the job are discussed, basic information is often shared at the top of the job description. For example:

- Company logo
- Job title
- Status (full time, part time, temporary)
- Job location (remote, city/state)
- Salary range

A position summary can be added at the bottom of this section that gives a brief (four to six sentences) description of the position. This is where you let potential candidates know the basics of the position; greater detail can be given further down in the job description.

Detailed Position Information

This is the area of the job description where you define the job and its duties and responsibilities in specific detail. It is not uncommon to highlight more than 10 primary features or essential duties of the job, listed in order of importance. The more detailed a picture you paint of the position, the more qualified candidates you will attract.

Essential Functions

Be sure to include all essential functions of the position. These are the duties that an employee must be able to perform, with or without reasonable accommodation. The US Equal Employment Opportunity Commission (EEOC) governs what is considered an essential function, partially through the Americans with Disabilities Act Amendments Act of 2008 (ADAAA).

Some of these functions may include:

- Ability to sit or stand for long periods
- Able to lift a certain amount (i.e., 50 pounds)
- Languages required to be successful
- Required travel
- Ability to use general office equipment

Skills

When you create your job description, make sure you're describing the skills necessary for a candidate to be successful in the role. These may be learned skills like proficiency in certain computer software, or soft skills like personal development.

Example of Required Skills

- Ability to sit or stand for long periods
- Able to lift a certain amount (i.e., 50 pounds)
- Languages required to be successful
- Required travel
- Ability to use general office equipment

    - Good listening
    - Organization
    - Attention to detail
    - Time Management

Education

Most business owners list a minimum educational requirement in their job description based on the job role when hiring employees. For example, a solar installation company may desire its workers to have at least a GED or high school degree to be able to read complex instructions. A CPA firm might prefer its associates to have a business or accounting degree (bachelor's or master's), and a Biomed testing facility may need Ph.D. candidates for licensing purposes.

However, when you're thinking about how to hire employees, ask yourself whether a degree is really necessary. If not, skip the college degree requirement on the job description and focus instead on the skills and abilities you're looking for in an employee.

Experience

Think about the kinds of work experience you would like your new hire to have. In addition to education and training, many skills are learned on the job. For example, a top sales professional may never have graduated from college; a graphic designer, web developer, or line cook may be completely self-taught; and so on. Instead, think of the experience and skills you prefer they possess. Much of the time, it is best to clarify what is "required" and what is "preferred" in experience, education, and skills.

Here are some examples of the kind of experience statements you might want to include in your job description:

- Four years of customer service experience in a fast-paced sales environment; two years in IT sales preferred
- Five years of diesel mechanic experience or two years' experience (if ASE certified)
- Ten years multi-restaurant management or former GM managing at least $100,000 in sales each month
- Three years transportation dispatch experience with temperature-controlled carriers; foodservice transportation experience preferred
- Six years of technical or supervisory experience in any construction trade; three years of solar panel installation referred

Company Culture

This is the section of your job description where you can let your business shine. Define the cultural and management values of your company. Explain how employees can benefit from working for you. Describe your company values and how you got your start in the business. Give details of your employer branding. This highlights how your company is perceived by prospective and current employees both online and on-site. And, positive employer branding

> Federal labor laws enforced by the EEOC ensure fair labor practices across the employment spectrum, from job advertising, interviewing, and hiring to continued employment. Be sure to use language that is non-discriminatory when creating your job descriptions.

Step 2: Advertise & Recruit

Once you've created your job description, it's time to post or advertise your job. Many businesses use job boards for recruiting. Using a job board service will not only increase visibility, which, in turn, can attract top-tier candidates, but it offers templates to assist you with crafting a job advertisement.

Write a Compelling Job Ad

The difference between the job description and a job ad is subtle. A job ad starts with a job description's most critical details but it also adds marketing details and a call to action to entice job seekers to apply. For example, it might include a bit about your company culture, showcase the benefits you offer, or include a hiring bonus. However, it is not necessary to list every single duty the job requires—this can be discussed during the interview.

Post Job Online

You can post a sign at your business to attract walk-in applicants, but the most common means of finding qualified job candidates is to use an online job board for hiring employees. Once you post a job, you can share it on social media or email individuals you hope will apply. In addition, some employers prefer to use a free applicant tracking system to keep track of where their jobs are posted and who has applied to each job.

Ask Employees for Referrals

Employees are a great source for untapped job talent as they may know of individuals with just the right skills to join your company. If you post your job on an online job posting site, you can share the link and job description with existing employees and ask them to help you recruit their next co-worker.

Here are some tips on making the most of employee referrals:

- **Be a company of choice:** That'll make your existing team members more likely to recommend jobs to people within their network.
- **Communicate your enthusiasm:** When talking about open roles and opportunities, share your enthusiasm, which can help engage and attract employees' friends and family to apply.
- **Focus on the opportunity:** Emphasize what a great opportunity the role is and the importance of the position to the company.
- **Reward employees:** When you hire an employee referred to you by an existing team member, consider offering your team member a referral bonus.

Hire a Recruiter

Another popular option for a small business is to hire a recruitment firm with expertise in sourcing candidates. Typically, a recruiter will charge you a percentage (ranging anywhere from 20%–35%) of the new hire's first-year salary. For example, if you are looking to fill a position at a salary of $40,000, it would typically cost around $8,000 in fees. But, that may be worth it to get a top-notch candidate you may not have found on your own.

Step 3: Evaluate Resumes

Once you begin receiving job applications, the process of screening job applicants begins. If you're using a job posting site, it may provide online tools to assess job applicant qualifications in advance. Otherwise, you'll start by reading applications and resumes to determine which candidates to interview.

Thoughtfully Read Through Resumes

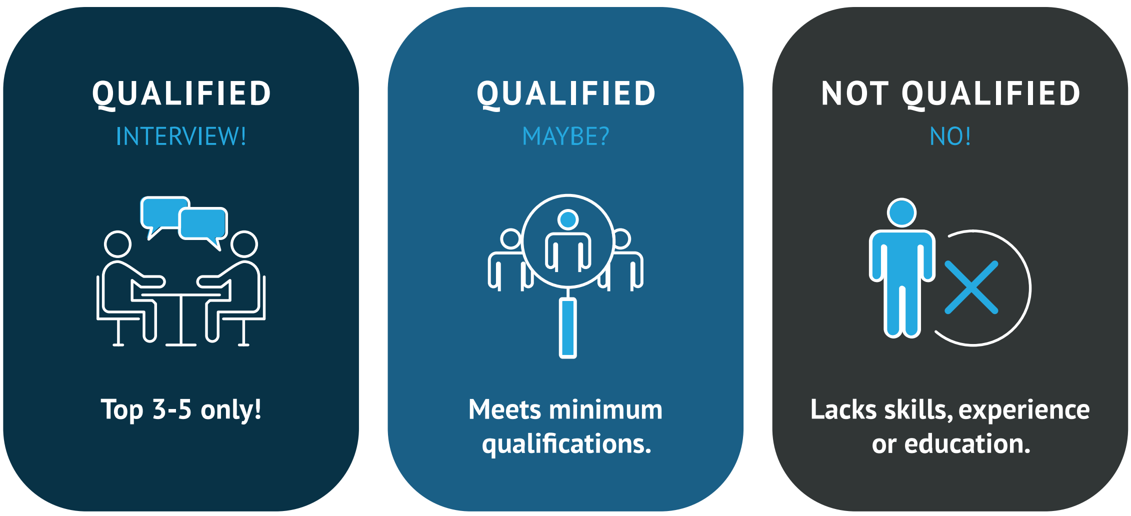
Pick a time during the day when you can fully concentrate on the resumes. Give them a full read-through and look for any skills or experience the candidate has that aligns with your job description. You should be looking for past job experience that is similar to the role, skills the candidate possesses that can help them perform the job, and anything "extra" that the candidate might bring to the table (i.e., certifications).

Sort Resumes

You'll find that a large percentage of job seekers fire off resumes with no regard for whether their skills match the ad posting. It's easiest to set those aside into a "no" or "not qualified" pile once you recognize that those candidates do not qualify for your role.

Sorting your resumes into three groupings is a great way to get a handle on which candidates you may want to follow up with. Oftentimes you have a "yes" pile, a "maybe" pile, and a "no" pile. The "no" pile will typically be your largest, followed by your "maybe" pile and then your "yes" pile. Your end goal is to have a short stack of three to five individuals to interview.

SORT APPLICATIONS & RESUMES INTO 3 GROUPS



Step 4: Interview Candidates

Once you're done sorting, it's time to schedule interviews. Be certain you have a good interviewing process established, which should always include more than the hiring manager or the HR representative.

Additionally, knowing what you can and cannot ask in interviews is essential. Use caution when interviewing as there are labor laws at the federal and state level that may restrict the kind of questions you can ask, i.e., criminal background and salary history.

Schedule Interviews

Consider setting up a quick phone interview to assess each job seeker's interest in the role before committing yourself or your managers to the full interview process. Some applicants may have already accepted a job with another firm, while others may not be as good a fit as they appear to be on paper. The most common forms of interviews include:

- **Phone Interviews:** A phone interview is generally brief. You contact the candidate, thank them for applying and ask if they would mind answering a few questions. How they react will tell you much about their true interest in the role.
- **Video Interviews:** Video interviews are great for team interviews (with more than one of your managers) or remote and work-from-home candidates. Don't worry if you don't already have video conferencing software (many are free).
- **In-person Interviews:** In-person interviews are the most common interview type managers think of when they imagine interviewing a new hire. But in-person interviews are notoriously inefficient and may result in you selecting a candidate based on how similar they are to you rather than how qualified they are.

Thank Candidates

A best business practice is to acknowledge those candidates that took the time to apply to your open position. Remember to communicate just as promptly with those who didn't make the cut as those who did. For those you're going to be turning down, you can send rejection letters or use a job board that will allow you to send bulk emails to candidates, including interview requests and rejection letters.

Select the Best Person for the Job

The best person for the job is the individual who most closely fits the job requirements and has the highest likelihood to succeed in the role within your organization. If the candidate will be working in a specific department, it's a good idea to allow direct supervisors to have a say in which candidate is right for the job.

It's also a good idea to contact prior employers and check the candidate's references to get insight into their strengths. In some roles, like finance or childcare, it's also important to conduct a background check and/or a pre-employment drug screen once you choose which person to hire and after they have accepted in writing (via a signed offer letter).

Step 5: Craft a Job Offer

Your final step in hiring a new employee is to write a formal job offer letter. This letter should outline what the role is, when it starts, and what it pays. When describing your company and the position being offered, make sure the personality and culture of your company come through. Include benefits as well as your company's unique mission. It's also a good idea to make the job offer contingent upon a successful background check, required physicals, drug tests, or any other pre-hire requirements.

Don't be surprised if your job candidate doesn't accept your first job offer. Be willing to negotiate unless you simply can't pay a penny more. Many new hires are open to receiving off-site training, getting a few more days of paid time off (PTO), or working remotely in exchange for a lower-than-desired salary.

Post-hire Considerations

Once your new hire has agreed to your job offer, it's time to plan their onboarding. Additionally, when you take into account recruiting expenses and new employee training costs, retaining good employees is the most profitable way to keep your business fully staffed.

Onboarding Your New Hire

- **Before the First Day:** It's a good idea to stay in touch. Let them know where to show up, what time, how to dress, where to park, and what to bring. For example, paperwork is often the priority on their first day, so ensure they're set up in your HR software platform and can receive direct deposit on payday.

- **Employee's First Day:** Use a new hire checklist to ensure you give the new hire a solid welcome and get them off to a good start. The checklist will remind you of all the things you need to do on the employee's first day.

- **Orientation and Training:** Employee orientation is more than handing the new staff member an employee handbook to read. It may include going over company policies, teaching the new hire how to use your software, or answering process and procedure questions. A great orientation and onboarding approach increases the chance of your new hire being successful on the job.

Bottom Line

Finding great employees to grow your business and promote your brand is a huge building block in your company's foundation for sustained success. Take your time to find the person most likely to be successful in the job based on the candidate's resume, interviews, and employment references. Maintain a clear vision when recruiting and selecting your new team member.

Follow through our chapters below to learn more about the following:

- **Chapter 1:** Finding Employees
- **Chapter 2:** Applicant Screening
- **Chapter 3:** Interviewing Candidates
- **Chapter 4:** Hiring Employees
- **Chapter 5:** Employee Hiring Laws
- **Chapter 6:** Onboarding Employees

CHAPTER 1

Finding Employees

In this chapter you will learn tips for finding your next employee. We will walk you through advertising your open positions on job boards, writing effective job descriptions, finding remote employees, using social media to attract top talent, and creating an effective employee referral program.

Learn more by reading the following articles:

> How to Find Employees You'll Love
>
> How to Advertise a Job in 4 Simple Steps
>
> Social Recruiting & Hiring Tips
>
> How to Create an Employee Referral Program

How to Find Employees You'll Love

Some tried and true approaches can simplify the process of finding the best candidates for your open positions—whether you're hiring for remote or in-office positions, looking for contractors or full-time employees, or needing to find someone at the last minute. There are a number of ways to find employees, including word-of-mouth, advertising, and job boards. First and foremost, be honest about the role when creating your job description; it's important to include all relevant

Tips to Find Employees Online

1. Develop Your Company's Online Presence

Regardless of whether you're relying on the internet to hire employees, a cohesive online presence is important. Not only will having a professional website and social media profiles help you earn the trust of your potential clients, but it will also make a positive impression on the most attractive job candidates.

Consider these tips when optimizing your company's online presence to attract high-caliber employees:

- Apply consistent branding standards across your website and social media profiles (follow key social recruiting tips).
- Complete your company profile and monitor employee reviews on employer review sites.
- Keep an eye on customer feedback.

2. Sign Up on a Job Posting Site

While it is possible to fill positions using only social media and your company website, you'll drastically improve your chances of filling a role by using a job posting site. Most provide easy-to-use and customizable job post templates, and some automatically send your listings to multiple job sites. Because of this increased visibility, more top-tier candidates are likely to see the job in a shorter period, making it easier for you to fill openings quickly.

For a free option for posting your jobs online, visit our guide to the best free job posting sites.

3. Optimize Your Job Postings

As with almost everything else, the first place people turn when searching for a job is Google or another search engine. Because of that, you should optimize job postings so they're more likely to land at the top of relevant search results. To ensure your company's open positions are found by top candidates, follow these tips when writing a job description:

- **Incorporate relevant keywords:** Help Google find your job posting by including relevant search terms in the job title and throughout the description. Consider using the free Google Ads Keyword Planner to see which keywords you should target.
- **Include the job location:** If you're using a job posting platform, there will be a field to enter the job location. However, you should also include the city and state where the job is located in the body of the job description. This will help job seekers who enter a search term like "accounting job in Denver CO" to find your posting. If you are posting for a remote position, be sure to announce that in your job posting.
- **Optimize your URL:** For jobs that are posted to your company's website, choose a webpage slug that includes the job title and the location of the role. For example, you can help a posting stand out to Google by using a slug, like: /accountant-denver-colorado/.
- **Add transcripts of multimedia content:** If your company incorporates videos into its job descriptions or hiring pages, make sure these scripts are also optimized for the keywords you selected. Then, include transcripts of each video on the corresponding webpage to ensure Google picks up those keywords.

4. Be Consistent

Once you post an open position—on social media, a job board, or elsewhere—take the time to review candidates daily. Just like you, other businesses in your industry are looking for the most qualified candidates. Failing to respond to applicants quickly can mean the difference between hiring your next great employee and losing the candidate to your competitor.

This is especially important if you have an extensive interview process—the faster you identify a promising candidate and schedule an interview, the more quickly you'll be able to fill the position.

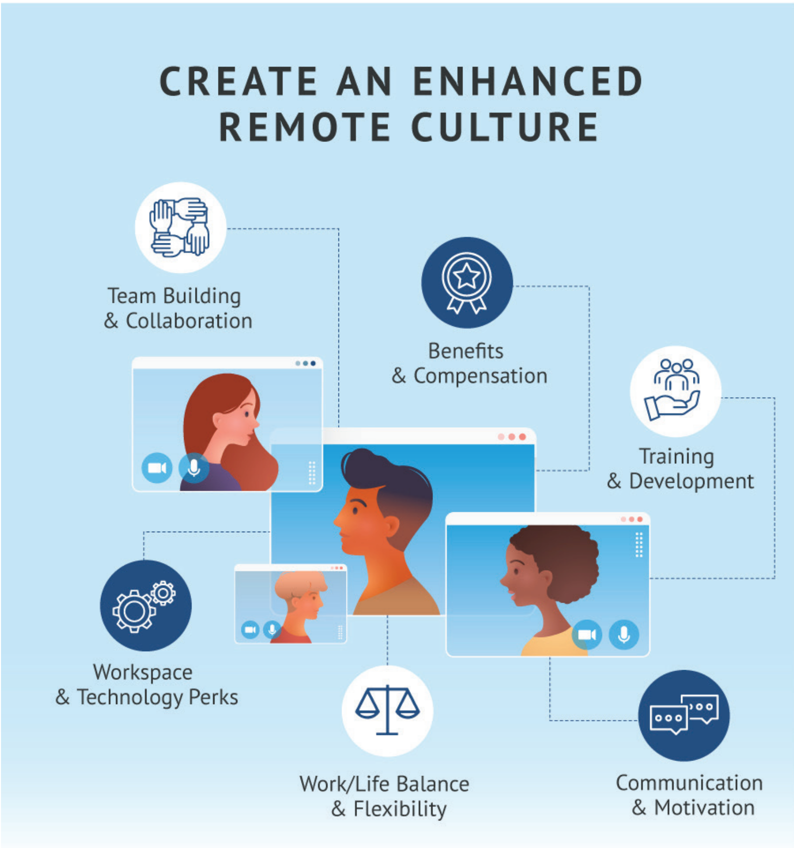
Top Ways to Find Remote Employees

1. Choose Targeted Job Boards

Posting open roles to job boards can expose your job description to a large number of candidates—especially if you're trying to fill a local role. But if you're specifically trying to hire remote workers, some posting sites may fail to get your job in front of the right candidates. For that reason, it's important to choose a job board that caters to remote employees.

2. Accentuate Your Remote Culture

A study found that four out of five workers would reject an offer from a company with a bad reputation when searching for a new job, even if the role was otherwise perfect. And, while this may seem less important for remote roles, developing an appealing corporate culture is still incredibly valuable for those outside the office.



If you have a large contingent of remote employees and are proud of the efforts you've made to keep them engaged, share the details on your website. Likewise, use a portion of your job description to list benefits and other perks available to remote employees.

3. Provide as Many Details as Possible

Communication is often one of the most challenging aspects of retaining remote employees and helping them succeed. So, it shouldn't be a surprise that this can also pose challenges during the recruiting and hiring process. Overcome these hurdles by including as many details about your remote role in the job description as possible.

- **Make it clear that the role is remote:** When searching for remote positions, many job seekers get frustrated by unclear expectations. If the role is fully remote, state that clearly. If the job requires some travel or some in-office time, include that as well.

  Other common terms for remote work include:

  - Work from home
  - Distributed
  - Work from anywhere
  - Virtual

- **Mention required meetings:** Many people choose remote work because of the flexibility it affords them. For that reason, it's helpful to clearly state whether remote employees are expected to attend scheduled meetings and, if so, how many each week. This will help potential applicants decide whether the role is a good fit for their lifestyle.

- **Describe technology requirements:** If your job opening requires an employee to have access to specific equipment or a minimum internet speed, now is the time to mention it. Likewise, if your company will provide the necessary equipment, include that in the description as well.

- **Outline the hiring process:** Depending on the role, the hiring process for a remote position may be more extensive than for a traditional office job. If your company requires multiple stages of interviews—or a test project—make sure to spell this out in the job posting.

4. Stay Competitive

In the wake of the COVID-19 pandemic, more and more companies have turned to remote work. This is great news for employees who prefer to work from home, but it means that companies need to be more competitive. To improve your chances of finding qualified, enthusiastic remote employees, make sure your salary and benefits packages are on a par with industry standards. You'll also have more luck hiring remote candidates if you can demonstrate how your company makes remote employment a rewarding and enjoyable experience for employees.

How to Find Hourly Employees

1. Try a Staffing Agency

Depending on how many hourly employees you need to hire—and how frequently—the recruiting process can take up a huge amount of time and resources. Staffing (or temp) agencies can simplify recruiting for hourly employees by identifying candidates, hiring new employees, and—in some cases—managing benefits and payments. What's more, staffing agencies often specialize in specific industries, so find a company that's familiar with the type of employees you need.

2. Advertise Locally

If you need hourly employees who can work flexible schedules, you likely want someone who lives locally. In this case, traditional job posting websites may not be necessary. Instead, consider using a more grassroots approach to hiring. Try posting your job on local job boards, social media groups, or marketplace websites. It may also be worth it to attend job fairs or other recruiting events to meet locals looking for consistent hourly opportunities.

3. Build Relationships With Local Universities

For small businesses interested in hiring interns or contractors with specific skills or interests, local universities are a great place to start the recruiting process. Not only can you find candidates who are interested in your industry, but college students may also be more open to hourly employment than other highly qualified workers.

This form of recruiting is also a great way to build relationships with top-caliber candidates who will soon be entering the workforce. By hiring top students as interns, you're more likely to keep them on as full-time employees in a competitive market—saving you time and hiring costs down the road.

4. Post a Help Wanted Sign

The most direct way to find hourly workers is to advertise directly at your business that you are hiring. A Help Wanted sign in your business window lets locals know you are hiring. This can draw potential candidates who visit or come near your business, or by word-of-mouth through people who have seen your sign.

Quickest Ways to Find Replacement Employees

1. Choose an Efficient Applicant Tracking System (ATS)

The hiring process can be time-consuming under the best conditions, but it's even more so if you don't have a system for organizing and tracking applicants. To streamline—and speed up—the hiring process, choose an applicant tracking system. These platforms can help you hire employees more quickly by providing job description templates, candidate management pipelines, and resume parsing features.

3. Ask for Referrals

The traditional recruiting process can be long and frustrating. And if you're in a hurry, you may not have time to pour over hundreds of applications to find a few qualified candidates. One way to condense this process is to ask your current employees for referrals. Not only can they tap into a larger network of potential hires quickly, but your employees also are already familiar with the company culture and will be better able to identify candidates who are a good fit.

Setting up an employee referral program and offering incentives to current employees who provide a great candidate can ease the hiring process.

4. Request Applicant Feedback

If you have the type of business that frequently needs to hire employees quickly due to high turnover or other reasons (i.e., restaurants and retailers), take the time to find out which job postings are getting the most attention. To do this, ask applicants where they saw your job posting. If you want additional insight, you can also ask why the job description stood out to them and made them want to apply.

Applicants may not always be willing to provide this information, but it can provide valuable insight into which recruiting strategies are working. Once you know that, it will become easier to speed up the hiring process and bring on new employees faster.

Bottom Line

Employees are the backbone of every small business, so it's incredibly important to find team members who are both qualified and a good culture fit for your company. Depending on your needs—and the hiring climate—this can be difficult to accomplish.

How to Advertise a Job in 4 Simple Steps

The best way to advertise a job successfully is by preparing well, writing an effective job ad, publishing your ad, and following up with candidates. Knowing how to advertise a job and finding the perfect candidates are critical tasks for any organization that needs to hire quickly and efficiently. Additionally, learning to promote jobs by planning recruitment strategies will mitigate recruitment costs and potentially add strong, qualified employees to your team.

1. Prepare to Advertise

There are many steps that organizations need to take before launching a recruitment strategy. This includes removing disorganization and surprises, such as going over budget, that could result in lengthy recruitments.

- **Determine your needs:** First, determine what positions you need to fill.
- **Discuss with leadership:** Checking with leadership before posting an advertisement is wise as it ensures that all team members are on the same page. Discuss and plan how the position will be written and advertised.
- **Consider budget:** Analyze what your budget is for advertising, hiring, and onboarding your candidate. Advertising on a pricey job board can easily cost a couple of hundred dollars for a two-week posting. It's important to be prepared and know ahead of time that you have sufficient resources to find that perfect candidate.
- **Create your job description:** Writing a job description before beginning your recruitment process can make advertising the job easier. Job descriptions assist you in developing employment ad text for the recruitment process. They should also include diverse language to appeal to all prospects.
- **Consider using recruitment software:** Professional recruiting software can assist your business throughout the hiring process, from creating your job description and job ad, to tracking your applicants and onboarding your new hire.

2. Write an Effective Job Ad

Using your job description as a guideline, you can write an effective job ad that will yield strong, desirable candidates. By following these steps to formulate a job ad, you can hire the best candidate both quickly and cost-effectively.

- **Position Title:** Develop creative job titles that are meaningful for the organization, but be sure the title of the position directly matches the job description. If you're set on using a fun or creative title, it's best to use it next to the conventionally understood version—for example, Marketing Rockstar (Marketing Executive) or Beverage Dissemination Officer (Bartender).
- **About Us:** Tell talent why they should work for your company. Who is the company? What is its mission? What is the company culture? Endear the reader to your brand and then dive into the description of the position you are recruiting for.

- **Job Description:** Be sure to clearly explain the position and provide a list of role responsibilities. Sharing a lot of information in the ad without giving enough detail on what the position is can lead to unqualified candidates applying to your advertisement. Additionally, sharing minimal job responsibility data can lead to a misunderstanding of the ad narrative.

- **Applicant Requirements:** Add details to your job ad that states what education, experience, and skills are required for the position. You can make a list with details such as "Bachelor's degree in Communications required," "must be proficient in QuickBooks software," etc.

- **How to Apply:** Your job ad should include a section to notify the job seeker on how to apply for the position. For example, "Apply with your resume and cover letter to careers@companytitle.com." We suggest using a ghost email address so that no staff member has to share their email address and risk applicants overusing it.

3. Publish Your Job Ad

The top ways to recruit are using word-of-mouth, posting to a job board, advertising on social media, and utilizing recruitment software. Many job postings see most of their activity in the first week of advertising.

Word of Mouth

Word of mouth, including employee referrals, still represents one of the best ways to acquire the top candidates. Reaching out within your network allows you to connect with trusted professionals, increasing the likelihood of finding a quick referral or applicant that may be right for you. You can notify your potential internal candidates by posting the open position on a break room bulletin board or through email communications.

Job Fair

Another great place to promote jobs is at a job fair. These are typically one- or two-day events where businesses set up booths and have applications on hand for potential employees to apply for open positions. Job fairs can draw hundreds of job seekers in one setting. Plus, you can see your candidates face-to-face and hold interviews on the spot.

Free Job Boards

There are numerous free job posting opportunities, although there are limitations to where you can post and how long the job will be seen.

Paid Job Boards

If you are looking for a more robust job board experience with additional options, consider using a job posting site with a subscription. These provide enhanced features that can make the hiring process easier, such as templated job ads, posting to multiple top job boards simultaneously, and sorting and screening applicants for you.

Social Networking Sites

Social media platforms can be advantageous for certain types of positions such as marketing and design professionals. And sometimes, they ar e free to use.

Third-party Recruitment Agencies

Commonly known as headhunters, these third-party agencies are hired by businesses to quickly source qualified, pre-assessed candidates in exchange for a fee of 20%–30% of the first year's salary of the person hired. For example, if the candidate you hired is paid $100,000, the staffing firm would be paid $20,000 to $30,000, typically over the first three to six months.

Many employers who use staffing agencies take time to locate one that operates or specializes in their industry.

4. Follow Up With Your Ad

Once you've published your job ad, be sure to follow up and review resumes promptly.

- **Get to candidates quickly:** When the market is hot, quickly following up and reviewing resumes is critical. Failing to review resumes on time can result in top talent no longer being available.
- **Refresh your job postings:** With some job boards, there is an option for "job refresh," which ensures your posting stays toward the top of the first page of job search results. While your job posting is active, you should refresh it weekly.
- **Make it easy for passive talent to apply:** Looking for passive candidates (people who already have jobs) is a good practice. The best way to attract their attention is to make it easy for them to apply to your job.
- **Stay in contact with candidates of interest:** In addition to getting back to job seekers quickly for that first contact, be sure to connect regularly with your candidates of interest. A weekly call or email will give them reassurance that you value their time and the opportunity to include them on your team.

Advertising For Multiple Jobs

You won't always hire one employee at a time, so when the time comes to advertise and hire for more than one position, follow these tips to hire multiple employees simultaneously.

- **List your priorities:** Focusing on the most important jobs is the best way to get your priority positions filled as soon as possible. You may have several recruitment ads posted at the same time, but you should choose to review resumes and schedule interviews for the most critical ones first.
- **Track your candidates:** Be sure to track your applicants as you move them through the pipeline. Utilizing a tool that is designed to track candidates and where they are in the hiring process can be a huge time-saver for you and your team.
- **Set a budget for each open position:** When you are hiring for multiple positions at the same time, it is essential that you understand how much money you are spending on advertising and what your estimated return on investment (ROI) will be for each position.

Bottom Line

Building a team with the best talent is one of the most important jobs you have as a leader. And, knowing how and where to advertise your current job openings will increase the likelihood of finding top candidates. Be sure you have set up a budget, discussed open opportunities within the company, and created an eye-catching job advertisement.

Social Recruiting & Hiring Tips

Social media brings awareness to your company but is also great for posting open jobs and reaching out directly to passive candidates. It gives others an opportunity to tag your company via social posts and share career opportunities.

Social media recruiting allows you to research more about potential candidates as well. Through social sites, you can identify skilled professionals in any given field and establish a connection with them. Here are the most important tips you should keep in mind while using social media to recruit job candidates.

1. Identify Which Platforms Serve Your Brand and Purpose

Social media platforms are not one-size-fits-all. Finding the right people is about knowing where your audience lies and connecting with them.

Social Recruiting on LinkedIn

LinkedIn is a social network that focuses specifically on making business connections and, for this reason, any updates you post to your company profile and interactions you have will have an audience of potential job candidates.

It is an excellent foundation for creating a company presence through an official Company Profile, LinkedIn job postings, and relevant company updates. Since the majority of employers say social recruiting helps them find passive candidates, LinkedIn is a solid place to start.

Social Recruiting on Instagram

Instagram is another social networking platform that many companies use to display the culture and initiatives of their company through the use of photos. Although it may not be an ideal place to post open positions, Instagram boasts over 1 billion monthly active users.

It is likely that your potential candidates are already using this platform, and they'll leverage it to determine what is important to an organization and if their values align. Once you build your Instagram following and start connecting with the right people, you can post an announcement that you're recruiting, and add links to your LinkedIn profile or company page.

> Employers can also use Facebook and Twitter to build their employer brand and level up their hiring process. It is important to determine what your goals are around attracting and hiring talent, and then focus on social media networks that will enhance that goal and attract the candidates that they are interested in hiring.

2. Establish Your Goal

In addition to creating a brand presence to attract candidates via social media, many companies are also using social media as a critical piece of their recruitment strategy to learn more about who they're hiring. How you use social media to inform the strategy, however, can vary in many ways. Become clear about what you're trying to learn about your candidate.

- Visiting LinkedIn can help you to learn more about a candidate's professional experience.
- Engaging candidates on Twitter may assist in educating you more about their interests and what they value.
- Monitoring Facebook will help you to get a glimpse into how candidates present themselves to strangers, friends, and family.
- Pinterest and Instagram may help you to get a sense of where candidates spend their free time or what they might be passionate about.

It's important to keep in mind that mitigating the risk of bias is a critical part of any successful recruitment strategy. Determining which social media profiles should be visited (and at what point in the recruiting process) should be established before determining what hobbies a candidate enjoys and where they spend their free time.

Misuse can lead to infringement of privacy or unintentional discrimination. If, for example, you allow information gleaned online about an applicant's age or marital status to affect a hiring decision, you could invite a lawsuit. Proactively vet your recruitment strategy to avoid this risk.

3. Create a Captivating Brand Strategy

With an estimated 4 billion people using social media worldwide, there is a lot of competition for your potential candidate's attention. It is of utmost importance that employers create captivating online content to catch and hold the awareness of their audience. Establish your company's online reputation by displaying your company values (and, ideally, how your company lives these values).

Top talent wants a straight line between their own ethics and the beliefs of the organization they work for. Creating a place for company values is an opportunity to start that emotional connection by displaying what is important to your company beyond revenue.

Use photos, video streaming, and blog posts to tell the story of your company in your own voice. There is no better way to give your audience direct access to your company than displaying photos and using video to spotlight events, speakers, employees, and a day in the life where you work. Remember to add links to your career page and mention that you're hiring in the caption!

4. Get Your Company #Trending

If you are interested in creating a viral buzz about your organization to attract talent, then it's important to understand which hashtags to use in order to increase traffic.

A hashtag is a word or phrase preceded by a hash sign (#), used on social media websites and applications to identify messages on a specific topic. When you use a hashtag, the platform aggregates all social media content with the same hashtag, so it's easy to find content in one place.

Twitter is well-known for the use of hashtags, but most other social networks use them as well. By using hashtags before keywords, candidates will be able to find content about your company, even perhaps without looking for it directly. Many job seekers follow hashtags such as: #Resume, #JobOpening, and #HR. Be sure to use relevant hashtags and even hashtag specific positions (i.e., #SoftwareEngineer) to attract a more curated audience.

5. Find Passive Candidates

Social media is a fantastic way to attract candidates that may already be interested in working for your company. However, it is also a very effective tool in gathering information about candidates who may not be currently looking for a change.

LinkedIn is a widely used social media network for passive recruiting. Its products, "Recruiter Lite" and "Recruiter Corporate," help recruiters to source and contact candidates. LinkedIn provides access to candidate profiles (which serve as resumes) and advanced search filters to assist with finding candidates with the right skill and level of experience for any given position.

Employers with Facebook pages can also post positive events that are happening at the company, which can help to promote the brand. Employers can also post open positions on Facebook and, in turn, ask employees to repost the positions on their pages (if they're comfortable). Because news on social media travels so quickly (especially with the right hashtags) there is a plethora of opportunities to attract candidates who may otherwise be outside the reach of your immediate circle.

Remember, passive job seekers, are generally happy with their current job and will not be willing to leap into another job without serious consideration. This is why building relationships with this particular target group is important. The first step to building a relationship is to reach out with a personalized message, so be sure to use the correct name and mention relevant experience when reaching out to the potential candidate.

6. Don't Be a Stranger

It's hard to maintain relationships with people that you don't hear from—imagine how easy it is to lose connection with a company that hardly posts. Candidates need regular reminders of why your company is interesting and why they would be excited to join the team. Make it a habit to post multiple times a week, and be approachable and friendly (a little humor never hurts either, if it is appropriate for the brand).

Consider interacting with your online audience and use this as an opportunity to comment on similar work that you admire, and respond to supportive comments about your company.

First and foremost, your business's reputation rides heavily on how you interact online, so before engaging, determine a social media strategy and establish how you will respond to any negative feedback.

7. Use Groups & Sub-networks to Find Your Next Hire

Some social media sites offer users the ability to sign up to networks or groups devoted to particular business sectors. A large number of job seekers feel that signing up to these groups is important to progression in their own careers and cite these reasons for joining the groups:

- Gaining intelligence on the market
- Leveraging an ideal platform for discussing trends
- Interacting with like-minded professionals
- Job-hunting opportunities
- Ascertaining the identities of key players in the market

Companies should use these same groups to find engaged job seekers to interact with and to provide relevant market data, trends, and curated information about open positions. Developing value-driven relationships is an excellent way to make an impact on potential candidates.

8. Follow up on Leads

Social media tends to move quickly and, with all of the real-time interaction, it is easy to forget to follow up on leads or direct messages. If you are reaching out to passive candidates via direct message, check frequently for responses and keep the conversation flowing. The ultimate goal is to transform a direct message into an actual conversation—which is difficult to achieve if there are lags in replies.

The intention behind using social media for recruiting is to leverage your network. Should you receive a referral from someone in your network, be sure to follow up in a timely manner. Your company's reputation relies upon it.

9. Measure Your Metrics

Any initiative worth its weight needs to be backed by HR metrics, and social media recruiting is no different. LinkedIn offers LinkedIn Talent Insights, which are aggregated and standardized data points that are retrieved from member profiles. These data points shed light on metrics around topics such as talent availability, demographic breakdowns within any given industry, how many people applied for a position, skills held by your applicants, and possible average salaries for similar roles.

Regardless of which social media network you decide to use, it's essential to remember to collect data to determine the reach and impact of using a particular network, thus leading to understanding your ROI.

10. Manage Your Reputation

While it's easy to get caught up in creating a social media recruiting strategy focused on what your company is doing, it's as important to protect your reputation by getting ahead of what your company is not doing.

Employees tend to use social media websites as a way to honestly share feedback on how the organization is managed, what benefits are provided, and the efficacy of Senior Leadership. Potential candidates often use these sites to make judgments about a company's culture and will determine whether or not they wish to entertain an opportunity from your organization based on these reviews.

In an ideal world, only positive reviews would exist for your company. If you do, however, find that you've received a less than stellar rating, don't respond defensively online. This often escalates matters and while it may be entertaining to read, top candidates will not want to join a company where there is drama online. Instead, consider responding by thanking the reviewer and extending an invitation to resolve the matter offline. Your goal is to always take the high road and maintain a baseline of respect. Your future employees are watching.

Bottom Line

Social media recruiting is a fantastic way to reach your target audience and create a curated experience that feels hands-on and authentic. In order to maximize social recruiting for your company, however, it's important to determine which networks will provide the most value and which audiences you'd like to address.

Creating exciting content, following up on any leads, and interacting with a friendly tone will ensure that you will grab the attention of your audience, and, in the meantime, you may even find yourself hiring an amazing passive candidate. Win-Win.

How to Create an Employee Referral Program

An employee referral program involves asking your employees to refer candidates who may not have otherwise applied to your open roles and rewarding them for their referral efforts. It gives you access to higher-quality applicants—and may reduce hiring costs and time to hire—as most employees will only refer individuals they believe could excel at the job. Your ultimate goal is to get quality referrals from your employees through a simple and straightforward process.

Download our free template to get started and review the steps below for creating an effective employee referral program.

Download Free Template

For access to all the tools and templates mentioned in this ebook, check out our Appendix

Step 1: Determine Your Company Goals

The first thing you need to do is answer this question: Why do you need an employee referral program? Also, consider these follow-ups:

- Are you having trouble finding high-quality employees?
- Do you have lots of positions that have been open and unfilled for some time?
- Are you in growth mode and about to hire lots of new employees?
- Are you spending too much time and money on hiring?

By thinking through these questions, you can figure out your short- and long-term goals. Knowing what you want to achieve is key to developing an employee referral program that fits your needs. Here are some common outcomes you should expect:

- Reducing your company's cost to hire
- Reducing your company's time to hire
- Targeting passive job seekers
- Gaining access to a larger pool of qualified applicants

Step 2: Establish a Process & Rules

When you establish the employee referral process, keep it straightforward. If it takes employees too much time, or if they have to submit endless paperwork or online forms, they won't do it—and you'll miss out on potentially excellent referrals.

Keep it simple by using an online form to collect only relevant and necessary information:

- Employee's name
- Referral's name
- The open job title or requisition number
- The referral's resume
- An open box for the employee to provide information about the referral

Within minutes, you can create a Google Form and a unique link you can share with employees who will send all responses to your email. The responses can get automatically populated in a Google Sheet, so you can easily track referrals and any rewards that need to be paid out.

You will also need to create some rules around the program to eliminate confusion. If an employee refers someone your team has already contacted about an open position, they can't claim a reward if that person gets the job. If an employee makes a referral and then quits before the referral is hired, they should not be eligible for any incentive.

Step 3: Identify Eligibility

Generally, any employee can be eligible to participate in the program. However, hiring managers and HR should not be included. Executives and part-time or seasonal employees should also be ineligible. I recommend adding a clause to your policy that only present employees in good standing will be eligible for any incentive.

Besides employees, you have another source of referrals: vendors and contractors. Vendors and contractors familiar with your business will be more inclined to refer candidates if you reward them. While this should be a separate policy so as not to blur the employment relationship line and ensure higher employee incentives, an external referral program can be a good supplement to your recruiting toolbox.

Step 4: Decide on Rewards

This is where you get to have some fun. You might naturally think of cash bonuses for referrals—and many employees will like that idea—but you can expand to other rewards.

Examples include:

- Additional paid time off (PTO)
- Gifts or even gift cards
- Random drawings for larger prizes
- Company outings

Ultimately, most employees will want a cash reward. If that's the path you choose, make sure you include tax information in your policy so that employees know any reward they receive will be taxed as a bonus.

Your policy should also stipulate when rewards are paid. Employees may want to get their reward as soon as a referral is hired. However, you're better off making sure the referral meets your expectations. I recommend you pay referral bonuses only after a referral has been on the job for at least 90 days.

This period strikes a good balance between keeping your employees incentivized to give referrals and getting paid quickly with your company's need to hire the right people. However, if you think three months might be too long, you could offer a smaller gift card for any referral that gets an interview. This incentive is in addition to any larger bonus paid out after the referral hits its 90-day mark.

Giving employees an initial bonus for making the referral provides more incentive for them to submit referrals because they get rewarded for taking the time, even if the referral is not hired. Incentives are beneficial for your company, even though it means you may need to increase your referral bonus budget.

When employees submit referrals, you gain access to a large supply of passive candidates, who make up the vast majority of the workforce. What's more, you get to keep that contact information for the referral. The job you're hiring for today might not be the right fit, but maybe a future job will.

Step 5: Communicate With Your Team

This step is crucial to ensure your team understands the referral process and how it benefits them. If you don't properly convey the program, it may not give you the results you seek. Whether you, HR, or individual managers roll out the new policy and process, you need to determine how you will communicate the initial plan and keep employees updated on referrals they have submitted.

The first step is to show employees the benefits (gift cards, cash bonuses, or whatever you choose). Then, you need to explain why the program benefits the company (better and more skilled hires, less turnover, and lower hiring costs). Once your team knows about your employee referral program, your communication isn't over.

If you have created a Google Form to receive referrals, you need to keep that link in a place that's easy for employees to find. Send an email with a descriptive subject line, and put the link on your company intranet or electronic message board. This might sound elementary, but the easier you make it for employees to submit referrals, the more referrals you will get.

It is also recommended to create an internal marketing drive to promote your employee referral program. This will help keep the program front of mind for your employees and ensure they always have the relevant information near the top of their inbox. This doesn't need to be formal marketing, but rather reminders to your team about the incentives available to them. You can include information about jobs you're currently looking to fill, jobs that may be opened soon, and a review of how many referrals have been hired. Ultimately, you want to send a quick but informative email several times per quarter to keep employees engaged in the referral program.

Step 6: Review the Program Metrics Regularly

Data is key to any business venture. Your employee referral program is no exception. You should track:

- How many employees have been hired as a referral
- The time to hire for referrals vs applicants from job boards
- The number of employees who have submitted referrals
- The retention rate of referrals vs employees from other sources

- How many referrals have been interviewed
- The level of candidate diversity
- The total sum paid out to employees as a referral bonus
- The employee satisfaction with the referral program

One reason employee referral programs fail is that employees don't know what happens to a referral once they submit the name. Especially when the employee knows the referral well, sending a referral into a black hole does not inspire confidence in the employee that the program is efficient.

Transparency is key to overcoming this challenge and making sure that employees are updated on where their referral is in the process. Through your regular internal marketing of the program, you can keep employees informed of how many referrals have been received and interviewed for each open position.

Benefits of a Good Employee Referral Program

One of the most important recruiting statistics you need to know is that a referred candidate is 85 times more likely to get the job. That's because referrals are generally higher quality candidates than what you'll find by advertising a job on job boards. Employees will only submit a referral if they are confident the individual can excel in the position. Here are the three biggest benefits you'll see from an effective employee referral program.

Increases Employee Engagement

A referral will often better match your company culture, along with the job duties. An existing employee who is already a good fit for your culture is more likely to refer someone similar. When a referral is hired, the referring employee has a sense of ownership and accomplishment, making them more likely to remain loyal to and engaged with your organization.

Expands Quality of Applicant Pool

One of the biggest challenges hiring managers face when reviewing applicants from a job board is the sheer number of people who apply. Sorting through all of the unqualified candidates takes time and focus. Referrals, however, are in the unique position of understanding your company's values, mission, and culture, as well as the intangibles for the open role. This makes employee referrals higher quality and more likely to be successful if hired.

Saves Time & Money

Hiring is expensive, and anything you can do to cut down on the time and money spent on hiring is a prudent business decision. With referrals, you will not have as many candidates as with a public job posting, making it easier to quickly review each and determine whether you want to conduct an interview. This saves your internal HR team time on hiring quality employees and lets them focus on maintaining your company culture and benefits, like your employee referral program. With this reduced time to hire, your company saves money on talent acquisition while giving your new hires a more enjoyable and faster hiring experience.

Legal Considerations

Make no mistake, an employee referral program can provide you with a great additional source for talent acquisition and reduce your costs to hire. However, a big legal issue you need to be aware of is making sure that you're not discriminating against protected classes. The best way for you to avoid unintentional discrimination is to keep using multiple sources to hire; do not rely only on your employee referral program.

That's why you need to track your employee referral diversity. If you find that 95% of your referrals are white men, you need to reevaluate your program, making adjustments to ensure diversity.

Bottom Line

Employee referral programs can give your company a boost in the quality of employees while improving employee morale and engagement. Providing incentives for employee referrals will inspire your employees to become your best ambassadors. Monitoring your program and tracking specific data will ensure your employee referral program remains a key pillar of your success.

CHAPTER 2

Applicant Screening

Once you post your open positions and notify potential candidates that you are hiring, your next step is to screen your applicants. This chapter will walk you through how to use applicant screening to find the perfect candidate, how to create and maintain an applicant tracking spreadsheet, the definition and tools of resume screening, blind hiring techniques, and hiring biases to avoid.

Learn more by reviewing the following topics:

Applicant Screening: Steps to Finding the Perfect Candidate

Applicant Tracking Spreadsheet: Free Excel Templates for Recruitment

Resume Screening: Definition, Tools & Things to Avoid

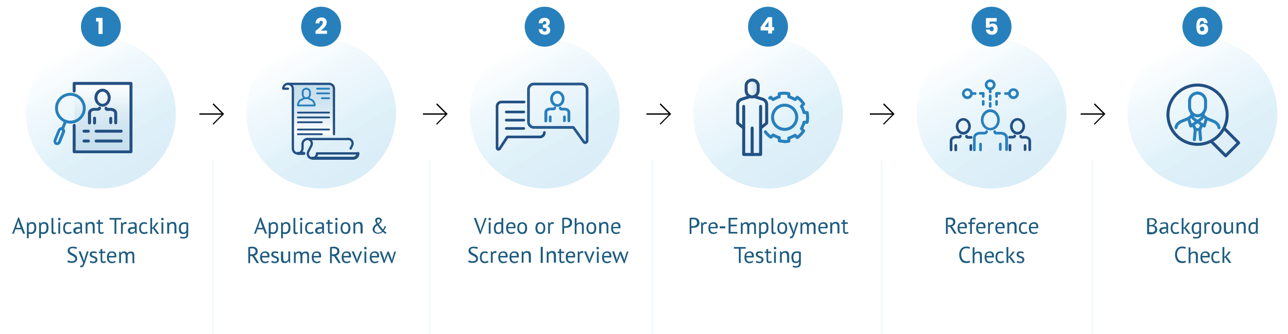
Hiring Biases: 13 Unfair Prejudices & How to Avoid Them

Blind Hiring: What It Is and How to Reduce Biases in the Hiring Process

Applicant Screening: Steps to Finding the Perfect Candidate

Applicant screening is the process of initially reviewing job applications and resumes, conducting pre-interviews, and performing reference and background checks. This is done to determine which individuals are qualified to move to the next phase of the recruitment process. It involves finding candidates that most closely match the qualifications, experience, and skill sets outlined in the job description and eliminating applicants that are poorly suited to the position.

STEPS FOR APPLICANT SCREENING



Step 1: Review Resumes & Applications

One of the best applicant screening methods is reviewing each resume or application manually. There are many things to learn about a candidate from their resume. Take into consideration the following:

- **Resume length.** How much work experience does your applicant have, and how skilled are they at conveying large concepts succinctly?
- **Grammar, vocabulary, and spelling.** How detailed is the applicant, and are they willing to go the extra step to conduct a spelling or grammar scan of their resume and cover letter?
- **Personality.** What does the resume tell you about the personality of the applicant? Especially in creative or design roles, the cover letter and resume could be an accurate reflection of the applicant's work product.

When reviewing resumes, make sure your determinations are directly aligned to the responsibilities and expectations of the role and not a reflection of personal preference. You might also consider implementing a blind hiring process by having all names, gender, ethnicity, etc., removed from the application before the review.

An easy way to eliminate under-qualified candidates even before seeing their application is to use an applicant tracking system to auto-reject applications based upon predetermined criteria. A good ATS can help you efficiently monitor the applicant screening process by automatically populating candidate profiles based on the information on their resumes.

Step 2: Conduct Pre-interviews

Pre-interviewing allows insight into the candidate's personality, working style, and experience with very little pressure if there is no desire to move the candidate along to the next steps in the process. These can be conducted either by a video interview or phone screen interview.

Video Interviews

One-way video interviews, different from traditional video interviews, are sometimes called asynchronous interviews because only one person, the job candidate, is present and talking. These types of interviews are typically conducted after an initial application review to get a bit more familiar with the job seeker.

The predetermined interview questions are presented in a text or pre-recorded video form. The candidate will have an opportunity to answer the interview questions via video, which will be uploaded and sent to the hiring team. The hiring team can limit (or not) how many attempts a candidate will have at answering any particular question and can determine a deadline for when the final recorded video interview is due.

Phone Screen Interviews

Another common way to weed out unqualified candidates is to conduct phone screenings. A phone screen interview is used to narrow down the candidate pool by learning more about an applicant and assessing how suitable the candidate is for a role.

This step in the process usually occurs after a hiring manager has manually looked at a resume and cover letter and before an in-person interview is scheduled. Although generally conducted over the phone, having a phone screen via video has become more common.

Phone screens usually last anywhere from 15 to 20 minutes, and within that time, common topics of conversation include:

- **Employment history:** What has been the applicant's experience/career progression?
- **Skills:** Applicant's possession of specific skills, certifications, and degrees necessary for the position
- **Role description:** General description of the role and the team that the role will closely work with
- **Salary expectations:** You can provide a pay range or ask the candidate what salary they expect
- **Candidate's job search:** If the applicant is actively searching for a role and how far along the applicant is in that process.
- **Any next steps:** What happens after the screening? When and how will the candidate be notified that they made it to the next stage?

Phone screenings allow an applicant to learn more about the company, role, and team that they would possibly join. Although typically shorter than an in-person or final interview, phone screenings should still be approached with the same professionalism as other interviewing techniques.

Step 3: Implement Pre-employment Testing

It is not uncommon to encounter resumes and applicants that are full of impressive skills and experience. It is also, unfortunately, common for some applicants to exaggerate their level of expertise and skill.

To avoid unpleasant surprises, many organizations have made it standard practice to assess candidates' skills through tools like pre-employment assessments like Excel skill tests and personality assessments before hiring a candidate. Skill tests can range from typing (typical for administrative positions) to copywriting (common for positions that require writing) and code writing (mostly for software developers). These can serve as an excellent way to see a candidate's skills in real time.

Avoid unnecessary legal woes—be sure that every candidate for the role is given the test at the same point in the recruiting process.

Step 4: Perform Reference Checks

A reference check is when an employer contacts a candidate's previous employers, peers, and other sources to learn more about their on-the-job performance, employment history, and qualifications for a job. The contacted parties are generally provided by the prospective employee, and reference checks can be conducted via email or telephone through a series of relevant questions about the experience had with the candidate.

Reference checking can provide insight into a candidate's work ethic, the scope of past work, and ability to build and maintain relationships. Because references are reflections of experiences had with the candidate by individuals in various roles, they should be considered. However, hiring decisions should not be made solely on a candidate's reference check.

Step 5: Conduct a Background Check

A background check is a great tool to help confirm you made the right decision about a candidate. It can include details about a candidate's criminal history, driving violations, credit review, and so forth. These checks can also include a verification of employment listed on a resume, and employers typically hire a third party to perform them.

Keep in mind that if you look into a candidate's social media when doing a background check, there are laws in place that prohibit what you can and can't use.

Why Applicant Screening Is Important

Applicant screening should be the first step in the hiring process because it is vital to review candidates for their education and experience before bringing them in to work for your company. Additionally, this is where you will thoroughly read through and assess their qualifications before deciding if they should move on in the hiring pipeline to a more formal interview.

It is important to make sure you are following guidelines and laws during this process. Give your full attention to applications and resumes, and do not dismiss a candidate based on a protected class of people (age, race, gender, etc.). Additionally, do not ask illegal interview questions during the application and pre-interview portions of the screening.

Dos	Don'ts
✔ Review each application or resume for hidden qualifications. Not all candidates word their experience in the same way.	✘ Dismiss a candidate for a reason associated with a protected class (i.e., age, sex, race, and gender).
✔ Use an ATS to weed out unqualified candidates efficiently.	✘ Rely solely on candidate resumes without performing reference and background checks.
✔ Conduct brief pre-interviews to learn candidate credentials.	✘ Ask illegal interview questions.
✔ Assess candidate skills and personalities	✘ Consider a candidate's social media heavily when conducting background checks.

Bottom Line

Conducting efficient candidate screening is a critical step in the process of finding a great hire. Whether your organization decides to review each resume with a scrutinizing eye, utilize skill tests to make sure that only highly skilled candidates are considered, check references to verify your prospective new hire's reputation, or use some combination of the above methods, thoroughly screening and eliminating unqualified applicants is the first step in curating a powerhouse team.

Applicant Tracking Spreadsheet: Free Excel Templates for Recruitment

Recruiting the right hire can be a long process—with different job application platforms, multiple interviews, and even online testing. A good applicant tracking spreadsheet can help you and your team keep track of all that information. By harnessing the analytical power of Excel, you can use your data to improve your hiring procedures.

We've created two free recruitment tracker Excel templates, one designed for the hiring team and the other for the hiring manager/HR.

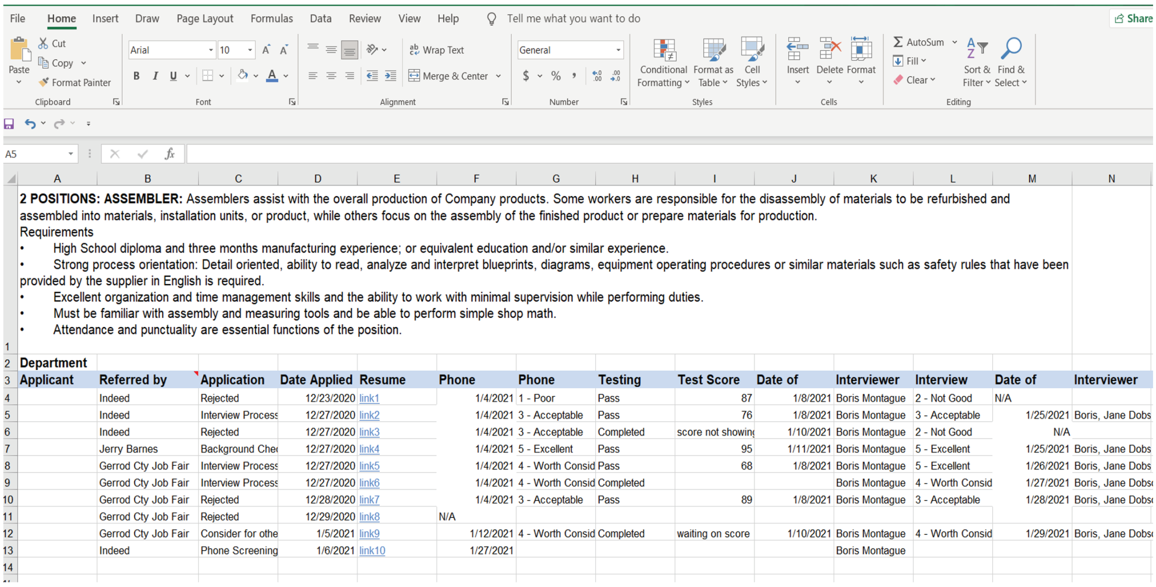
For access to all the tools and templates mentioned in this ebook, check out our Appendix

How to Use & Modify Our Free Excel Templates

Our templates can be downloaded for free and customized for your specific needs. They are easy to use and help optimize the hiring process. Click through the tabs below for template instructions.

Recruitment Template

We created a recruitment template in Excel for tracking job applicants. You can download the template for free and then customize it for your specific hiring or industry needs. You can also share it with your hiring team so that everyone is working with the same data.



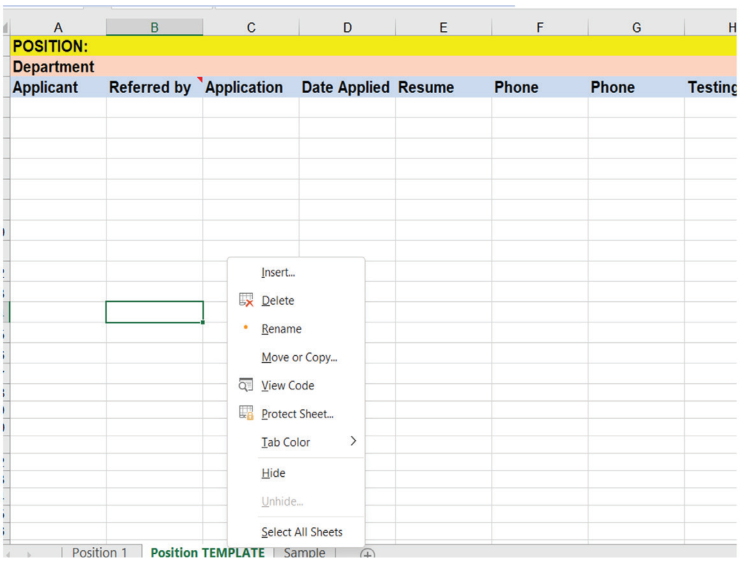
2 POSITIONS: ASSEMBLER: Assemblers assist with the overall production of Company products. Some workers are responsible for the disassembly of materials to be refurbished and assembled into materials, installation units, or product, while others focus on the assembly of the finished product or prepare materials for production.
Requirements
- High School diploma and three months manufacturing experience; or equivalent education and/or similar experience.
- Strong process orientation: Detail oriented, ability to read, analyze and interpret blueprints, diagrams, equipment operating procedures or similar materials such as safety rules that have been provided by the supplier in English is required.
- Excellent organization and time management skills and the ability to work with minimal supervision while performing duties.
- Must be familiar with assembly and measuring tools and be able to perform simple shop math.
- Attendance and punctuality are essential functions of the position.

Department

Applicant	Referred by	Application	Date Applied	Resume	Phone	Phone	Testing	Test Score	Date of	Interviewer	Interview	Date of	Interviewer
	Indeed	Rejected	12/23/2020	link1	1/4/2021	1 - Poor	Pass	87	1/8/2021	Boris Montague	2 - Not Good	N/A	
	Indeed	Interview Process	12/27/2020	link2	1/4/2021	3 - Acceptable	Pass	76	1/8/2021	Boris Montague	3 - Acceptable	1/25/2021	Boris, Jane Dobs
	Indeed	Rejected	12/27/2020	link3	1/4/2021	3 - Acceptable	Completed	score not showin	1/10/2021	Boris Montague	2 - Not Good	N/A	
	Jerry Barnes	Background Che	12/27/2020	link4	1/4/2021	5 - Excellent	Pass	95	1/11/2021	Boris Montague	5 - Excellent	1/25/2021	Boris, Jane Dobs
	Gerrod Cty Job Fair	Interview Process	12/27/2020	link5	1/4/2021	4 - Worth Consid	Pass	68	1/8/2021	Boris Montague	5 - Excellent	1/26/2021	Boris, Jane Dobs
	Gerrod Cty Job Fair	Interview Process	12/27/2020	link6	1/4/2021	4 - Worth Consid	Completed			Boris Montague	4 - Worth Consid	1/27/2021	Boris, Jane Dobs
	Gerrod Cty Job Fair	Rejected	12/28/2020	link7	1/4/2021	3 - Acceptable	Pass	89	1/8/2021	Boris Montague	3 - Acceptable	1/28/2021	Boris, Jane Dobs
	Gerrod Cty Job Fair	Rejected	12/29/2020	link8	N/A								
	Gerrod Cty Job Fair	Consider for othe	1/5/2021	link9	1/12/2021	4 - Worth Consid	Completed	waiting on score	1/10/2021	Boris Montague	4 - Worth Consid	1/29/2021	Boris, Jane Dobs
	Indeed	Phone Screening	1/6/2021	link10	1/27/2021					Boris Montague			

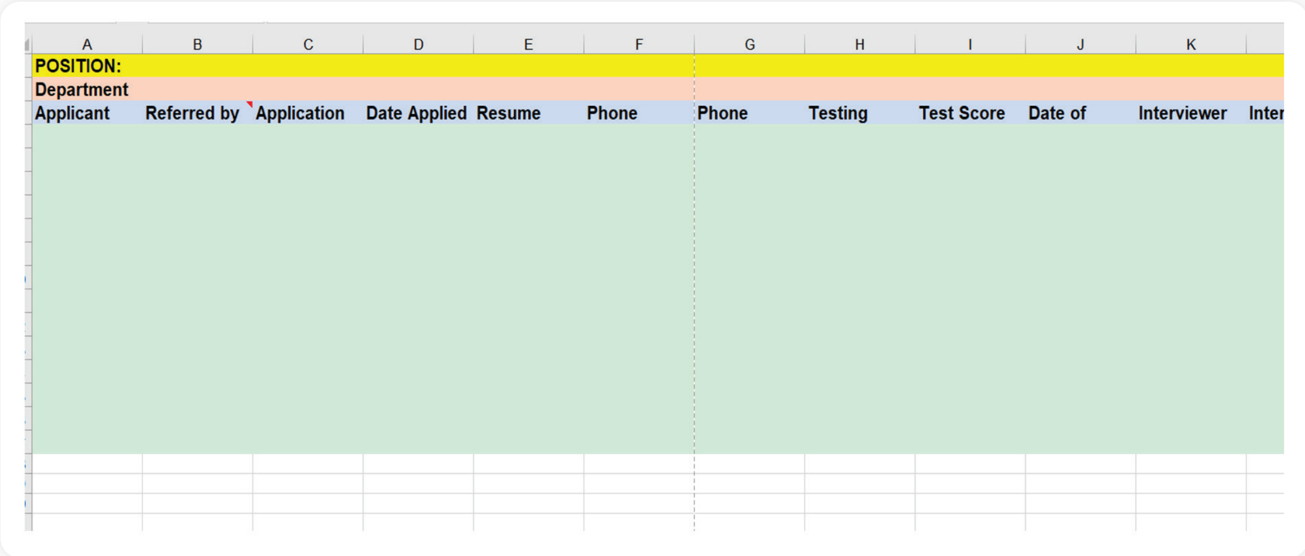
Download the Free Excel Recruitment Template

Using a tracking template not only keeps applicant information at your fingertips but also makes it easy to check on status, feedback, red flags, and other information that's important to the hiring process. Let's look at each element and how it's best used.



Position: This spreadsheet was created to be job-specific. At the bottom of the file, you will see tabs marked Position 1, Position TEMPLATE, and Sample. Position 1 is ready for you to fill in with your first job. Save Position TEMPLATE for future jobs. You can modify the cells to fit your applicant procedures.

When starting a new hiring process, right-click on the Position TEMPLATE tab and select Move or Copy. Select the sheet you wish to place the copy before and check the box next to Create a Copy. This will create another tab that you can rename. The Sample tab shows you how you might use the template.

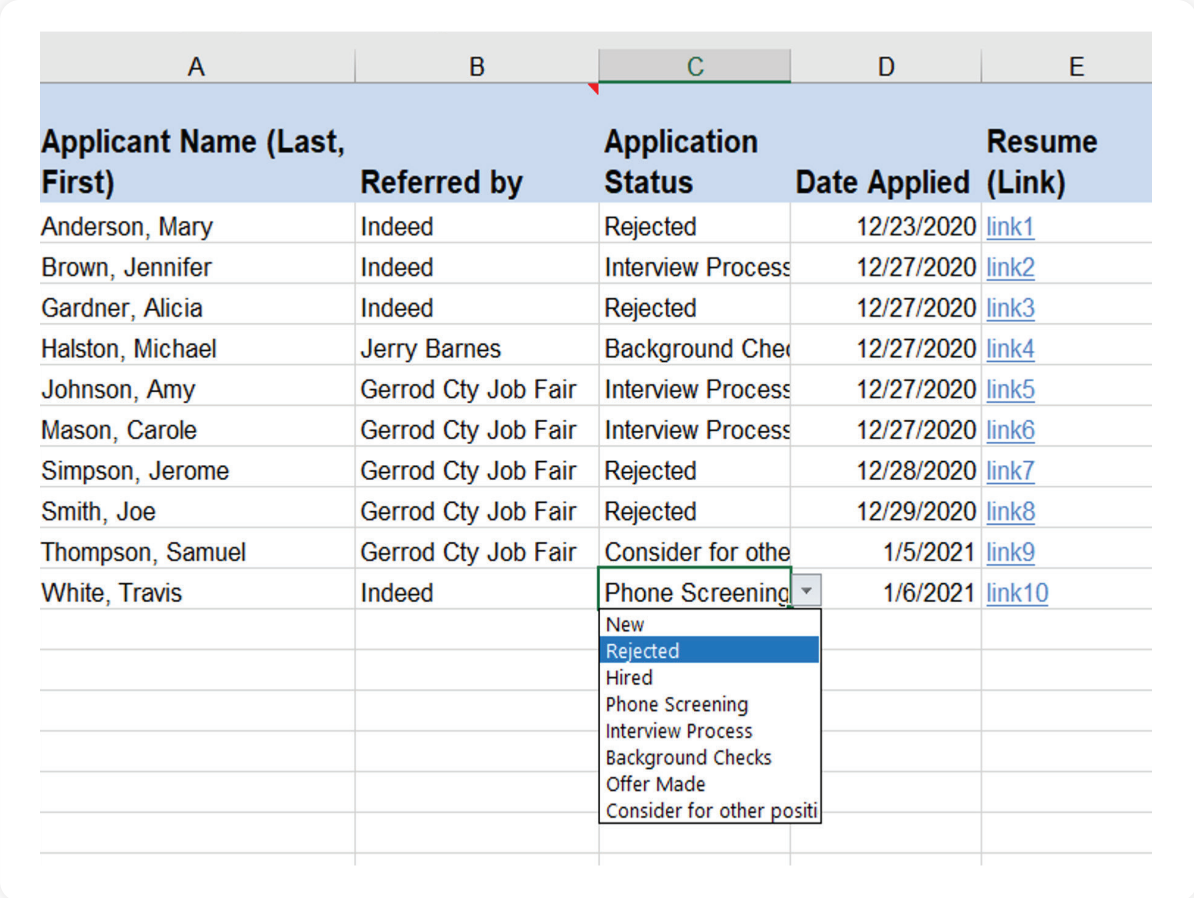


Row 1 (Yellow): Put the job title and description at the top of the page. This is for the edification of your hiring team only. You can copy and paste this from the official job posting or put a summary of what interviewers should be considering.

Row 2 (Peach): Put the department you are hiring for or the responsible hiring party, whatever information is most important for the team to keep in mind.

Row 3 (Blue): This row is the header row (auto-filled) that lists the description for each column. You can modify this row to fit your needs.

Row 4–104 (Green): The current template is set up for 100 candidates. If you need more, highlight and copy an entire row, then paste it. That will let you keep the drop-down menu choices.



A	B	C	D	E
Applicant Name (Last, First)	Referred by	Application Status	Date Applied	Resume (Link)
Anderson, Mary	Indeed	Rejected	12/23/2020	link1
Brown, Jennifer	Indeed	Interview Process	12/27/2020	link2
Gardner, Alicia	Indeed	Rejected	12/27/2020	link3
Halston, Michael	Jerry Barnes	Background Che	12/27/2020	link4
Johnson, Amy	Gerrod Cty Job Fair	Interview Process	12/27/2020	link5
Mason, Carole	Gerrod Cty Job Fair	Interview Process	12/27/2020	link6
Simpson, Jerome	Gerrod Cty Job Fair	Rejected	12/28/2020	link7
Smith, Joe	Gerrod Cty Job Fair	Rejected	12/29/2020	link8
Thompson, Samuel	Gerrod Cty Job Fair	Consider for othe	1/5/2021	link9
White, Travis	Indeed	Phone Screening	1/6/2021	link10

New
Rejected
Hired
Phone Screening
Interview Process
Background Checks
Offer Made
Consider for other positi

Column A: Put the applicant's last name first so that it's easy to sort alphabetically.

Column B: Knowing the reference can help give insight into the candidate. For example, if an employee refers another person for a position, you can ask them about the candidate. You can modify this column by making a menu of choices, but we chose to leave it fillable so you can get more precise (like referral names).

Column C: The application status lets you know where a particular candidate is in the process. You can also use color-coding to make it easier to spot active vs. rejected candidates. If you like a candidate but not for that job, the "Consider for another job" option is useful. This column has a pre-filled drop-down menu to choose from (as shown above).

Column D: Place the date the applicant applied in Column D.

Column E: Resumes can be referred to with links or notes as to where they are stored, such as a Google Doc or a job board.

D	E	F	G	H
Date Applied	Resume (Link)	Phone Screen Date	Phone Screen Score	Testing
12/23/2020	link1	1/4/2021	1 - Poor	Pass
12/27/2020	link2	1/4/2021	3 - Acceptable	Pass
12/27/2020	link3	1/4/2021	3 - Acceptable	Completed
12/27/2020	link4	1/4/2021	5 - Excellent	Pass
12/27/2020	link5	1/4/2021	4 - Worth Consid	Pass
12/27/2020	link6	1/4/2021	4 - Worth Consid	Completed
12/28/2020	link7	1/4/2021	3 - Acceptable	Pass
12/29/2020	link8	N/A		
1/5/2021	link9	1/12/2021	4 - Worth Consid	Completed
1/6/2021	link10	1/27/2021		

1 - Poor
2 - Not Good
3 - Acceptable
4 - Worth Considering
5 - Excellent
Pass
Fail

Column F: If your company has a policy of phone screenings (quick interviews to weed out unqualified candidates), then record that date in this column.

Column G: This column offers drop-down menu choices for scoring. It offers a pass/fail option as well as a scale of 1 – 5. The menus are easy to change if you prefer something more specific, such as PASS/FAIL, UNQUALIFIED/FAIL, UNINTERESTED/FAIL, POOR COMMUNICATION, etc.

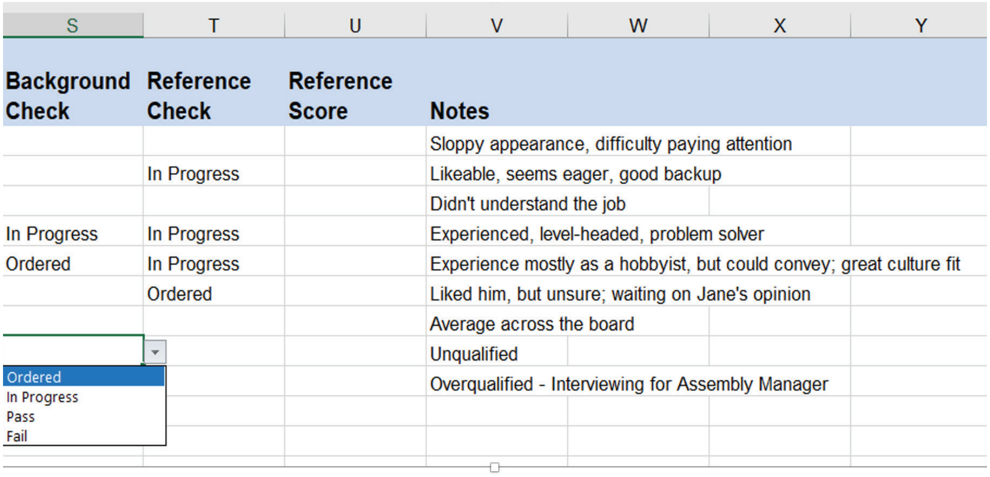
H	I	J	K	L	M	N	O	P	Q	R
Testing	Test Score	Date of Interview 1	Interviewer	Interview score	Date of Interview 2	Interviewer	Interview score	Date of Interview 3	Interviewer	Interview score
Pass	87	1/8/2021	Boris Montague	2 - Not Good	N/A			No third interview needed		
Pass	76	1/8/2021	Boris Montague	3 - Acceptable	1/25/2021	Boris, Jane Dobs	3 - Acceptable			
Completed	score not showing	1/10/2021	Boris Montague	2 - Not Good	N/A					
Pass	95	1/11/2021	Boris Montague	5 - Excellent	1/25/2021	Boris, Jane Dobs	5 - Excellent			
Pass	68	1/8/2021	Boris Montague	5 - Excellent	1/26/2021	Boris, Jane Dobs	4 - Worth Considering			
Completed			Boris Montague	4 - Worth Consid	1/27/2021	Boris, Jane Dobson				
Pass	89	1/8/2021	Boris Montague	3 - Acceptable	1/28/2021	Boris, Jane Dobson				
Completed	waiting on score	1/10/2021	Boris Montague	4 - Worth Consid	1/29/2021	Boris, Jane Dobson				
			Boris Montague							

1 - Poor
2 - Not Good
3 - Acceptable
4 - Worth Considering
5 - Excellent
Pass
Fail

Column H: Some companies ask potential candidates to take online or in-person tests, such as for analytical skills, word processing, or trade skills. Here, you can track if the candidate is scheduled or has taken the test, and whether they have passed or failed using the drop-down.

Column I: This column is used for testing scores. We left the score as fillable to accommodate the many ways that one can be graded.

Columns J – R: Use these columns to record the date, interviewer, and score of each interview conducted. We allowed for three interviews, but of course, you can either delete some columns or leave them blank. The drop-down for the Interview Score uses the same pass/fail or 1 – 5 criteria as the Phone Screen Score.



Background Check	Reference Check	Reference Score	Notes
			Sloppy appearance, difficulty paying attention
	In Progress		Likeable, seems eager, good backup
			Didn't understand the job
In Progress	In Progress		Experienced, level-headed, problem solver
Ordered	In Progress		Experience mostly as a hobbyist, but could convey; great culture fit
	Ordered		Liked him, but unsure; waiting on Jane's opinion
			Average across the board
			Unqualified
			Overqualified - Interviewing for Assembly Manager

Column S: At any point in the process, you may want to conduct a background or reference check to verify qualifications. (Drug testing is in the HR Applicant Tracker.) The background check menu offers a simple pass/fail in addition to ordered and in progress.

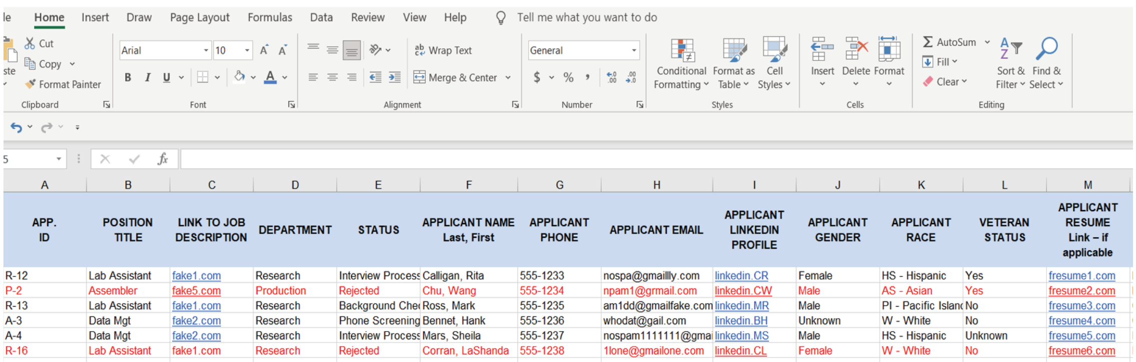
Columns T–U: These columns are to notate reference checks. Column T has a drop-down that shows if the reference check is ordered, in progress, or complete. Column U offers a place for a score. The drop-down score shows pass/fail or a score of 1-5.

Column V: This column is used to make any notes regarding the candidate.

You can make comments in any of the cells—for example, if you want to make a note that an interview had to be rescheduled or add some kind of explanation about a test score. Simply click in the cell you wish to make a comment on and select Insert > Comment.

HR Applicant Tracker Spreadsheet

We also created an HR Applicant Master Tracker, which includes needed but sensitive information, where you can track all candidates for all positions.



APP. ID	POSITION TITLE	LINK TO JOB DESCRIPTION	DEPARTMENT	STATUS	APPLICANT NAME Last, First	APPLICANT PHONE	APPLICANT EMAIL	APPLICANT LINKEDIN PROFILE	APPLICANT GENDER	APPLICANT RACE	VETERAN STATUS	APPLICANT RESUME Link – if applicable
R-12	Lab Assistant	fake1.com	Research	Interview Process	Calligan, Rita	555-1233	nospa@gmaillly.com	linkedin.CR	Female	HS - Hispanic	Yes	fresume1.com
P-2	Assembler	fake5.com	Production	Rejected	Chu, Wang	555-1234	npam1@grmail.com	linkedin.CW	Male	AS - Asian	Yes	fresume2.com
R-13	Lab Assistant	fake1.com	Research	Background Che	Ross, Mark	555-1235	am1dd@gmailfake.com	linkedin.MR	Male	PI - Pacific Islanc	No	fresume3.com
A-3	Data Mgt	fake2.com	Research	Phone Screening	Bennet, Hank	555-1236	whodat@gail.com	linkedin.BH	Unknown	W - White	No	fresume4.com
A-4	Data Mgt	fake2.com	Research	Interview Process	Mars, Sheila	555-1237	nospam111111@gmai	linkedin.MS	Male	HS - Hispanic	Unknown	fresume5.com
R-16	Lab Assistant	fake1.com	Research	Rejected	Corran, LaShanda	555-1238	1lone@gmailone.com	linkedin.CL	Female	W - White	No	fresume6.com

Download the HR Applicant Tracker

This template is similar to the recruitment template but has a bird's-eye view. You can list all jobs and applicants; however, rather than all the details of interview ratings, this holds the contact and demographic information, the overall progress (such as the latest interview date), and the hiring results. It, too, has drop-down menus so that you can keep notes consistent.

We set this up for 100 candidates. If you need more, highlight and copy an entire row, then paste it. That will let you keep the menu choices.

A	B	C	D	E	F
APP. ID	POSITION TITLE	LINK TO JOB DESCRIPTION	DEPARTMENT	STATUS	APPLICANT NAME Last, First
R-12	Lab Assistant	fake1.com	Research	Interview Proces	Calligan, Rita
P-2	Assembler	fake5.com	Production	Rejected	Chu, Wang
R-13	Lab Assistant	fake1.com	Research	Background Che	Ross, Mark
A-3	Data Mgt	fake2.com	Research	Phone Screening	Bennet, Hank
A-4	Data Mgt	fake2.com	Research	Interview Proces	Mars, Sheila
R-16	Lab Assistant	fake1.com	Research	Rejected	rran, LaShanda

New
Rejected
Hired
Phone Screening
Interview Process
Background Checks
Offer Made
Consider for other positi

Column A: This column is where you can put your own unique applicant ID code, whether an identifier from another system, a Social Security number, or an in-house identification method.

Column B: Put the position title of the job for that specific candidate in this column.

Column C: Put a link to the job description for this candidate.

Column D: Enter the department that is associated with this job position.

Column E: This column uses a drop-down to indicate the status of the applicant—whether it be a rejected candidate or one that is currently in the interview process (see options above). We also included a "Consider for other position" option in case you find a candidate that you'd like to hire for a different job or at a later time. You can easily sort your spreadsheet by this column to view all candidates in each stage of the hiring process.

F	G	H	I	J	K	L
APPLICANT NAME Last, First	APPLICANT PHONE	APPLICANT EMAIL	APPLICANT LINKEDIN PROFILE	APPLICANT GENDER	APPLICANT RACE	VETERAN STATUS
Calligan, Rita	555-1233	nospa@gmaillly.com	linkedin.CR	Female	HS - Hispanic	Yes
Chu, Wang	555-1234	npam1@grmail.com	linkedin.CW	Male	AS - Asian	Yes
Ross, Mark	555-1235	am1dd@gmailfake.com	linkedin.MR	Male	PI - Pacific Islanc	No
Bennet, Hank	555-1236	whodat@gail.com	linkedin.BH	Unknown	W - White	No
Mars, Sheila	555-1237	nospam1111111@gmai	linkedin.MS	Male	HS - Hispanic	Unknown
Corran, LaShanda	555-1238	1lone@gmailone.com	linkedin.CL	Female	W - White	

AA - African American
AI - American Indian/Alas
AS - Asian
HS - Hispanic
PI - Pacific Islander/Hawa
W - White
U - Unknown

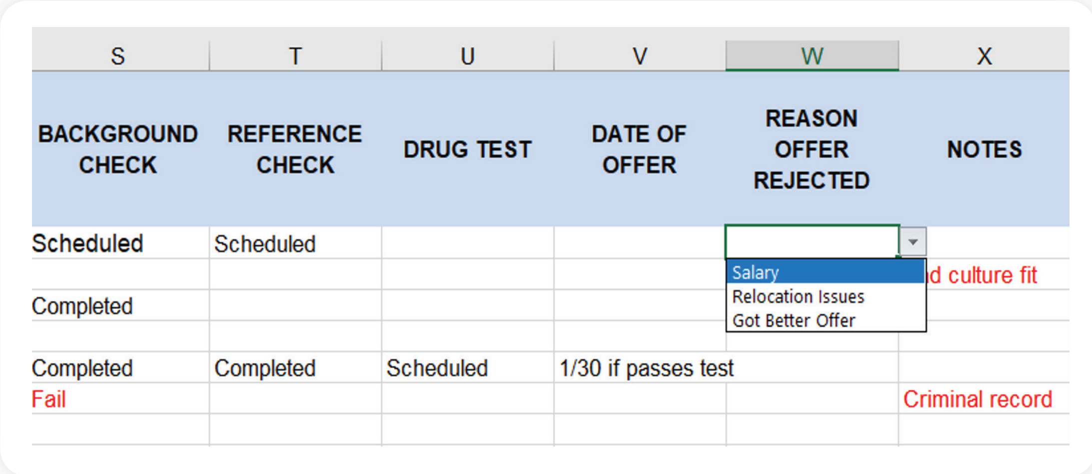
Columns F–L: This is the applicant's contact and demographic information. Demographics are important for HR considerations for equal opportunity employment, which not only impact the diversity of the company but can also result in tax credits. Nonetheless, this should be considered sensitive information that does not impact hiring itself. Drop-down options are available for Gender, Applicant Race, and Veteran status.

M	N	O	P	Q	R
APPLICANT RESUME Link – if applicable	CURRENT EMPLOYER	CURRENT POSITION	REFERRED FROM	DATE APPLIED	DATE OF LA INTERVIEV
ɘsume1.com	None		Indeed	1/10/2021	1/17/2(
ɘsume2.com	MadScience, Inc	minion	Jerry Barnes	1/11/2021	1/17/2
ɘsume3.com	Candala Labs	Lab assistant	Gerrod Cty Job Fair	1/12/2021	1/18/2
ɘsume4.com	Candala Labs	IT	Indeed	1/12/2021	
ɘsume5.com	P&G	Data Compilation A	Jerry Barnes	1/11/2021	1/17/2
ɘsume6.com	Berkley	Intern	Gerrod Cty Job Fair	1/12/2021	1/17/2

Column M–O: This tracks the applicant's past and current work history. Column M includes a place to link to the applicant's resume or application. From their resume or application, you can easily fill in Columns N & O with their current employer and position.

Column P: By noting where the applicant heard about the job, you can get insight into what venues get the most results and which generate the most qualified candidates. This can help you with future recruiting planning and knowing where to post job ads. One modification would be to create a menu of items.

Columns Q and R: These columns indicate the date the applicant applied and the date of their last interview with your company (if applicable).



S	T	U	V	W	X
BACKGROUND CHECK	REFERENCE CHECK	DRUG TEST	DATE OF OFFER	REASON OFFER REJECTED	NOTES
Scheduled	Scheduled				
				Salary	d culture fit
Completed				Relocation Issues Got Better Offer	
Completed	Completed	Scheduled	1/30 if passes test		
Fail					Criminal record

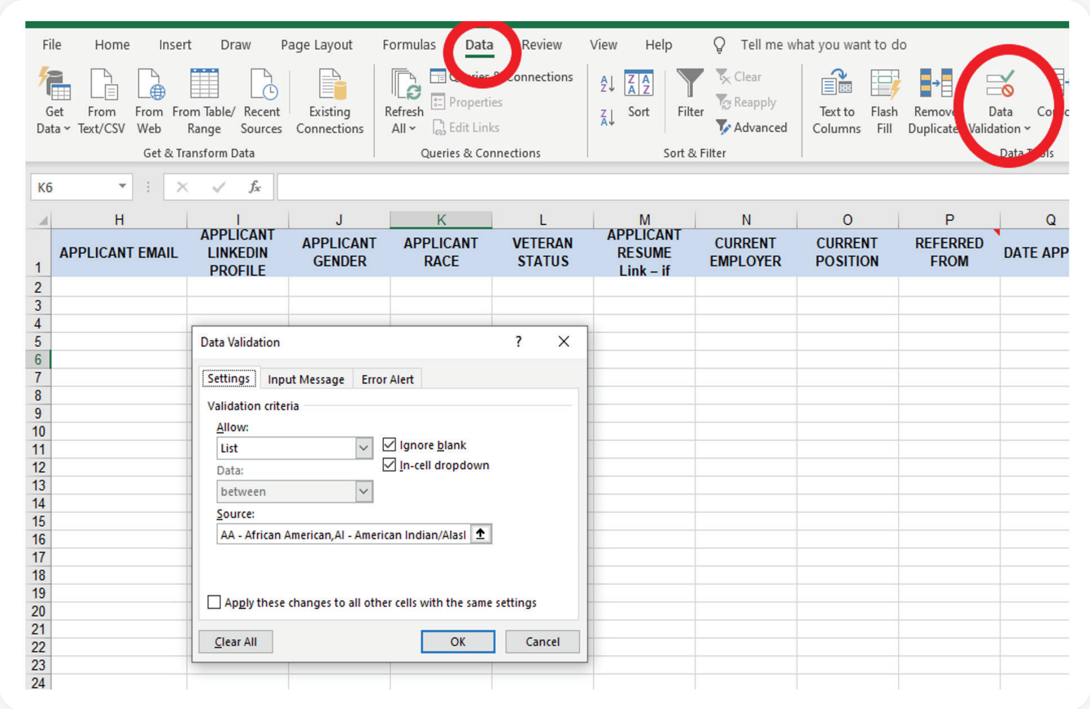
Column S–U: These columns are used to track the background check, reference check, and drug tests of each applicant. You can make notes or simply place the status—Ordered, Scheduled, Completed, Fail, Pass, etc.

Columns V and W: Use these columns to record the date you made an offer to the candidate. Should the candidate not accept your offer, you can include the reason in Column W.

Column X: Interviewers can record notes in Column X. This is for high-level notes or additional comments.

Our templates may be modified to suit your business or industry needs. Below are simple instructions for modifying our templates in Excel:

- **Delete a Column:** Go to the top of the page in the row with the letters. Right-click on the column letter you don't need, then select Delete Column.
- **Add a Column:** Do you have a step or piece of information you want to track? Go to the top of the page to the row with letters. Right-click on a nearby column where you want the information, and select Insert. Excel defaults to inserting a column on the left.
- **Add or Modify Drop-Down Menu Choices:** Start by highlighting the cells whose menu you want to change. Then go to Data in the menu. Find Data Validation.



You'll see the menu options under Source. Delete the ones you don't need and add those you want. Separate items with a comma, then click OK. You can use the same process to create a menu of choices, such as for referral sources.

Why Use an Applicant Tracking Spreadsheet?

If you are only hiring a single worker, then you may not need an applicant tracker. However, if you are hiring a new employee with a team of managers or experiencing high turnover, seasonal hiring surges, or a growth cycle, then an applicant tracking template can keep you organized and on top of the information. In addition, it can help with:

- **Team communication:** Anyone on the hiring team can see at a glance where an applicant is in the process, what other people's impressions were (as long as notes are recorded), and how a candidate fared in each part of the process.
- **Organization:** By recording dates and tracking steps, you can ensure a qualified candidate does not fall through the cracks.
- **Analysis:** By having the tracker in Excel, you can manipulate the data to gain insights. What referral process brings the most candidates and the best applicants? Where are most job seekers falling short in the process?

- **Process improvement:** For example, if candidates are doing well in phone screening and then failing the first interview, you may need a more stringent phone screening process to weed out the weaker applicants. Or maybe you're not seeing a correlation between online test results and the best candidates—and in this case, you might be able to drop that program and save some money.

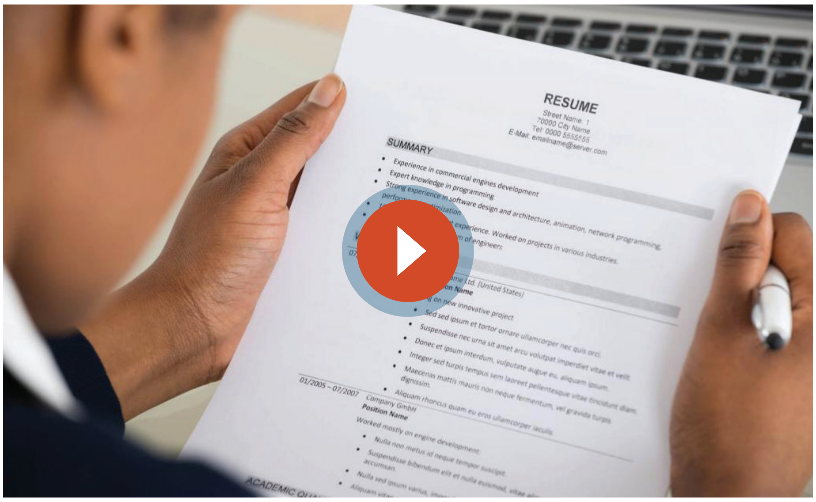
- **Diversity analysis:** While no one should be judged on race and gender, more businesses are focusing on ensuring they are reaching out to a diverse hiring pool. An applicant tracker can help you determine if you are reaching a wide range of demographics.

Bottom Line

Growing your company is exciting, and having an organized applicant tracking system and a central place to keep information and notes can make it easier. Download our templates and review our video guide that walks you through how to use our applicant tracking spreadsheets.

Resume Screening: Complete Guide for Small Businesses

Resume screening is a critical step in the recruiting process that involves reviewing resumes to narrow in on only the most qualified candidates. There are two ways to screen resumes—manually reviewing them or using a resume screening tool such as an applicant tracking system (ATS). Manual screening requires a careful review of details to filter only the best of candidates, while resume screening tools use artificial intelligence (AI) programming to scan the resume document for keywords and parse the results to create a searchable applicant profile.



Manual Resume Reviewing (+ Steps)

The most common way of screening resumes is to manually review each one to assess if a candidate has the experience and skill set to move on to the interview process. Although tools, which we will discuss below, can certainly help you sort through resumes faster, they can overlook qualified candidates who may not have the right keywords in their resumes or curriculum vitae (CV) to highlight their experience and skills.

CV: A more comprehensive resume that showcases a candidate's full repertoire of skills, certifications, and experience. These are generally reserved for applicants in the academic, scientific, and medical fields.

Manual screening can catch small yet important details on an applicant's profile. For example, applicants may use different wording for their job description or job title, or they may have similar experience, but in adjacent vocational fields—things only an actual person may notice and put value on. Here are some areas to focus on that commonly look different and are not always intuitive on a resume:

- Minimum required education
- Minimum required years of experience
- Minimum required skills
- Previous titles; some, like manager, can be misleading and need context within the resume to discern actual meaning

In addition to screening resumes, 71% of US hiring decision-makers look at candidates' social media profiles to screen applicants, and 67% say they use social media sites to research potential job candidates. However, use caution when viewing social media profiles of potential candidates as it could result in an illegal hiring bias.

How To Manually Review Resumes

Reviewing resumes manually follows a straightforward process involving scanning, segregation, and selection.

Step 1: Collect resumes. Your resumes may come in by way of email or through a job board.

Step 2: Do a quick scan of each resume to look for certain keywords that align with your open position. For example, if you are hiring an accounting manager, you can scan each resume for previous positions that include accounting functions.

Step 3: Separate your quick scanned resumes into three piles:

- **No:** Does not meet criteria for the position
- **Maybe:** Meets some criteria for the position, but not all
- **Yes:** Meets all criteria for the position

Step 4: Double-check the resumes in the "no" pile to be sure they don't have any qualifications for the position. Then, read through each job description in the "maybe" pile for education, past job history, and skills. Those that match your qualifications should be moved to the "yes" pile. Those that do not can be placed in the "no" pile.

Step 5: Perform a deep dive into each resume in the "yes" pile. Narrow it down to your top three to five candidates.

Step 6: Move your top three to five candidates to the next stage of hiring. From there you can continue the applicant screening process.

Resume Screening Tools (+ Steps)

Resume screening tools, generally part of an applicant tracking system (ATS), organize all received resumes so they can be prioritized. Most use AI to scan an applicant's experience, skills, and qualifications to automatically sort them.

According to the Equal Employment Opportunity Commission (EEOC), using AI technology, though typically thought to remove biases, can actually insert bias into the hiring process. It is your duty to remain compliant with all federal civil rights laws when using AI to screen resumes.

Additionally, these manage the recruitment process end-to-end, starting with recruiting functions that keep track of open jobs, job descriptions, and jobs that have been posted. It then follows applicants through the interview process, storing resumes and related documents such as interview notes and assessments.

Here are some of the basic functions of a typical resume or CV screening tool:

- Posts jobs online to your own website, social media, or a job board
- Includes job-specific information such as company, salary, job description, location, and contact information
- Stores critical job-related documents like job descriptions and interview evaluation forms
- Stores applicant data and attachments, like references or their portfolio
- Helps you quickly identify and sort qualified versus unqualified candidates
- Allows you to link qualified applicants to open positions
- Makes it easy for you to communicate with applicants at all stages in the process
- Offers mobile and cloud-based options for you and your applicants to use
- Has software integrations to social media and job boards
- Provides reporting capabilities

How To Review Resumes Using a Screening Tool

Using ATS software to scan your resumes replaces the initial step of running a quick scan of the resume. You should still carefully review the selected resumes before moving on to the hiring stage.

Step 1: The ATS will compare resumes to the job description.

Step 2: The ATS will screen the resumes for specified keywords. As a hiring manager, you will enter those keywords into the system based on the job description or job post.

Step 3: The ATS will sort resumes based on the selected keywords into no, maybe, and yes piles.

Step 4: The hiring manager reviews the resumes that have been sorted.

Step 5: Narrow down to three to five top candidates and then move on to the hiring stage.

Many ATS platforms, like FreshTeam, manage your hiring, onboarding, time off, employee data, and HR workflows all in one place. For more in-depth details, read our FreshTeam review.

Manual Review vs Resume Screening Tools Comparison

Manual Review	Resume Screening Tools
Best for executive and experienced job posts, where there are fewer applicants	Best for starting positions and mass hiring, where there are more applicants involved
Requires an individual review of each resume from a hiring manager	Uses AI to scan for specific keywords on multiple resumes at one time
Can qualify candidates based on alternate language used (such as Marketing Content Specialist instead of Web Content Producer)	Weeds out candidates based on an algorithm
Can search for qualities such as interpersonal communication skills and common sense	Sorts candidates for easy review by a hiring manager

Both manual resume screening and CV screening tools have advantages and disadvantages. Looking through resumes individually for top candidates can be extremely time-consuming, especially when you have hundreds of resumes to sort through. Meanwhile, ATSs can sort through resumes in seconds. However, plans can rack up costs depending on the system you choose, as these range from basic free ATS systems to over $200 per month, with features like application forms, resume parsing, and reporting.

Let's take a look at the pros and cons of each approach.

Manual Review

PROS	CONS
Better chance to catch uniquely used language in resumes	Time-consuming
Reduces the chance of overlooking good candidates	May review the same resume multiple times if not initially recognized (applicants reapply often)
Can review with other positions in mind and share with other supervisors	The same amount of time and effort is often expelled for candidates who are not qualified as the ones who are
Can request follow-up information before qualifying or disqualifying a candidate	Biases can be formed based on the information provided

Resume Screening Tools

PROS	CONS
Faster, more efficient review process overall	Keyword searches are specific and could result in missing qualified candidates
Removes any bias toward the resume content	Could result in discrimination if discriminatory practices are already found in any part of the hiring process (i.e., application, job description)
Keeps candidate information organized	May be too costly for some small businesses
Tracks and sorts resumes based on the keyword identifiers supplied by the employer	Cannot often differentiate between similar titles and uniquely worded experience types

Know the Law

Reviewing resumes is a key part of the applicant screening process. Knowing what information you can and cannot use to qualify or disqualify a candidate is essential prior to reviewing resumes.

Discrimination

Under Title VII of the Civil Rights Act of 1964, businesses cannot discriminate based on race, color, national origin, age, sex, or religion. You can face discrimination charges if you or your ATS removes any applicants based on a protected class.

An excellent way to ensure you are not discriminating is through blind hiring. Blacking out personal information when reviewing resumes—allowing you to see only the skills, qualifications, experience, and education of the candidate—can help you make a non-biased decision.

Blind Hiring Techniques During Resume Reviews

Block out any areas of the resume that do not relate directly to the candidate's work history, experience, and education.

James Smith

123 Main Street, New York, NY 10019

EDUCATION

B.S. in Marketing, New York University

WORK EXPERIENCE

Marketing Manager - FSB

- Performs all marketing functions
- Works closely with SEO, BD, Content
- Manages marketing department

Marketing Associate - Marc Waring Ventures

- Assists Marketing Manager
- Performs SEO

SKILLS

SEO, graphic design, email marketing

CERTIFICATIONS

- Digital Marketing Certificate
- Content Marketing Certification

VOLUNTEER EXPERIENCE

- Pride festival volunteer yearly
- Sunday school teacher at Hope Church

HOBBIES

Trail riding and kayaking with family

Remove name to prevent a race or gender bias

Remove address to prevent a bias based on location or income status

Remove school name from Education to prevent a bias of perceived prestige or school rivalry

Keep Work Experience to show individual job experience

Keep Skills to show ability to perform job

Keep Certifications to show candidate's qualifications

Remove Volunteer Experience to prevent a bias of age, religion, or sexual orientation

Remove Hobbies to prevent a bias of marital or family status

Records Retention

Federal law (EEOC) requires all companies with 15 or more employees to keep all job descriptions, resumes, and any documents pertaining to the hiring process for at least a year. To avoid an accumulation of paperwork, it is a good idea to store the resumes electronically—an ATS will store them for you. If you are manually receiving and reviewing resumes, consider scanning and keeping them in a secure online location.

Common Red Flags When Screening Resumes

Candidates are very creative. In some cases, resumes may contain subtle warning signs of potential problems that you may want to follow up on with the candidate. Some of these red flags may outweigh a candidate's otherwise perfect fit or abilities and experience for the job. Some examples of red flags to look out for when reviewing resumes are:

Unexplained Gaps in Employment: As you're reviewing an applicant's work history, look for long breaks between jobs. While there could be a reasonable explanation such as military service, starting a family, or taking care of a loved one, any serious candidate should be prepared and willing to explain these gaps in an interview and may even hint toward reasoning in the resume.

Brief Tenure from Job to Job: Job-hopping is a common red flag to be aware of. Too many employers in a short period could signal a lack of commitment or behavioral concerns.

Sloppy Resume: There is no good reason to present a sloppy, unprofessional, or error-laden resume. There are examples online of great resumes, and if a candidate does not take the time to present themselves to you in a professional manner, you should consider passing on them.

Personal Data or Lacking Professional Details: Resumes are not the document to share about hobbies, trips, and family members. Candidates who stick to the business at hand and share professional experience, skills, and qualifications should be considered over candidates who use their resume as a social media page.

Length of Resume: We know candidates want to sell you on how great they are, but most resumes should be kept to one page—or two at the most, if there are 15 or more years of experience at the senior leadership level. According to Zety, 77% of employers say that seasoned candidates should present a resume that is at least two pages long.

No Cover Letter: One way to look for more serious candidates is to ask for cover letters along with resumes in your job postings. Those who provide cover letters, as instructed, should receive first looks, while those who do not should be reviewed afterward. It is not suggested that you disqualify applicants if they do not provide a cover letter. However, those who follow instructions should be rewarded and oftentimes make for great employees.

Bottom Line

Developing and maintaining a resume or CV screening process will ensure that you track the most critical attributes consistently each time, review resumes fairly, and compare and contrast the skill sets and experience prior to making a selection. Using an ATS, like Freshteam, to screen candidates' resumes will save you time and effort.

Hiring Bias: 13 Unfair Prejudices & How to Avoid Them

Hiring bias is a prejudice in favor of or against one thing, person, or group compared with another, usually in a way considered to be unfair. Whether conscious or unconscious, these biases can seep into your candidate screening process.

- **Conscious bias** (or explicit bias) is a bias that people are cognitively aware of. For example, if you knowingly prefer to work with men over women and you hire men disproportionately to women, then your conscious bias is factoring into your hiring decisions.

- **Unconscious bias** (or implicit bias) is unknowingly stereotyping people or groups without being aware of it. For example, a hiring manager uses their "gut feeling" to make the hiring decision. Chances are, there are unfair biases at play that lead the manager to prefer one candidate over another.

One of the best ways to avoid these biases is to identify and label them so you can see and feel them when they surface, especially when reviewing resumes, conducting interviews, and making hiring decisions in the workplace.

1. Similarity Attraction (Affinity) Bias

It is perfectly normal to want to be with others who you like and feel you have a rapport with. While at the workplace, this desire does not deactivate on its own. Recruitment and hiring decisions are impacted when the hiring manager only chooses candidates with the predominant characteristics or behaviors they possess or personally deem superior.

Note that similarity attraction (affinity) bias tends to lend itself to several classes within the workplace, including gender, generation (or age), and skin color. This is one of the most dangerous biases in the workplace today and a heavy focus of bias-prevention training.

To avoid this bias, consider "blind" resume reviews. Not being able to view introductory information on a resume (such as names, home addresses, and so on), may help curb affinity biases when reviewing resumes. Names, for example, can at times suggest a particular race, gender, or ethnicity. All hiring managers should be able to manage this type of information responsibly, but if you have a concern with one or more members of your hiring team, until those issues are fully resolved, this may be a suitable workaround.

2. Social Comparison Bias

In some organizations, team members with high status in the workplace may desire to protect their position by making recommendations that prevent other high performers from being hired. This can be done in a variety of ways, such as by excluding qualified candidates during the interview process or suggesting someone else for the job, even if they are not the most qualified.

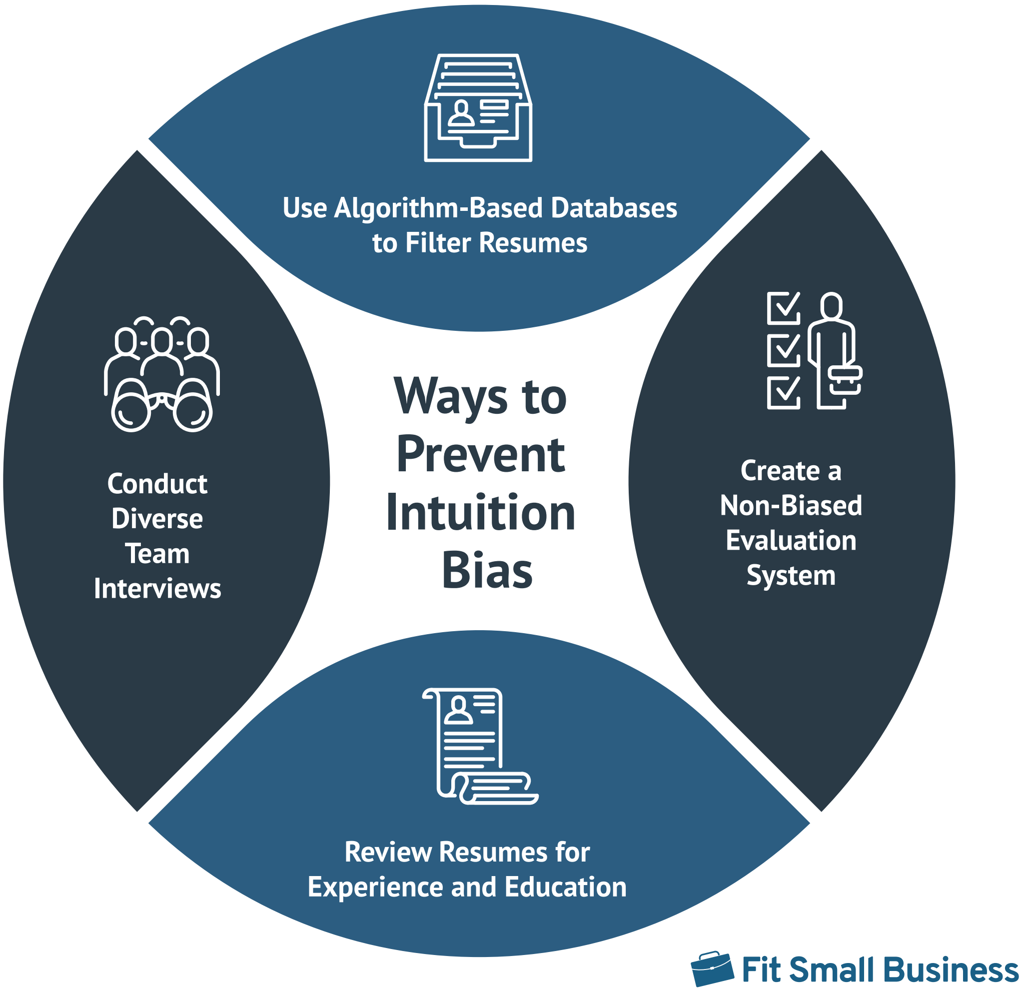
This can also occur with team members that don't have direct hiring responsibility and is likely to occur between men and women. For example, John does not want Beth to join the Large Customer Accounts Team due to Beth's reputation for expertise and creative thinking. John may go out of his way to discourage the department manager from bringing Beth on since he's currently the top performer on the team.

3. Intuition Bias

Intuition hiring bias is the tendency for managers to make hiring decisions based on their gut feeling rather than evidence or rational thinking. This bias can lead to managers overlooking qualified candidates in favor of less-qualified ones or basing decisions on irrelevant factors. While intuition can sometimes be a valuable tool in decision-making, it's important to be aware of the potential for bias so that hiring decisions can be made based on logic and evidence.

When reviewing resumes and interviewing, even HR professionals spend much of their time "trusting their gut." Most decisions for hiring people have an aspect to them that is "gut" related; however, utilizing metrics that have been identified ahead of time will help ensure fairness, equality, and consistency in the hiring process.

We recommend utilizing a small team of culturally and educationally diverse people to review resumes, conduct interviews, and help the hiring manager with the final hiring decision. This allows for several perspectives to influence the hiring process. These additional weights and measures test the thinking of the hiring manager, which helps ensure that one person's biases don't creep into important hiring decisions.



4. Contrast Effect (Judgment) Bias

The process of hiring new employees is often thought to be an objective one, where the best candidate is chosen based on their qualifications and experience. However, hiring managers may unconsciously compare the last resume reviewed to the one currently being reviewed, which can lead to bias in the selection process.

This type of comparison results in targets that are never consistent. It could cause qualified resumes that should make it to a "maybe" or "yes" pile to be discarded due to the elevated skills and experience found in the previous resume.

When you're hiring for a position, it's natural to want to compare the resumes of potential candidates. However, avoid doing this too much, as it can lead to making unfair comparisons and decisions. Each resume is unique and should be evaluated on its own merits.

5. Conformity Bias

This is a very common bias that is heavily influenced by group (or team) peer pressure. Managers are concerned about what others may think of their decision, and/or the reasons supporting the decision. Instead of risking team discontent, one conforms to what everyone else wants.

In the hiring process, this can be one of the few drawbacks of having a team of interviewers. It is important to carefully qualify your own decision and then confidently share what you think and how you feel about a candidate being considered by the hiring team. Each team member should be in the practice of keeping personal notes from each interview to utilize during group discussions. This helps discourage "group thinking" or conformity bias within the hiring team.

6. Beauty Bias

Beauty bias is a term used to describe the phenomenon where people tend to unconsciously believe that the most attractive candidate will be the most successful one. This bias can have a profound impact on people's lives, as it can cause them to make hiring decisions based on looks rather than qualifications.

Studies have shown that people who are considered to be attractive tend to receive more job offers, earn more money, and be considered more competent than those who are not.

Using pre-set metrics of qualifications (e.g., minimum education requirements, skill sets, and work experience) can help qualify each candidate against the same set of benchmarks and reduce the possibility of beauty bias.

7. Illusory Correlation Bias

Illusory correlation bias occurs when people believe a relationship exists between two common subjects, when in fact no relationship exists. This bias can often lead to inaccurate judgments and decisions when hiring top candidates.

A hiring manager might believe that there is a correlation between being hired and being successful when, in reality, there is no link between the two. For example, if a candidate is personable and gets along great with everyone on the interview panel, the assumption may be that they would be a terrific sales manager (even though the candidate may have no sales experience at all).

8. Confirmation Bias

Since everyone makes biased judgments, you have to be careful to not ask questions or frame questions in ways that solicit responses that support initial judgments or biases of candidates. This can easily take place within the interview process. Without even realizing it, you may ask questions that are not particularly essential or illuminating and only serve to enhance or reduce the value of the candidate. For example, asking how a candidate's childhood shaped their career or what former co-workers would say about the candidate.

Interview Questions That Can Result in a Hiring Bias

- Where do you see yourself in five years?
- What is your biggest weakness?
- How did your childhood shape your professional life?
- What would your former manager or co-workers say about you?
- How long will you work before retiring?
- Are you comfortable working with a female/male boss?

9. Affect Heuristic Bias

According to Psychology Today, heuristics are mental shortcuts that allow people to make decisions, pass judgments, or solve problems, with little to no effort. This bias represents a reliance on good or bad feelings relating to a stimulus of some sort. Examples of this include if an interviewer sees a tattoo that they don't like, if a candidate is not an ideal weight in the interviewer's mind, if a female candidate has a shaved head, and so on.

It's not necessary for these biases to have anything to do with the job for them to impact the candidate's ability to be disqualified by a manager exercising their bias. Avoiding this bias can be especially challenging and should be kept in balance by involving other team members in the hiring selection process.

Having a structured interview process in place can help eliminate affect heuristic bias by having predetermined interview questions that are asked of each candidate.

10. Expectation Anchor Bias

Expectation anchor bias is a cognitive bias that comes into play when the resume reviewer, interviewer, or decision-maker permits themselves to believe that a single trait or skill set is all that matters, and the decision-maker "anchors" to that single attribute. This commonly occurs when a terrific employee just vacated a position, and the interviewer looks for a carbon copy of that employee to fill it.

This bias can have a significant impact on the evaluation of a candidate's resume during applicant screening, interview performance, or decision to hire. The most qualified candidates may be passed over if they do not possess the single desired trait or skill set, while less qualified candidates may be hired based on their possession of that trait. When you become anchored to one trait or skill set, you lose the ability to see the potential in the candidate's other attributes. This could cause you to lose out on high-quality candidates.

11. Halo Effect Bias

The halo effect is a cognitive bias that occurs when the hiring manager makes judgments about others based on a single, favorable attribute and chooses to focus too heavily on that one positive aspect of a candidate. For example, if a hiring manager only sees the fact that a candidate has a college degree, they may be more likely to hire them without looking at any other qualifications.

In the workplace, individuals may be experts in one particular field. This bias can often lead to an unfounded assumption that if someone is good in one area, they must be good in all areas. However, this is not always the case. Just because someone is a great accountant, for example, does not mean they will be a great salesperson. This bias can be harmful to both the individual and the company, as it can lead to poor decision-making and missed opportunities.

12. Horn Effect Bias

The Horn effect bias is the tendency to focus on a single bad behavior or recent poor performance. It is the opposite of the halo effect bias, which is the tendency to focus on a person's good qualities. The Horn effect bias can cause people to overestimate the negative consequences of a single mistake and underestimate a person's overall competence. It can also lead to a distorted perception of an otherwise qualified candidate.

When recruiting and speaking with candidates, this bias can occur when a candidate says something you did not like and, thus, you are ready to boot them out the door. Of course, just because they phrased a response in a way that differs from how you would have, or how you wished the candidate would have responded, does not mean that the candidate is not qualified for the position you are looking to fill.

> The Horn effect is named after Jim Horn, a former defensive back for the Dallas Cowboys. He was known for his aggressive and physical contact on the field, which oftentimes led to penalties and turnovers. Because of this, he was the target of criticism from fans and the media.

13. Overconfidence Bias

Overconfidence bias describes the tendency for people to be overly confident in their abilities. In the context of hiring, this means that the recruiter is overly confident in their ability to select the right candidate. They believe that they can look at a person's resume and determine if they are the best fit for the job. However, this is not always the case, as a person's qualifications may not be evident from their resume, and the hiring manager may not have the necessary skills to properly assess them.

The pressure to promptly make the right decision often leads hiring managers to become overconfident in their abilities—which can lead to bad decisions that cost the company money, time, and resources. Hiring the wrong person for a position can be damaging to the team dynamic and create a hostile work environment. Additionally, the company may have to go through the entire process again, which wastes additional time and money.

Avoiding Bias During the Hiring Process

There are a few processes you can follow that will help reduce your chance of biases as you consider which new team members to bring on board. Learn more by clicking through the tabs below.

Create a Solid Job Description

To maintain a successful hiring process, it is important to have a detailed job description for every position that outlines its essential duties, responsibilities, and requirements. By having a clear and concise job description, you can ensure that you are attracting the best candidates for the position and that you are setting expectations for new employees.

Additionally, a job description can help to prevent confusion and misunderstandings about the role. Not only is a job description helpful for when the position is filled, but the hiring team can also refer to it after each interview to see if the essential functions of the position can best be met by their candidate.

Establish an Interview Metric System

Using an interview evaluation and scoring system can help eliminate bias by comparing candidates fairly and requiring interviewers to score candidates individually. Ensure that there is a visible metric system that can be used (a set value for the minimum education and work experience, for example). The metrics can also include a set of prequalified responses to binary questions (e.g., "right or wrong," "yes or no" responses).

Then, make round two of the interviews an assessment that all candidates take to further qualify them for the role. This assessment is an exam or project that tests the applicant's skills and responses to certain work-related situations.

Use HR When Possible

Involving your HR team in the hiring process is a good way to ensure that you make the best possible hire. Not only will they be able to help you write a job ad and develop a job description that attracts the best candidates, but they can also help you review resumes and conduct interviews. This will ensure that you find the most qualified candidate for the job.

By being aware of the different types of hiring biases and taking steps to counteract them, HR professionals can help ensure that the best candidates are selected for open positions. By working together, you can create a more inclusive, diverse, and equitable workplace for all.

Leadership Training

To ensure that your organization's hiring managers are conducting unbiased interviews, it is important to provide them with suitable training. This training should cover common hiring biases as well as the questions that can and cannot be asked during the interview process. By providing your managers with this training, you can help to ensure that all candidates are given a fair chance.

Additionally, by providing employees with the tools to identify their own biases and understand how these biases may impact their decision-making, organizations can create a more equitable and inclusive workplace. Leadership training can help to ensure that all candidates are given an equal opportunity to be considered for a position, regardless of their background or identity.

Bottom Line

It's important to be aware of the different hiring biases that can impact your decision-making when it comes to bringing on new employees. By understanding and being mindful of these biases, you can work to eliminate them from your process and make more objective decisions. Remember—the best candidate for the job may not always be the most obvious choice, so it's important to take the time to assess each candidate thoroughly.

Blind Hiring: What It Is & How to Reduce Bias in the Hiring Process

Blind hiring involves removing any unnecessary identifying information about a candidate from all stages of the hiring process. This can include information that identifies an applicant's race, ethnicity, gender, or any identifying class, protected or otherwise.

When reviewing resumes, interviewing candidates, and making hiring decisions, blinding the information (e.g., making it anonymous) removes conscious and unconscious bias from the hiring process and allows for a more objective consideration of a candidate's qualifications, experience, and skills. The end result is the most qualified candidate for your position and a more diverse workforce.

Steps to Creating a Blind Hiring Process

Establishing a blind hiring process starts with making sure you remove any bias from your job descriptions and employment ads. Then you'll perform a blind review of resumes and applications, use skill assessments, and conduct a blind interview, before making your final hiring decision.

1. Create Bias-free Job Descriptions & Employment Ads

How you write job descriptions and employment ads sets the tone for the recruitment process in general. Thoughtfully reviewing them for bias-free and inclusive language will set you and your candidates up for success as the hiring process unfolds. Some things to keep in mind when writing your job descriptions include:

- Avoid "gendered" job titles and instead use gender-neutral ones (e.g., use Chairperson instead of Chairman).
- Avoid using words like "cultural fit" and instead use phrases that play to the values of your company.
- Avoid using any language that can be considered a racial bias.
- Avoid using phrases like "native English speaking" and instead use terms like "strong English skills required."
- Avoid using language that may create an age bias, such as "young."
- Avoid language that can deter disabled individuals from applying.

By being clear and concise, you can ensure that you attract the best candidates for the job. Remember to keep the needs of the company in mind while writing job descriptions, and be sure to use positive language to attract qualified applicants.

2. Blind Review Resumes & Applications

The resume reviewing process is the first real opportunity to assess individual candidates based on their skill sets, qualifications, and education. Blinding this part of the process can look different for each organization. The main point is to develop blinds around identifying information, such as background, gender, name, education (dates and institution), age, personal interests, photos, etc.

Blind Hiring Techniques During Resume Reviews

Block out any areas of the resume that do not relate directly to the candidate's work history, experience, and education.

James Smith

123 Main Street, New York, NY 10019

EDUCATION

B.S. in Marketing, New York University

WORK EXPERIENCE

Marketing Manager - FSB

- Performs all marketing functions
- Works closely with SEO, BD, Content
- Manages marketing department

Marketing Associate - Marc Waring Ventures

- Assists Marketing Manager
- Performs SEO

SKILLS

SEO, graphic design, email marketing

CERTIFICATIONS

- Digital Marketing Certificate
- Content Marketing Certification

VOLUNTEER EXPERIENCE

- Pride festival volunteer yearly
- Sunday school teacher at Hope Church

HOBBIES

Trail riding and kayaking with family

Remove name to prevent a race or gender bias

Remove address to prevent a bias based on location or income status

Remove school name from Education to prevent a bias of perceived prestige or school rivalry

Keep Work Experience to show individual job experience

Keep Skills to show ability to perform job

Keep Certifications to show candidate's qualifications

Remove Volunteer Experience to prevent a bias of age, religion, or sexual orientation

Remove Hobbies to prevent a bias of marital or family status

Have another team member who isn't involved in the hiring decision (e.g., HR, recruiter, etc.) vet each candidate's information based on skills and experience. Your HR team can block out any areas of the resume that do not relate directly to the candidate's work history, experience, and education (degrees). We recommend removing or blacking out the text that needs to be kept from the team of resume reviewers instead of just crossing it out.

For anonymous resume reviews, we suggest using recruiting software, which filters resumes based on specific criteria such as skills, job titles, or education levels.

3. Perform Pre-employment Skill Assessment

Pre-employment testing is an excellent way to remove biases and ensure that the best possible candidates are hired. Furthermore, this can help to identify potential issues early on in the hiring process, which can save both the employer and the candidate time and money.

Pre-employment testing involves skill assessment testing and written behavior-based questions to assess a candidate's skills, abilities, and qualities. They can be used for a variety of purposes, such as screening out candidates, determining the level of education an individual has attained, and measuring an individual's skills. They are a valuable tool that can help employers make informed decisions about who to hire.

To remain inclusive, if a skill assessment test is taken by one candidate, then all candidates within the same hiring phase for the same job opportunity should also take the test. This ensures that all candidates have an equal opportunity to move on to the next step.

4. Conduct Preliminary & Blind Interviews

While it can be challenging to create blinds during the interview process, one way is to conduct pre-interview phone screenings. Pre-screening telephone interviews can offer some blinding to candidates' identities when conducted by a non-hiring team member. But use this with caution as the interviewer could potentially form a bias based on the way the candidate speaks.

You can also send your candidates a pre-recorded video interview. Some video interviewing software allows for questions to be recorded and candidates to provide their answers on video. This could help with removing some bias since there is no interaction between the interviewer and the candidate at this stage. However, use this type of interview with caution as well since the reviewer of the video can also form a bias based on the candidate's age, sex, race, etc.

During the latter interview stages, don't rely on just individual interviews. It is recommended that for each candidate you conduct a panel interview. Have the panel complete individual interview evaluation forms and then compare notes. This can reduce biases as you are getting input from a more diverse group.

Hiring managers should avoid looking at candidates' LinkedIn or other social media accounts when considering who to interview, as this could lead to strong biases.

5. Make the Final Hiring Decision

The final stage of the hiring process is often the most biased. With so much on the line, employers can be quick to make decisions that are based on personal biases. There are ways to reduce bias during this stage, and it can have a big impact on the quality of the hiring process.

- **Have a clear job description.** This will help to ensure that all candidates are being considered with the same criteria.
- **Access candidates objectively.** Continue to focus only on the candidates' skills, education, and experience.
- **Have clear hiring goals in place.** By having a strong process—that includes blind resume reviewing, pre-assessments, and pre-screening interviews—you can eliminate biases by the time you reach the final decision stage.

Benefits of a Blind Hiring Process

A blind hiring process can have many benefits for both employers and employees. By removing the potential for bias (we'll discuss some common biases below), employers can find the best candidates for the job; employees, on the other hand, can feel confident that they were hired based on their qualifications and not their personal connections. Additionally, without any preconceived notions about who should be hired, the hiring process can be more objective and unbiased. Blind hiring benefits include:

- Reducing or eliminating unconscious bias, which can lead to discrimination
- Ensuring all candidates are given an equal opportunity, regardless of their age, sex, race, etc.
- Allowing for more diverse perspectives to be considered, which can lead to better decision-making
- Creating a more candid and honest interview process
- Leading to better hires who are more suited for the job and company culture

Take note that a blind hiring process, while good for your organization, is not a guarantee against workplace discrimination. However, by taking the necessary steps to create an anonymous hiring process and environment, your organization can benefit from a more diverse and qualified workforce.

Common Hiring Biases

The most common hiring biases are either conscious bias (ones that you are cognitively aware of) or unconscious bias (ones that you are not necessarily aware of). Knowing and understanding the different types of hiring biases can help you establish blind hiring techniques during the applicant screening and interviewing process.

Examples of Common Hiring Biases

Bottom Line

Blind hiring practices are not required by law; however, discriminating against job applicants, intended or unintended, is against the law in most cases. For this reason, blind hiring can help your mind focus on the facts of an applicant by removing other data that should not be used when making hiring decisions.

Blind hiring is a great way to reduce the chances of discrimination in the workplace while still allowing for the best candidates to be hired. It is also a way to keep the hiring process fair and unbiased. By using blind hiring techniques, companies can ensure that they are getting the most qualified employees for the job.

CHAPTER 3

Interviewing Candidates

In this chapter you will learn how to interview candidates for your open positions. Find out the best interview questions to ask candidates, as well as those that are illegal to ask. Additionally, choose from our free interview evaluation forms and scorecard templates.

Find out more with the following topics:

How to Interview Someone for a Job in 7 Steps

Knowing how to interview someone for a job—whether in person, by phone, or via video—will help you discern whether an applicant is a good fit for your open positions. It is a fairly straightforward process that involves gathering the needed documentation, scheduling the interview and sharing information with the candidate, conducting the interview, and then evaluating and following up with the candidate.

Use our downloadable checklist for reminders before and after the interview. And, for a detailed look at the interviewing process, view our video overview or read through the seven steps below.

For access to all the tools and templates mentioned in this ebook, check out our Appendix

1. Gather Position & Candidate-related Documents

Once you are sure that you want to interview an applicant for a job, you'll start gathering all the information needed to conduct the interview. That may include a job description, a copy of the candidate's employment application, and a resume. It might also include a copy of the job ad you posted and perhaps even an organizational chart to see where the job fits within your organization.

If you want to snap up the best talent fast, it's crucial to set up an interview shortly after the job seeker has applied to the open position. In a tight labor market, top candidates get hired quickly.

Position or Job Description

The position or job description is a one- to two-page document that describes what the job is about and the minimum requirements of the job. It's best if you share the job description with job seekers in advance of the interview. You'll also want to go over it with them as a point of reference so you can compare their work history, skills, education, and interests to the job you have available.

Employment Application

It's crucial to read what interview prospects write on their job applications. For example, they may mention working for a competitor, or they may still be in school. It's helpful to know their background before you start asking them questions in the interview.

When it comes to company job applications, we strongly recommend using them on an as-needed basis. That is to say, many of your best candidates may be passive job seekers (or, people who are currently employed but are seeking other employment). Many passive job seekers will not take time out of their busy lives to complete a lengthy job application. They will submit a resume and, at times, a cover letter and that's about it. Do not disqualify these top candidates just because they are not completing your job applications.

To ensure your job application forms and job descriptions abide by federal labor and anti-discrimination laws, consider using an all-in-one HR platform that is designed to streamline and automate the hiring process.

Applicant Resume

Not all job seekers send a resume when they complete a job application form (for instance, you may not need a resume for a hotel maintenance worker). But if they've attached or sent a copy of their resume, that document can serve as a foundation for the types of questions to ask during the interview. Imagine if the job seeker had a long lapse between jobs—you may want to understand why.

Cover Letter

Cover letters are more common with professional jobs or online job applications. You'll often find tidbits about the candidate that you may not have found on their resume. Cover letters are typically more personal and informal, allowing you to get a glimpse of the person's character, temperament, or work interests.

Job Ad

If you've posted a job ad online, it's useful to have that ad handy so you can ask the job seeker, "What was it about our job ad that inspired you to apply?" Their answer will often give you insight into their work motivation or help you understand what keywords caught their attention as they were searching for work.

Organization Chart

Having your company organization chart handy before you interview gives you a clear view of where the job role fits within the organization. That will help you consider who they will work with and to whom they will report. Knowing the personalities and work styles of their future manager and potential new peers will help you assess the candidate's ability to fit within the organization and department.

2. Determine Interview Type & Schedule It

Once you have your information together, you'll need to decide on the type of interview you want to conduct and then schedule a time.

Types of Job Interviews

There are three commonly used interview approaches when recruiting. A phone interview, an online interview (which can include video or not), and an onsite interview are used most often.

Here's more on each type of job interview and when to use them:

Telephone Interview

Telephone interviews are best for pre-screening applicants as part of your recruitment process. You may want to do a quick phone screening interview with as many as five to seven potential candidates to see which ones appear to be the most interested and competent. Each telephone interview may take between five and 30 minutes, helping you cull your list before scheduling more time-consuming, in-depth meetings with your top two to three prospects.

Online Interview

An online interview makes sense when your candidate has another job, lives in another state, or is interviewing for a remote or work-from-home job role. It also works when you're doing a group interview with managers who are not co-located—you'll use video conference software instead. Of course, an online interview can be done at any time to make your interviewing schedule more manageable.

Onsite Interview

An onsite interview is done in person and makes sense when the candidate is in the same location as you. It is the most expensive because it requires a conference room or meeting space. And if a candidate is out of town, you may need to reimburse them for their travel costs. It's also not any more likely to produce a top candidate because in-person interviews are notorious for interviewer bias.

When conducting onsite, in-person interviews, it's best to ask interview questions that measure the applicant's job-related skills and try not to get distracted by how "comfortable" or "uncomfortable" you are with the candidate or how much you have in common.

A form of onsite interview is the group interview. This is perfect when you are hiring for multiple roles or multiple candidates for one role. A group interview will save you time by combining the same interview for multiple candidates at one time. Note that group interviews can also be conducted virtually as a team interview for a candidate that is remote.

Tools for Interview Scheduling

While there are scheduling apps to help you sync your calendar with the candidate, a person-to-person conversation is best. Call or text the individual to let them know you wish to interview them. Then follow up with a calendar appointment request, as needed.

Scheduling App

Scheduling apps and free online calendars can make your life as an interviewer much easier. You can often email the candidate with a list of open days and times and allow them to choose the interview time slot that works best for them. Keep in mind that those currently working a full-time job may need to schedule their interview over a lunch hour or before or after work.

Appointment Reminders

Once you've confirmed a time that works for both you and the job seeker, stay in touch. Consider texting the job seeker directions to your office, or sending a photo showing where they should park.

It's not a bad idea to send an interview reminder the day prior and another on the day of the interview to avoid being ghosted by the job seeker—which may happen if you don't remain in contact. Job recruiting software allows you to send and keep track of these communications.

Interview Timing & Length

Before you send the interview invitation, you'll need to figure out how long you want the candidate to be in the office and how much time you want each person to interview them. An hour-long meeting is the most common interview time frame when you're doing a one-on-one interview.

Depending on what the role is and who the interviewers are, it might be appropriate to:

Pair up: Have two interviewers work together—for example, two co-owners of a business might interview a candidate for a key position together.

Go informal: For people-facing roles, an interview in an informal setting like lunch or dinner might be more appropriate—and may take longer than an hour.

Stay traditional: Schedule one-on-one interviews, back to back.

Let's look at how you might typically break up an interview for timing based on the kind of role you're interviewing for and how many interviewers are involved.

Average Interview Time

Type of Role	1 Interviewer	2 Interviewers	3 or More Interviewers
Non-Management	45-60 minutes	30-45 minutes each	15-30 minutes each
Management Role	60-90 minutes	45-60 minutes each	30-45 minutes each

Questions to Ask Yourself

Interviews may be done by you alone or with the help of a team. In fact, your entire interviewing process requires you to think through how you're going to assess the candidate in total.

As you're scheduling interviews, ask yourself these questions:

- Who is the best person or persons to interview candidates for this job? You might consider someone experienced in the role to assess technical skills, for instance.
- How quickly do you need to hire someone? That may dictate who and how many people interview the candidate, as well as how quickly those interviews are scheduled.
- How will you determine if the candidate is a good fit for your culture? In addition to phone, video, or in-office interviews, you may want to assess a candidate's interpersonal skills in a social setting, like a group lunch with your team.
- How will you decide on the best candidate? This should be determined based on the candidate's skills and experience. Choosing a candidate based on someone you 'like' could create a hiring bias.

3. Share Information With the Candidate

Smart interviewers provide candidates with the information they will need to schedule and arrive at the interview prepared and on time. The more information you can share with a candidate, the better. As the interviewer, do your part to help the candidate succeed during the interview. The goal should be that both the interviewer and the interviewee can focus on the position at hand and not extenuating circumstances.

Information that you may want to include in your interview invitation:

Logistics: Include the time, length, and location of the interview, including a Google map link to your offices or link to your virtual meeting.

People: Describe who they will be meeting and who they should ask for when they arrive. Will this be a one-on-one interview or a panel interview?

Contact information: Provide the phone or text number or email account they should use if there is an emergency on the day of the interview and they need to cancel.

Format: Describe the structure of your interview. Will they be making a mock presentation? Are there specific questions you want them to prepare for in advance?

Dress code: It's a nice touch to include dress code information, especially if your office is super casual. This prevents the candidate from overdressing and feeling out of place.

Location specifics: Anything they might need to know in advance, like if parking is difficult, the office doorbell is broken, or they need a code to get through security.

4. Create Your Interview Guide

An interview guide can be as simple as a piece of paper with a few questions and room to take notes, or it can be an evaluation spreadsheet with specific scenarios and a scoring mechanism. What's important is that you know in advance what kinds of interview questions to ask and why. It's also not a bad idea to know which interview questions to avoid, as some may be discriminatory.

Core Questions to Include in Your Interview

- **"What do you know about our company?"** This tells you a lot about whether the candidate has prepared for the interview and if they have done their due diligence.
- **"What keeps you interested in this field?** How do you keep current with best practices?" This is good for both experienced and entry-level hires to show you they're truly interested in the field, passionate about the role, and want to learn.
- **"What do you think the position involves doing on a daily basis?**" Expectations are an important part of the hiring process. For experienced hires, this tells you what they have done in their previous role; for new grads, it helps you to figure out what they expect and why—and for you to determine whether those expectations are realistic.
- **"Now that I've told you all about the role and the company, why do you think this is a good fit for you?"** This question shows whether the candidate was listening to you and lets them accurately match their skills and talents to the job role.
- **"Do you have any questions for me?"** This is a good question that helps expose whether or not the candidate has done any research about the position and whether or not the candidate has unanswered questions at the end of the interview.

Keep in mind that federal labor laws restrict the kinds of questions you can ask. In addition, some state laws prohibit asking about or discriminating based on a candidate's prior salary history, criminal background, or sexual orientation.

Job-related Skills

The most important aspect of your interview guide is the questions you need to ask to assess the job candidate's technical and interpersonal skills.

- If it's a customer service job, are they naturally friendly? How do they handle angry customers?
- If it's an equipment-operator job, do they have the proper licensing and certifications?
- If the job requires physical strength, like lifting 50-pound boxes, are they able to do that?

Behavioral Interview

A behavioral interview is often the best way to assess a job applicant's experience. It includes questions about each of the job-related skills needed to be successful and asks the candidate to tell about a time when, for example:

- They overcame a client objection
- They organized and completed a large complex project
- They trained a team to learn new software
- They found and resolved a safety issue
- They said "no" to their manager and why

Sample Work Assignment

Another consideration for your job interview is to identify a real-life, work-related project or task you could assign to the candidate during or after the interview. A sample assignment is a great way to learn how your job seeker tackles a task and how well they can complete it.

Examples of sample work assignments might include:

- Translate a customer welcome letter into Spanish.
- Identify three menu items you'd recommend to a diner who can't eat gluten.
- Tell me the name of each of the plumbing tools on the desk—and how they're used.
- Suggest three keywords your business might purchase to optimize website performance.
- Create a one-page flyer to promote a new financial product offering.

Assessment Tools

Another option is to use assessment tools that measure technical skills, personality, trustworthiness, and any number of other skills, such as the ability to use software like Excel. These tools can prevent you from hiring someone who looks good on paper and sounds great in the interview, but ultimately can't do the job.

5. Conduct the Interview

You have a few options when conducting a job interview. As mentioned above, you can do it one-on-one with the applicant or have a few people participate in a group interview with the job seeker. Often, the first interview (phone screen) is best done one-on-one, as it's less intimidating for the candidate. It also requires less time from others whom you might want to save for interviewing your final candidates only.

Regardless, here are some do's and don'ts on how to interview someone for a job:

Interview Do's	Interview Don'ts
✔ **Set the stage:** Create a welcoming environment to put the candidate at ease by introducing yourself and all interviewers.	✘ **Display bias:** Avoid asking questions unrelated to the job itself. And never scribble notes like wedding rings (married?), a stick figure family (kids?), or anything with racial implications. In a lawsuit, these would be seen as an indication of discrimination.
✔ **Reiterate the process:** Remind your candidate of how your interview process works (e.g., kinds of questions you'll ask, any tests or assignments you'll request, and multiple rounds of interviews).	✘ **Interrogate:** Don't pepper the candidate with questions to see how they do under stress. That undermines your hiring process; they might assume you and your team are difficult to work with.
✔ **Set the stage:** Create a welcoming environment to put the candidate at ease by introducing yourself and all interviewers.	✘ **Display bias:** Avoid asking questions unrelated to the job itself. And never scribble notes like wedding rings (married?), a stick figure family (kids?), or anything with racial implications. In a lawsuit, these would be seen as an indication of discrimination.
✔ **Pace the interview:** Take a deep breath, relax, and get to know the candidate. Allow the candidate time to respond; don't be afraid of silence.	✘ **Ask for free work:** If you ask for an assignment to be completed, prepare to pay the candidate for their time. Don't let your employer brand be undermined by bad online reviews when the job seeker reports that your firm is a scam to get the candidates to do "free work."
✔ **Observe:** Pay attention to the candidate's body language as well as their answers.	✘ **Go silent:** Don't simply stare at the candidate as you read off your interview questions. Instead, engage in a friendly two-way dialog as you would with a friend.
✔ **Summarize:** Clarify what the next step is (e.g., another interview, an email, or a sample task).	✘ **Leave them in the dark:** If you're still interviewing other candidates, let them know.
✔ **Offer Thanks:** Thank the candidates for their time, expressing appreciation for their interest in your company and the job role.	✘ **Burn bridges:** Even if the candidate is a poor fit for the job, treat them with respect.

6. Write Your Interview Notes After the Interview

An interview evaluation form is an excellent way to capture interview feedback because it helps you document how the candidate responded to different questions throughout the interview. That lets you rate and rank candidates in an unbiased way and select the best candidate for the job instead of the first, last, or most animated person you talked with.

If you prefer digital methods, try an applicant tracking system (ATS) that allows you to score interviews, delegate tasks to other hiring team members, and easily follow up with both high- and low-quality candidates.

7. Follow Up With the Job Candidate

Every interaction you have with a job applicant reflects your company brand, and therefore, it's crucial to follow up with job seekers. The more personalized your response, the better. For example, if the rejected candidate is your second choice and your first choice had significantly more accounting experience, it's okay to express that you liked them but chose the more experienced person. It's helpful to explain what you liked best about the candidate's skills and experience—and then, wish them well in their job hunt. It may not start as a letter at all—it may be a phone call or a text you send to offer the candidate the job.

Job Offer Letter

The offer letter is the communication you send to your top-choice candidate. It likely will include a start date, salary range, and benefits information as well as a little bit about your company and culture (to entice the job seeker to say "yes"). You may choose to initially offer the job to your top candidate via phone or video call, but, ultimately, to seal the deal, it's best to document your job offer in writing.

Rejection Letter

The rejection letter is equally important and maybe even more so if you want to maintain a good employment brand. The purpose of the rejection letter is to inform job seekers that you've chosen another candidate. It's also used to thank them for applying and leave the door open for them to reapply to other positions that may come up in the future.

On occasion, you may need to rescind an offer previously made to a candidate. This can happen if the candidate does not pass a background check or drug test, or has inaccurately portrayed their ability to handle the job on their resume.

Bottom Line

Conducting an effective interview takes planning and practice. An interview is little more than a structured conversation that helps you evaluate which candidate is the best for your open role. It should be based on the job description and focus on job-related skills and experience. It can also help you learn about the candidate so that you can see whether their work style and values mesh with what's needed in your business.

Best Interview Questions for Employers

When it comes to interviewing candidates for your open positions, the best interview questions are those that are direct and job-specific. You will also want to learn more about the candidate's skills and education, as well as what they bring to the position. Below, we cover some of the best interview questions to ask, broken down by hiring stage.

Phone Screen Interview Questions

Your first contact with a candidate beyond their application and your email request to interview is the phone screen. This should be a short (no longer than 15 minutes) call between you and the candidate where you can assess their education and skills for the position, their knowledge of your company, and if you feel they may be a good fit to move to the next stage in the interview process. Ask the following questions during the phone screen interview:

- What was it about the job description that caught your eye?
- Why do you want to work for our company in this role? What do you know about the company?
- Tell me about your skills in (insert crucial skill for the role). How many years of experience do you have, and how would you rate yourself on a 1-10 scale, with 10 being an expert?
- Can you walk me through your resume and explain your employment background?
- What are your salary requirements or expectations?
- What is your ideal work schedule?

These questions will help you learn more about the candidate, what motivated them to apply for the open position, and if they have the experience required to fill the role. Be sure not to ask the candidate any illegal interview questions, such as how much they currently make (this could violate the salary history ban law).

For a more in-depth look at phone screen interview questions, review our Phone Screen Interview Questions & Examples article.

Second & Third Interview Questions

Once you have conducted the phone screen interview, you will decide which candidates you want to move to the next stage in the hiring process. These candidates should be set up for in-person, phone, or virtual interviews. This is your opportunity to dive deeper into their qualifications and learn more about their work style. Ask the following questions during the second and third interviews:

- How do you prioritize your daily tasks?
- Describe a project that you are proud of. How did you overcome any obstacles during this project? What was the outcome?
- Tell me about a time you've had to discuss a project scope change with a client or superior and the outcome of this discussion.
- What motivates you?
- What are your career goals?
- Do you prefer to work independently or within a team?
- Describe your style of working with a team or on a group project.
- Name two of your top strengths and how you can use those strengths in this job role.

Second and third interview questions are designed to get a more in-depth understanding of how the candidate would succeed in their role. This is the time to hold team interviews with decision-makers and team members who will work directly with the candidate. You will also want to ask job-specific questions during this stage. See our recommendations below.

Consider asking the candidate to complete a sample project directly related to the work they will be doing for your company. This will allow you to get a first-hand look at the type of skills they possess and if they can complete the assignment in a timely manner. You may want to compensate for the project as candidates may deliver better results when they know they will be paid.

Job-specific Interview Questions

During the second and third interviews, the best interview questions are specific to the industry or position the candidate is applying for. This will help you gauge whether the candidate can complete the tasks of the position. Also, consider keeping a scorecard on each candidate that you can refer back to when making a hiring decision. We've broken down these job-specific interview questions into categories:

Management Questions

If you are interviewing candidates who will manage a team, you will want to be thorough in the questions you ask relating to their management experience and style.

- What is your management style?
- Tell me about a time when you had to give someone difficult feedback. How did you handle it?
- As a manager in this role, you will lead a team of (insert #) people. What specifically will you do during year one to help ensure they each become more valuable to the company and stronger performers overall?
- Tell me about a time you had someone on your team who was a challenge. What did you do to manage them, and how did the situation turn out?
- What is your experience with hiring and terminating employees?
- Why do you like to manage people?

Interviewing candidates is only one part of the recruiting process. Check out our guide on recruiting management to learn how it all comes together.

Marketing Questions

Whether you are hiring a Social Media Manager or a Head of Marketing, make sure you hone in on your candidate's ability to turn marketing ideas and thoughts into new business for your company. Here are the best interview questions that can give you insight into whether a marketing candidate can thrive at your company.

- What was the ROI (return on investment) on marketing campaign(s) that you've led, designed, or otherwise participated in? What lessons did you learn from them?
- What blogs and resources do you follow online to keep up with the industry?
- Walk me through your process of a marketing campaign from start to finish. What steps do you take to get results?
- Do you have experience building social media channels and an online presence? What do you think works or does not work?
- How do you deal with a project that's gone over budget or pushed past the deadline?

Administrative Assistant Questions

Being an administrative assistant is a multitasking-heavy job. There are certain skills that an administrative assistant must possess to succeed in their role. Here are some solid questions that you should ask every administrative assistant candidate:

- Tell me about a time when you had to complete multiple projects at one time for a deadline. How did you prioritize your tasks to complete them by the deadline?
- Why do you think you'd be the right administrative assistant for me/for this office?
- Walk me through a typical day in the role of an administrative assistant.
- What do you enjoy most about administrative work?
- What software and office equipment knowledge do you have that will help you succeed in this role?
- Describe a situation where discretion was required of you and how you handled the situation.

Our administrative assistant hiring guide goes over recruiting for the administrative assistant role, from the job description to the phone screen to interview questions and more.

Real Estate Questions

Real Estate Agents must possess certain skills to succeed. Additionally, real estate is a business of relationships and people, and even the most skilled realtors should have a story to tell. Start by asking the following questions:

- Why do you want to work as a real estate agent?
- How many transactions did you close in the past year?
- From which lead generation source did you see the best ROI?
- How will you help grow your business (through our agency)?
- How would you utilize the internet, video tours, and social media to sell property?
- Tell me about a time when you struggled to build a relationship with a client. What would you have done differently?
- What do you find most challenging when you accompany prospective clients on showings? Why?

Learn more about the qualifications realtors should possess.

IT Questions

Information technology (IT) roles are highly skilled and technical. Candidates must possess specific skills and knowledge to succeed in these roles. Ask your candidates the following top interview questions:

- Describe a time when you worked in a group on a technical project. What was the outcome?
- What programming languages do you know?
- How would you handle a client situation where the deliverable deadline is approaching, and your team members may not be available to help?
- If you had to design a program from scratch, what steps would you take? How would you ensure the data being entered has zero or minimal errors?

Learn more about IT recruitment and how to hire the best technician for your organization.

Sales Questions

Recruiting a good salesperson (or business development manager, depending on your industry) is key to growing your business. Ask potential sales employees the following questions:

- How do you divide your time between cultivating current clients and searching for new ones?
- What approach do you take when you are having difficulty closing the deal?
- In your opinion, what can our company do to improve sales?
- What is the difference between a short sales cycle and a long sales cycle?
- At what point do you stop pursuing a potential client?
- Explain your sales process from start to finish.

Learn more about hiring sales professionals, plus download a free checklist.

Final Interview Questions

Once your candidate has gone through a series of interviews and you are close to making a hiring decision, it is a good idea to have a final interview between the candidate and the hiring manager. This is the time to ask direct questions about why the candidate is right for the position and when they can begin work, if hired.

- Describe a situation where you went above and beyond in your role.
- How do you envision growth in your position?
- In what environment do you feel most productive?
- How would you describe your leadership style?
- Tell me why you are the perfect candidate for this position.
- When will you be available to start?
- Do you have any questions for us?

Bottom Line

Asking the right questions of your candidates can make the interviewing and hiring process easier. It's also a good idea to keep a scorecard on each candidate so you can better track responses to your questions. Additionally, applicant tracking systems can help you keep track of your candidates during the interview process.

Common Illegal Interview Questions & How to Avoid Them

Many conversational topics can be interpreted as illegal interview questions when asked of candidates during a job interview. You will want to steer clear of any question centered around a protected class of people as they are protected from employee discrimination at all times—during the interview process, while employed, and when terminated from employment.

The list of illegal interview questions includes topics about:

- Age
- Disability
- Gender, sex, sexual orientation, pregnancy
- Marital or family status
- Race or ethnicity
- Religion

Examples of Illegal Interview Questions

We have broken down our list of illegal interview questions into the categories of protected classes listed above. Be sure that you do not ask any of the questions listed or similar questions to avoid possible discrimination during the interview process.

Age

The Age Discrimination in Employment Act states that employers may not discriminate against potential employees based on age. Below are questions to avoid during your interviews so that you do not violate this law:

- How old are you?
- What is your date of birth?
- How long have you been working?
- We see you graduated some time ago. Do you plan to retire soon?
- How long do you plan to work until you retire?
- There is a large gap between your age and that of coworkers. Is this a problem for you?

Disability

The Americans with Disabilities Act (ADA) prohibits discrimination against any potential employee with a disability. Some common questions to avoid during your interview include:

- Do you have any disabilities?
- Have you experienced any serious illnesses in the past year?
- Have you had a workplace injury?
- Have you ever filed for workers' compensation?
- Do you take prescription medication?
- Have you been diagnosed with any illnesses (i.e., mental health, cancer)?
- Did you take an extensive amount of sick leave at your previous job?

Gender, Sex, Sexual Orientation & Pregnancy

Per the US Equal Opportunity Employment Commission (EEOC) it is unlawful to discriminate against any potential employee due to their gender, sex, sexual orientation, or pregnancy. Avoid these questions during your interviews:

- What is your sexual orientation?
- How do you identify?
- Are you male or female?
- Do you prefer to be called Mr., Mrs., or Miss?
- Have you had transition surgery or reassignment?
- Are you comfortable working for a female/male boss?
- Are you pregnant or plan to become pregnant soon?
- Will you need to leave work at any time due to a pregnancy?

Marital or Family Status

The EEOC mandates that employers may not ask any questions during an interview related to a person's marital or family status. Below are questions you should not ask during an interview:

- Are you married, single, or divorced?
- Do you plan to get married?
- What does your wife/husband/partner do for a living?
- Do you have a backup plan for your children if they become sick?
- How many kids do you have?
- How old are your children?
- Do you live with a family member?

Race or Ethnicity

Title VII of the Civil Rights Act prohibits employers from discriminating against candidates based on their race or ethnicity. Questions you should not ask during an interview include:

- Where were you born?
- What country are you from?
- What is your native language?
- Is English your first language?
- What type of VISA do you have?
- What type of accent do you have?

Religion

Religious discrimination is governed under Title VII of the Civil Rights Act, which states that no employer may discriminate against a potential employee based on their religion (or lack of religious belief). Refrain from asking any of the below questions during an interview:

- What is your religion?
- Are you religious?
- Do you attend church regularly?
- What church do you go to?
- Who is your pastor?
- What religious holidays do you observe?
- Do you have specific clothing required for your religion?

Additional Illegal Interview Questions

- Have you ever been arrested?
- Do you have a car?
- Where did you live while you were growing up?
- Do you own your own home or rent?
- Do you drink, smoke, or use illegal drugs?
- What is your political affiliation?
- Do you have any outstanding debt?
- What type of military discharge did you receive?
- Have you ever had your wages garnished?
- Have you ever had a bankruptcy?
- Are you a union member?
- Do you have plans that can prevent you from working full time?
- What is your current or former salary? This falls under salary history ban laws in most states.

To avoid illegality, you can ask some questions differently or earlier in the hiring process, such as those around criminal background, birth date, and marital status. For example, instead of asking the candidate if they have ever been arrested, you can ask if they have ever been convicted of a crime.

What to Do If Candidates Share Protected Information

People overshare these days—on social media, in line at the grocery store, and during interviews, too—especially when a candidate is nervous and has a rush of adrenaline.

If a candidate accidentally says something like, "Well, I beat breast cancer last year" or "I'm having some problems paying off my debt, which is why I want a new job," you should follow these three steps:

1. Pause in your answer to them.
2. Make solid eye contact to ensure your point will get across if the interview is in person.
3. Say something like, "Let's stick to the set of questions I have here; we are short on time" and move right to the next question.

If the candidate goes there again, you can be firmer and say, "We unfortunately are going into personal details. I'll ask you to stick to answering the questions at hand, please." If the candidate still continues down the oversharing lane, it is advised that you end the interview as politely as possible. This indicates they aren't listening or are looking for you to open an illegal can of worms. At worst, they could be a lawsuit seeker.

5 Steps to Avoid Illegal Interview Questions

The best way to avoid asking illegal interview questions (or just bad ones) is to be prepared. The best-prepared employers use a system to structure their interactions with candidates. First, write a simple and professional job description that minimizes potential risks from the start. When it comes time to run the actual interview, we highly recommend following a structured interview process where you prepare a list of questions and ask those questions to each candidate.

1. Write a Rock-Solid Job Description

Your job description is often the first thing a candidate reads about your business—and thus, in a sense, is your first interaction with them. Just as you would greet a new visitor to your business with professionalism and respect, your job ad should do the same. If there's any perceived bias in your job description, it can easily spill over into the rest of the hiring process.

For example, "Looking for young, enthusiastic rockstars willing to give it their all" could present a potential age bias. Instead, you should focus on the requirements and demands of the job: "Candidate must be OK with long hours and monthly business trips for 3-5 days."

2. Include a Questionnaire

A questionnaire on your application lets you ask candidates important questions right away, such as if they hold a certification or meet a language or educational requirement.
Job boards may include an optional questionnaire-builder when you post a job ad. This makes it easy to ask these questions straightforwardly and professionally. You can get these key interview questions out of the way early, and in a way you know will be compliant. A questionnaire also ensures candidates are aware of your requirements right away, and that no under-qualified applicant sneaks onto the shortlist.

3. Phone Screen Candidates

Before conducting your main job interviews, it's important to schedule short phone interviews with your top candidates. These can be anywhere from 5 to 30 minutes, and your goal is simply to determine whether or not you want to proceed to a longer in-person interview.

As with any other step in the hiring process, phone screens are a time when illegal interview questions can accidentally slip. To avoid this, keep the conversation focused on the candidate's resume, including their work history and qualifications. Remember that even seemingly relevant questions like "When did you graduate from college?" can be unlawful because of their implication (age bias). Be sure to check out our top phone screen questions to help you come up with ideas.

4. Conduct a Structured Interview

When it comes time for your main job interviews, it is recommended that you conduct structured interviews. A structured interview is when you ask the same questions to every candidate. As long as you're careful in selecting your questions, this method is nearly air-tight for mitigating liability.

Because the conversation can vary depending on a candidate's response, you'll also want to have a list of follow-up questions prepared, which you can roughly emulate for each candidate. As a result, you'll be able to more easily compare and rank candidates, based on their responses to the questions.

5. Keep Notes

Keeping and saving notes ensures you'll have a clear justification for your hiring decision. In the event you're charged with making a biased decision and/or asking an illegal interview question, your notes will serve as your best defense. Have your list of questions handy, and write (or type) the candidate's responses to each question.

Another primary reason for notes is to aid your memory when it comes time to compare candidates and make a hiring decision. This is especially helpful when you have multiple hiring managers reviewing candidates.

Bottom Line

Illegal interview questions can become a legal headache that could potentially lead to a discrimination lawsuit. We have provided a list of illegal interview questions you should avoid based on protected classes—age, disability, gender or sexual orientation, marital or family status, race or ethnicity, and religion.

Implementing a structured hiring process will keep your conversations on point from the very beginning. It can also help you make better hiring decisions because you can more easily rank candidates based on their responses to the interview questions.

Free Interview Evaluation Forms & Scorecard Templates

An interview evaluation form allows interviewers to score job applicants in a consistent way, comparing candidates fairly. Data is then transferred to a scorecard used by HR or the hiring manager to determine which candidate, based on all interviewer feedback, is the best fit for the organization.

We have included eight free interview evaluation forms and three free scorecards that you can customize for specific kinds of interviews and job roles.

For access to all the tools and templates mentioned in this ebook, check out our Appendix

Simple Interview Evaluation Form

Simple Interview Evaluation Form Template

Company Logo Here

Candidate Name:

Interviewed for Job Role:

Name of Interviewer:

Date / Time of Interview:

		Poor	OK	Great	
Q1	Was the candidate **prepared** for the interview? (Researched company, dressed appropriately, arrived on time?)				*Describe:*
Q2	Does their **experience** appear to match what's needed? (Work experience, life experience or volunteer work?)				*Describe:*
Q3	Do they have some or all of the required **credentials**? (For example, education, licenses, certifications?)				*Describe:*
Q4	How are their **interpersonal** skills? (Friendly, smiling, outgoing, kind, fun, interactive?)				*Describe:*
Q5	How good are their **communication** skills? (Written skills, i.e. resume, application, as well as verbal skills)				*Describe:*
Q6	How well do their **technical** skills match job requirements? (Specific technical tools, approaches, examples?)				*Describe:*
Q7	How well did they answer **teamwork** job related questions? (Likes working with others, good rapport?)				*Describe:*
Q8	How well did they answer **customer service** related questions? (Customer focused, good listener, problem solver?)				*Describe:*
Q9	How open did they appear to be when **learning** new things? (Willing to learn, attend training, accept feedback?)				*Describe:*
Q10	How **interested** did the candidate seem in getting the job?				*Describe:*

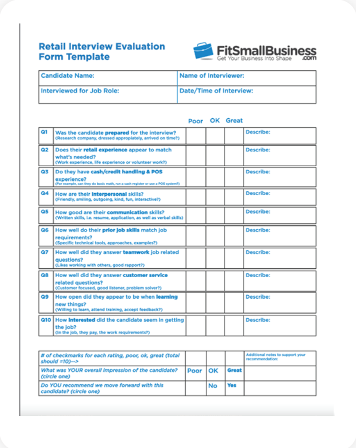
Download Template

The simple interview evaluation form is the best and easiest interview evaluation form to use if your interviewers don't have much experience or you need a simple one-page document to jot down notes and score the candidate on 5-10 job qualifications. It's simple and allows raters to assess each candidate using three choices (poor, OK, great).

Because these templates are editable, you can modify each to suit your particular needs by changing the text in the categories, modifying the rating scale, or adding your own logo.

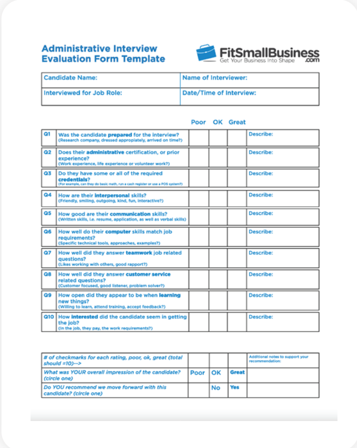
Job-specific Simple Interview Evaluation Forms

These forms take the basic questions provided in the interview evaluation form template and customize them to specific job roles. For example, candidates for a retail job may need point-of-sale (POS) experience, while candidates for an administrative role may need specific computer expertise.



Retail Interview Evaluation Form

Food Service Interview Evaluation Form



Administrative Assistant Evaluation Form

Retail Form

Use this template to assess retail job candidates for fit within your business and customer base. This interview evaluation form verifies that candidates have the skills to run a register and serve clients.

Food Service Form

Use this template if you're interviewing for individuals who will work in the fast-paced food service industry—to ensure you're evaluating candidates fairly and capturing the work experience and interpersonal skills required to establish great customer service as well as food safety.

Administrative Assistant Form

Use this template if you're interviewing an administrative assistant as it contains questions that assess typical job skills needed by a successful admin, such as computer skills and the ability to support others.

Complex Interview Evaluation Form

Complex Interview Evaluation Form Template — *Company Logo Here*

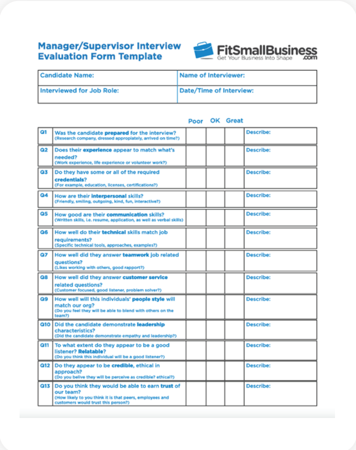
	Candidate Name:				**Name of Interviewer:**
	Interviewed for Job Role:				**Date / Time of Interview:**
		Poor	*OK*	*Great*	
Q1	Was the candidate prepared for the interview? (Researched company, dressed appropriately, arrived on time?)				*Describe:*
Q2	Does their **experience** appear to match what's needed? (Work experience, life experience or volunteer work?)				*Describe:*
Q3	Do they have some or all of the required **credentials**? (For example, education, licenses, certifications?)				*Describe:*
Q4	How are their **interpersonal** skills? (Friendly, smiling, outgoing, kind, fun, interactive?)				*Describe:*
Q5	How good are their **communication** skills? (Written skills, i.e. resume, application, as well as verbal skills)				*Describe:*
Q6	How well do their **technical** skills match job requirements? (Specific technical tools, approaches, examples?)				*Describe:*
Q7	How well did they answer **teamwork** job related questions? (Likes working with others, good rapport?)				*Describe:*
Q8	How well did they answer **customer service** related questions? (Customer focused, good listener, problem solver?)				*Describe:*
Q9	Job Specific Skill 1: Example Personality / Communication Style				*Describe:*
Q10	Job Specific Skill 2: Example Leadership				*Describe:*
Q11	Job Specific Skill 3: Example Ability to Listen / Relate				*Describe:*
Q12	Job Specific Skill 4: Evidence of Ethics / Credibility				*Describe:*
Q13	Job Specific Skill 5: Ability to Earn Trust of Team, Peers, Clients				*Describe:*
Q14	Job Specific Skill 6: Sales / Presentation Skills				*Describe:*
Q15	Job Specific Skill 7: Evidence of Critical Thinking				*Describe:*
Q16	Job Specific Skill 8: Ability to lead a team/build leaders				*Describe:*
Q17	Job Specific Skill 9: Ability to avoid and/or adress conflict				*Describe:*
Q18	Job Specific Skill 10: Examples of solid prioritization skills				*Describe:*
Q19	How open did they appear to be when **learning** new things? (Willing to learn, attend training, accept feedback?)				*Describe:*
Q20	How **interested** did the candidate seem in getting the job? (In the job, the pay, the hours, the work requirements?)				*Describe:*
	# of checkmarks for each rating, poor, ok, great (total should = 10) -->				*Additional notes to support your recommendation:*
	What was YOUR overall impression of the candidate? *(circle one)*	Poor	OK	**Great**	
	Do YOU recommend we move forward with this candidate? *(circle one)*		No	**Yes**	

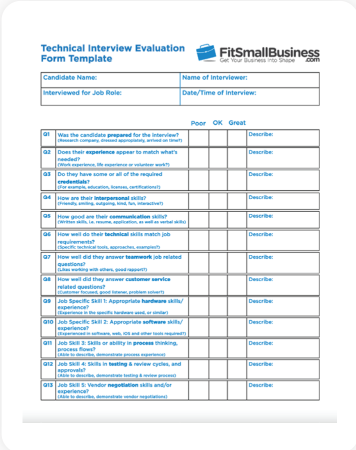
Download Template

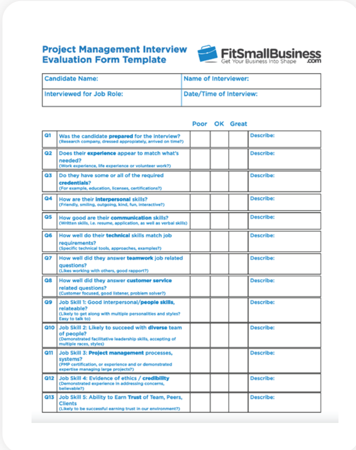
A complex interview evaluation form is more detailed and contains additional behavioral interview questions that are appropriate to ask in professional interviews. Use this customizable template if you're looking to document results from a detailed behavioral interview, as well as job-specific qualifications, personality traits, and organizational fit.

Job-Specific Complex Evaluation Forms

These forms use the same format provided in the complex interview evaluation form and further customize the behavioral and technical questions to suit specific job roles. For example, managers need to inspire team members, project managers may need PMP certification, and technical team members may need to have specific hardware or software expertise.


Manager/Supervisor Interview Evaluation Form Template


Technical Interview Evaluation Form Template


Project Management Interview Evaluation Form Template

Manager Interview Evaluation Form

Technical Team Member Interview Evaluation Form

Project Manager Interview Evaluation Form

Manager Form

This interview evaluation form contains questions relevant to managerial roles and assesses what some consultants refer to as the Big 8—those job competencies that are both hard to develop and critical to the success of a manager/leader in an organization.

Technical Team Member Form

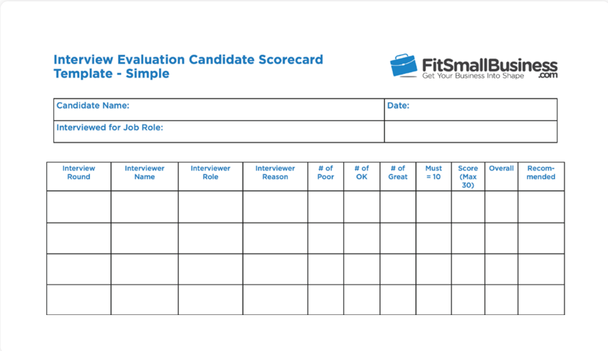
Use this template if you're evaluating candidates for technical skills. You can customize it by listing the specific hardware, software, or project tools the job requires. This interview evaluation form includes 10 behavioral interview questions specific to the kind of competencies required by technical staff in addition to the 10 questions used to evaluate most candidates—questions about communication, teamwork, and customer service.

Project Manager Form

Because project managers do the work of managers without direct supervisory authority, this template includes competencies identified by the Project Management Institute (PMI) needed by project managers, such as the ability to manage conflict, prioritize work, and motivate a self-managed team.

Free Interview Evaluation Scorecards

Once individual interviewers have completed their rating of a candidate, you can input that data into an interview evaluation scorecard to compare everyone's interview ratings for the same candidate. This way, you can determine the average rating for each candidate and decide (without bias) whether or not you should move the candidate forward in the hiring process.



Interview Evaluation Candidate Scorecard Template - Simple

Candidate Name:	Date:
Interviewed for Job Role:	

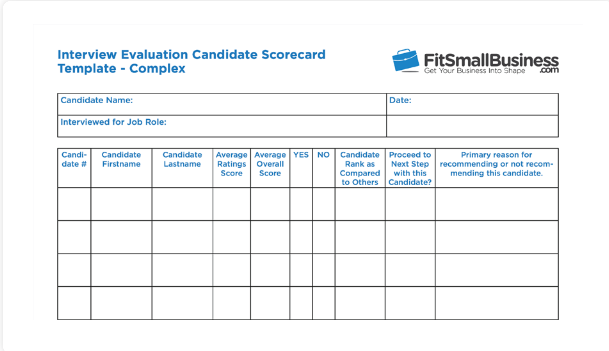
Interview Round	Interviewer Name	Interviewer Role	Interviewer Reason	# of Poor	# of OK	# of Great	Must = 10	Score (Max 30)	Overall	Recom-mended

Simple Interview Evaluation Scorecard

MS Excel/Google Sheets

MS Word

PDF



Interview Evaluation Candidate Scorecard Template - Complex

Candidate Name:	Date:
Interviewed for Job Role:	

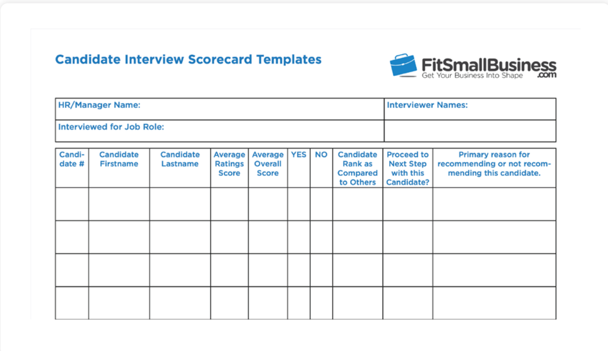
Candi-date #	Candidate Firstname	Candidate Lastname	Average Ratings Score	Average Overall Score	YES	NO	Candidate Rank as Compared to Others	Proceed to Next Step with this Candidate?	Primary reason for recommending or not recom-mending this candidate.

Complex Interview Evaluation Scorecard

MS Excel/Google Sheets

MS Word

PDF



Candidate Interview Scorecard Templates

HR/Manager Name:	Interviewer Names:
Interviewed for Job Role:	

Candi-date #	Candidate Firstname	Candidate Lastname	Average Ratings Score	Average Overall Score	YES	NO	Candidate Rank as Compared to Others	Proceed to Next Step with this Candidate?	Primary reason for recommending or not recom-mending this candidate.

Candidate Comparison Scorecard

MS Excel/Google Sheets

MS Word

PDF

Simple Interview Scorecard

If you've used the simple candidate evaluation form, then you can transfer the data to this scorecard template and get comparative ratings, showing the average score and overall count of those who recommend this candidate move forward to the next step in the interview process, such as a final interview. This is great for a side-by-side comparison of how each interviewer rated the same candidate.

Score each candidate based on poor=1 point, OK=2 points, or great =3 points. Then transfer each interviewer's (subjective) overall rating (poor, OK, or great) to the overall column and note whether they recommend the candidate move forward.

Complex Interview Scorecard

If you want to compare interviewer ratings of a candidate for a higher-level job, one for which you used the more complex behavioral and competency-based interview form, then use this scorecard template to input the interviewers' ratings.

It's scored exactly like the simple scorecard, although your totals and averages will be higher based on the number of questions you assess. You can then obtain an average rating for the candidate overall, and determine the next steps, such as a final interview or a request for a sample work product.

Candidate Comparison Scorecard

Once all your interviews are complete for all your candidates for a given position, you'll need a way to capture the summary data for each candidate and compile it into a comparative scorecard. This lets you compare how candidates performed in the interview on an apples-to-apples basis.

The candidate comparison scorecard allows you to document and rate candidates fairly and can come in handy if you ever have a claim of interviewer bias or unfair hiring practices filed against your company. You would be able to show how each candidate compared to one another and will have documentation as to why you choose to hire one person and not another.

After evaluating and scoring the candidate, if you choose not to move forward, please consider sending the applicant a professional rejection letter to maintain goodwill and encourage the applicant to apply for other positions that may be a better fit.

Training Interviewers to Use Interview Evaluation Forms

The free interview evaluation forms are simple, with 10-20 questions, room to make reminder notes about each rating, and a three-point rating scale for interviewers to choose from. All interviewers should use the same form and rating system for consistency. In addition to training on how to conduct an interview, as well as what not to ask, your interviewer training can be as simple as showing the interviewer how to use and score the form:

- Complete form information, such as interviewer name, candidate name, job title, and date
- Rate candidate on each of the questions (poor, OK, great) by using a checkmark
- Once the interviewer evaluation ratings are complete, count the number of each 'poor', 'OK,' and 'great' ratings and write that number at the bottom of the interview evaluation form

Scoring an interview evaluation form example

- Interviewers then circle their overall rating (which is subjective; it may or may not match the numeric score)
- Last, they should indicate 'yes' or 'no' on whether they recommend the candidate
- If they have comments as to why they made a recommendation, they can write those in the notes section

# of check marks for each rating, poor, ok, great (total should = 10) -->	1	7	2	*Additional notes to support your recommendation:*
What was YOUR overall impression of the candidate? *(circle one)*	Poor	OK	**Great**	I would like manager to assess team work skills as candidate really quiet and I couldn't read them.
Do YOU recommend we move forward with this candidate? *(circle one)*		No	**Yes**	

Scoring an interview evaluation form example

With complex interview evaluation forms, you may want to explain why you chose specific behavioral and technical interview questions. It is scored in the same way as the simpler versions; however, it typically has more questions.

Dos & Don’ts of an Interview Evaluation Form

Whether you use our free templates or create your own, an interview evaluation form should have basic candidate information and job-related questions. However, be careful when you create your interview evaluation form that you do not ask or rate anything that could be subject to discovery in a litigation process, such as any demographic, gender, or other protected-class information that may violate labor laws.

What TO Include	What NOT to Include
• First and last name of candidate • Position or job title • Name of interviewer • Date and/or time of interview • Evaluation criteria • Interview questions • Summary rating • Recommendation • Comments	• Candidate gender or gender identity • Candidate marital or family status • Candidate race, ethnic, or religious background • Candidate age or date of birth • Candidate location (it’s OK to indicate candidate’s preferred work location) • Candidate disability or pregnancy • For equal employment opportunity purposes, once hired, demographic data may be gathered by HR and maintained separately in a personnel file.

Bottom Line

Like most business tools, the exact interview evaluation form you need is one that’s right for your business and the specific job for which the candidates are applying.

CHAPTER 4

Hiring Employees

This chapter reviews the hiring process once you have found the candidate you wish to hire. Learn the difference between 1099 and W2 workers, how to hire remote employees, hiring independent contractors, and hiring international employees.

Find out more with these topics:

> [1099 vs W-2 Workers: 5 Key Areas of Difference]
>
> [How to Hire Remote Employees in 5 Simple Steps]
>
> [Hiring Independent Contractors in 8 Simple Steps]
>
> [How to Hire International Employees in 4 Steps]

1099 vs W-2 Workers: 5 Key Areas of Difference

Large and small businesses alike often find it most efficient to hire employees (W-2 workers) for some roles and tasks and independent contractors (1099 workers) for others. Understanding the differences between 1099 vs W-2 workers is important, as misclassifying employees as contractors can lead to thousands in fees and penalties.

1099 VS W-2 QUICK COMPARISON

	Contractor	Employee
What Tax Forms am I Required to Use?	1099-NEC	W-2 Form
Paid Hourly or Salary?	Hourly or flat rate; never salary	Hourly or salary
Do I Pay Payroll Taxes on Their Earnings?	No	Yes
Can I Fire Them Easily?	Yes, just be aware of contract stipulations and dates	Yes, at-will employment reigns*, and you can also easily fire for performance or behavior (if documented)
Full- or Part-time?	Usually part-time, on-demand, or by project	Usually a consistent full-time or part-time schedule

**All states recognize at-will employment on a contractual level, except Montana.*

As your business expands and you make decisions about whether to hire full-time (or part-time) employees or independent contractors, consider these five areas in which you will see differences.

1. Payroll Taxes

When you hire employees, you're responsible for doing payroll, which includes withholding payroll taxes from their paychecks—in addition to paying taxes on their earnings out of your business funds. When you hire independent contractors, you still have to run payroll; however, you pay them their total earnings for the period. Your business doesn't have to withhold taxes.

Imagine you have an employee who earns $1,200 for the week. Since they're not a contractor, the amount on their paycheck will be less than $1,200—because you'll have to subtract the total taxes you're required to withhold to determine how much to pay them. If they were an independent contractor, however, they would receive a total of $1,200. Contractors are responsible for squaring up their tax bills with the IRS on their own.

To learn more about payroll download our How to Do Payroll ebook.

2. Tax Forms

Although employers manage payroll tax payments for their employees, employees are still responsible for ensuring they don't owe any additional taxes (or aren't entitled to a refund due to overpayment). In this sense, both employees and contractors have at least some responsibility to settle any outstanding bills with tax agencies. Employers help facilitate this by issuing year-end tax forms (1099 and W-2) that show the total amount each worker earned for the year.

- **Form 1099-NEC:** Contractors receive Form 1099-NEC, which shows the worker's name, Social Security number, address, and total earnings for the year. Learn how to fill out and prepare this with our guide on the 1099-NEC form.
- **Form W-2:** Employees receive Form W-2, which shows basic information, in addition to total taxes and other deductions withheld. Learn how to fill out a W-2 form.

3. Federal Labor Law Protection

Employees and contractors are treated differently when it comes to federal labor law protections. US labor laws protect employees from being paid less than federal minimum wage (currently $7.25 an hour), ensure that eligible employees (typically hourly workers) receive overtime for hours worked over 40 in a week, and set strict standards for when minors can work and the type of work they're allowed to perform.

If any HR and payroll compliance rules are broken, employers can be sued and/or face litigation. Contractors, however, aren't privy to these protections and don't have any recourse unless it's explicitly stated in their contracts. Having an independent contractor agreement in place will help protect you.

4. Terminating Contractors vs Employees

Another factor to keep in mind is the at-will employment doctrine, which gives you the right to terminate employees at any time without notice or cause (as long as it doesn't violate any federal laws). However, if you need to let a contractor go, it may not be as easy; you'll have to abide by the terms of the contract you signed at the beginning of your relationship with them.

- With a contractor, you need to pay attention to the terms of the contract you are signing and your right to terminate it. Some contracts are hard to break, so keep this in mind when negotiating. We recommend at least a 5–10-day notice of termination from either party.

- On the other hand, you can terminate employment at any time. To protect yourself, it's best to include the at-will employment language in all employment agreements and employee handbooks. That said, you need to comply with all federal and state labor laws, which are meant to provide boundaries for employee dismissal.

5. Paychecks & Benefits

The last major notable difference between 1099 vs W-2 workers is how they are paid and the benefits to which they are entitled.

- Contractors aren't as likely to receive consistent pay—you can pay them via monthly invoices or on a per-project basis.

- Employees may be either salaried or hourly and full-time or part-time with a consistent schedule (generally paid biweekly, semimonthly, or weekly). Benefits, like health insurance, flexible spending accounts, 401(k), and so forth are reserved for employees.

Questions to Ask When Classifying Workers

According to the IRS, there are three main questions to ask yourself when classifying 1099 vs W-2 team members at your business. Note that, in general, only one of the questions has to fit the bill for a worker to be considered an employee.

1. Behavioral question: Does the company control or have the right to control what the worker does and how the worker does their job?

If the answer is "yes," the worker is likely an employee. If the worker is free to manage their schedule and work process, then they are more likely a contractor.

2. Financial question: Are the business aspects of the worker's job controlled by the employer? (These include how a worker is paid, whether expenses are reimbursed, and who provides tools/supplies.)

If the company controls how the worker is paid and pays for expenses and supplies, then they're likely an employee. However, if the worker has to send an invoice to get paid and/or cover their expenses, they are more likely a contractor.

3. Working relationship question: Are there written employment contracts (versus projects or an independent contractor agreement) or employee-type benefits (like health insurance and vacation pay)? Will the working relationship continue for the foreseeable future if the work is done correctly, and is the work performed a key aspect of the business?

If the company provides employee benefits and believes the worker is there for the long-term, they are likely an employee.

Pros & Cons for 1099 vs W-2 Workers

Contractors

Some business owners like hiring contractors because of certain advantages over employees. There are also drawbacks, however, to having a contractor on staff.

Advantages	Disadvantages
✔ **Lower tax bill:** Independent contractors pay all of their taxes. You only have to provide the contractor with a 1099-NEC. You do not have to collect taxes on their paychecks or submit payments to the IRS on their behalf.	✘ **Higher hourly rate:** In general, a contractor will charge more by the hour than a salaried team member would; after all, they have to pay taxes out of the money you pay them. However, you can explore contractors from other countries and consider newbies looking to prove themselves via freelance websites and potentially save money.
✔ **Lower hiring and benefit costs:** Most states require you to buy workers' compensation insurance for employees. This is not required when working with independent contractors. Independent contractors will not expect benefits such as healthcare, 401(k) plans, and paid time off.	✘ **Lack of teamwork:** Since a contractor is an outsider, they may not be the best fit for your team the way an in-house employee would. You'll want to make sure they understand company structure and their place in it early and create a communication plan with them (for instance, scheduling weekly calls or updates).
✔ **Decreased risk of being sued:** You are not subject to the same federal labor laws with independent contractors as you are with employees. You'll just need to watch what you put in their contract and be sure to include an "out" clause.	✘ **Decreased drive:** If an emergency comes up, your contractor isn't going to necessarily work late or burn the midnight oil, especially if they have other clients. An employee will usually work, within reason, to get the job done, even if that leads to overtime.
✔ **Little to no training costs:** Many contractors bring expertise in their field, like technical recruiting or computer development in a specific language. This can save you time on training your current employees to learn additional skills.	✘ **Higher turnover rate:** A contractor has no stake in your business or a desire to help your business grow. They are typically there to make money for themselves. This can lead to high turnover, which will require you to go through the costly hiring process multiple times.

Employees

There are some major perks to posting a job to find a great employee, including employee retention potential and accountability. On the other hand, as we've touched on before, there are also some downsides to hiring employees, such as increased tax and benefits costs.

Advantages	Disadvantages
✔ **Recruiting:** For a full-time W-2 role, you'll get a lot more applicants as a wider talent pool will be interested in the role. It's also a lot easier to post the more permanent position on a traditional job board than it would be for a contract role.	✖ **Taxes and insurance costs:** You have to pay payroll, unemployment, and workers' compensation for all employees. That can add up quickly and should be considered when you determine the employee's total cost to the company.
✔ **Succession planning:** As your business grows, you'll need to promote people and have managers. Hiring employees allows for this in a more consistent way and lets you have people "on deck" or able to help if someone unexpectedly resigns or needs to be fired. A contractor can't typically help in those situations.	✖ Higher risk of litigation: You need to make sure you are implementing things like performance reviews and progressive discipline for behavior issues to make sure that you're airtight in firing someone. Although most states are at-will, it's much easier for an employee to find grounds to sue than it is for a contractor.
✔ **Accountability:** An employee will know that their employment, and potential benefits, are on the line with their performance. They are typically more accountable than a contractor. Keep in mind, though, that there are great contractors out there, along with unreliable employees.	✖ **Requires more time to manage:** An employee has to be trained, will have questions, and needs to be transitioned into their role. They can take 30, 60, 90 days—or even a full year before they are completely trained. These workers are a part of your team, which means you will invest much more time and money into helping them be their best than you would a contractor.
✔ **Company culture:** In general, employees contribute to a more cohesive company culture. They may become great work friends and long-term employees. It is harder for contractors to do this, especially since they are typically off-site and don't usually work consistent hours	✖ **Cost of benefits:** Typically, a company will offer healthcare benefits, retirement benefits (e.g., 401(k)), and stock options. These come at an additional cost to employers.

Bottom Line

When it comes to hiring new workers, business owners can choose between independent contractors and employees (1099 vs W-2). Contractors have more independence in how they conduct their work but aren't protected by labor laws, such as minimum wage. Employees, on the other hand, provide more job stability for promoting and retaining employees.

Both W-2 and 1099 workers can be valuable assets to a business as they perform the work you need to run the company. If you need a strong sense of control over the work and/or the worker's time, you're better off hiring an employee. Avoid falling into the trap of calling an employee a contractor, because that can come back to haunt you; taxes can add up quickly, especially if you have to add fines and penalties.

How to Hire Remote Employees in 5 Simple Steps

With the shift to virtual work, there are steps you can take to ensure you hire remote employees who are just as successful and productive as onsite employees. Our guide will take you through the entire process, from creating your job description to conducting virtual interviews and making your offer.

1. Accentuate Your Business

Unlike local candidates, remote job candidates are less likely to have heard of your company and generally won't have the opportunity for an in-person visit to your facility. Therefore, it is important that you emphasize the positive qualities of your business in other ways.

Have an Employee Value Proposition That Covers Remote Working

Having an employee value proposition is a part of any sound hiring strategy. An employee value proposition (EVP) is your company's overall value to current and future employees relative to other employment options they may have. It is a combination of the company mission, culture, benefits, and compensation and is usually part of a larger employer branding strategy.

To appeal to remote employees, your EVP should put extra focus on flexibility and helping remote workers feel like part of the team. For remote workers, this is a critical aspect of an EVP and how they will evaluate your company versus other options. Be sure to highlight this in your job description.

Create a Job Description That Speaks to Remote Workers

Speaking of job descriptions, a good one does more than just list the role and candidate requirements you're looking for. A good job description sells candidates on why your company is a great place to work, speaking in a voice that relays your unique culture and core values.

For remote workers, as mentioned above, that means an emphasis on flexibility, which is usually a key reason they want to work remotely. It's also about having a culture that values productivity over facetime and focuses on strong communication and self-motivation.

Promote Your Business

In addition to selling your company culture, you need to be able to sell your company's ability to manage remote workers. Remote workers often feel detached and alone. Some companies are better than others at managing remote workers, so you want to be able to give remote candidates confidence that you can successfully manage working with employees no matter where they work.

This could take the form of promoting how many of your employees work remotely or the processes and tools you use to keep remote workers in the loop. You should make sure you mention this in your job description, EVP, and during the interview.

2. Find Remote Candidates

It is now time to post your job openings and begin the process of finding qualified remote candidates.

Expand Your Network Beyond Local

For any job opening, you'll want to reach out to your network, including current employee referrals, family and friends, business partners, etc. Employee referrals are the highest-quality source for new hires. For onsite job openings, this is usually focused around your geographic area. However, for remote workers, you need to expand your thinking. Candidates around the world are potential employees.

Update Your Website

If you post job openings on your website, then you'll need to update your website when you're ready to hire for a remote position. Be sure the posting highlights the fact that the job is remote and not specific to your business location.

Post Openings On Remote-specific Job Boards

Several sites focus specifically on remote job opportunities. If you're using a talent management system or recruiting software, you can automatically post your job to multiple sites with a single click.

In addition to sites focused just on remote workers, you can also check out freelancing websites as well. These sites also cater to remote work but on a more piecemeal, part-time basis. If you're looking for administrative help, you can check sites that focus on virtual assistants.

3. Review Resumes

Take the time to review each resume that is submitted. You can perform a quick scan to see if the candidate already has a job history in your industry/business. If they do not show the experience or education in a quick scan, you can remove them from candidacy. If they do have the background you are looking for, take a deeper dive into their resume.

When evaluating candidates for remote work, there are a few criteria to look for in addition to the normal job qualifications.

Pay Attention to Work History

A quick review of a candidate's resume will give you an overall impression of their qualifications. Pay close attention to their work history and how it aligns with your job opening. Have they worked in your industry before? Have they worked a position with the same or similar title to your job opening? Additionally, do they have a history of working remotely? Often, folks with a background in startups and freelancers are used to being productive when working remotely.

Look at Required Skills

The next review of a resume is to look at the skills a potential candidate is bringing to the table. Has the candidate included technical skills in previous jobs that you require in your current open position? Just as important as technical skills are soft skills that every remote worker must have, such as self-motivation and being proactive in a virtual environment.

4. Interview Remote Candidates

Once you have evaluated candidates for consideration your next step is to interview the ones that best meet your needs. Interviews can be conducted in several ways for remote employees: by phone, video conferencing, or email communication.

Virtual Interviews

You can test for communication skills by making all of your interactions a combination of video conferencing calls, phone calls, and email messages. Many businesses have successfully hired remote workers by conducting only video interviews. Be sure to let team members who will work closely with the candidate have a chance to interview as well. This will help in the decision-making process as the team can decide if the candidate would make a good fit.

Evaluate Their Communication Skills

In addition to being productive remotely, you'll need someone good at communicating. You won't be able to chat around the water cooler to get a sense of how they're doing so communicating well at a distance is critical for remote workers to be successful. Do they seem well-organized? Can they articulate clearly and concisely? Are they comfortable with modern communication tools? The interview is your chance to evaluate their communication skills.

Assign a Test Project

During the interview process, you can get a feel for productivity at a distance by assigning the candidate a complex task with a deadline. The task will test to see if they can remain motivated outside of an office. The timeline will test their ability to be proactive and get things done quickly. The test project should closely resemble the kind of work the person would be doing if hired. It will be up to you to decide if this test project will be a paid assignment.

Some job seekers feel like test projects are a way for companies to get free work, so paying for the project indicates you are serious about evaluating their skills for possible employment. Be sure this is one of the last steps in your hiring process so that you are not spending a lot of money and time on candidates who you are not considering.

5. Hire Remote Workers

Now that you've conducted your interviews and reviewed all notes and the test project, it is time to hire your top candidates.

Once you have made your decision on which candidates you will hire, it is a good business practice to notify all other applicants that you have reached a decision and they are no longer considered for the position. Then you should notify those workers that you will hire with a phone call or an email to give them the details of the job opportunity (i.e., a formal job offer).

If you're not ready to bring someone on full-time, consider hiring them on a contractor basis. This will let you get a feel for their productivity and communication skills before committing. Contract work can be based on a timeline (i.e., 90 days) before hiring.

Pros & Cons of Hiring Remote Workers

Hiring remote workers can open up the number of available job candidates and create more satisfied employees, but it's not for everyone. Here are some pros and cons to help you decide if remote workers are right for your business:

Pros	Cons
• Attract more candidates from anywhere • Employees like the flexibility of remote work • Reduce overhead like rent and facilities • Works very well for certain positions, like tech, graphic design, writing, and freelance positions	• Requires you to have the right processes and tools for remote workers • Requires you to trust workers to be productive without direct oversight • Not applicable for a number of positions, e.g., retail sales, manufacturing, etc.

Bottom Line

Leveraging remote workers can be a great way to attract more qualified candidates while reducing overhead costs at the same time. However, hiring and managing remote workers successfully requires you to have the appropriate processes and tools in place. If you do this, you can build a highly productive, global workforce.

Hiring Independent Contractors in 8 Simple Steps

Companies hiring independent contractors usually have short-term projects or part-time work that need to be completed in a specific time frame. To hire independent contractors, you'll identify the work that needs to be done and decide on the qualifications a contractor needs to perform the job successfully. Then, if you opt to post a job on a website, you should prepare a job description. Finally, compile a list of interested contractors and screen the top applicants.

Cost is also a significant factor, so determining an acceptable contractor budget at the beginning of the process will prevent you from wasting time considering those who are outside your range.

Here are the steps to follow when hiring independent contractors:

1. Plan Contractor Projects

Before you make any major decisions about hiring independent contractors, consider whether you really need them or if an employee would be a better fit. Sometimes employers are penalized for misclassifying employees as contractors.

Take time to evaluate the project you need help with. Is it long-term or short-term? Can one contractor handle the job, or do you need multiple?

Generally, the best work for contractors is temporary and doesn't require years of company-specific experience. Contractors usually have multiple customers, so if you have a long-term project that requires a full-time work schedule, you should consider whether an alternative option would be more feasible than using contract labor. Cost, expertise, and convenience are all important factors.

2. Determine Contractor Qualifications

After verifying your need for a contractor and identifying the work you want performed, determine the qualifications you need in a contractor. Be sure to separate preferences from deal breakers. For instance, if you're looking for a bookkeeper to "clean up your books" because you haven't had the time to do it, consider whether you want the person to be certified or have a degree. Typically, bookkeeping certification would be a preference, while experience would be a requirement.

Education & Certification

Certain jobs have higher qualifying standards than others. For example, if you need contractors to perform electrical work, you'll want them to be licensed. When the work can have fatal consequences, you should always look for candidates who have documented education, certification, and/or a license; this minimizes your liability. With a little research, you'll find that most of these industries, including the power industry, are already regulated, so you'll just need to verify your contractor's credentials.

Another industry example for which you'd want to verify credentials is accounting. If you're looking for someone to help with your finances or taxes, it's a good idea to set high standards. Financial information is confidential, and any IRS dealings need to be handled by a contractor you can trust. The Certified Public Accountant (CPA) designation is a good credential to check for, but a college degree could work if the contractor has significant experience to prove expertise.

Work Experience

Work experience is a must-have for most companies. It's hard to spend money for work you're not confident will be done well. Of course, how much experience depends completely on your preference and the work you need done. If you need a roofing contractor to inspect the roof of a building you're considering purchasing for your business, you'll want someone with years of experience.

On the other hand, if the work you need has less severe consequences, like freelance writing, and you run across contractors with limited to no experience who fit your budget, you might be inclined to try them out. In this case, companies would typically assign a test project before committing to a long-term contract just to ensure the contractor is a good fit for the work.

Work Schedules

Another important factor to consider is the contractor's work schedule. How much availability do you need your contractor to have? Although you can't legally dictate a contractor's work schedule (or you could face taxes and penalties from the IRS), you can consider how much capacity each contractor has before working with them.

Contractors just starting their business may only have one or two clients, which means they have more time to devote to your project to finish quickly. Others who have been in business for years might have to juggle your work with that of 20 other clients.

3. Write a Job Description

Figuring out what you need and want in a contractor will help you create a solid job description that saves you time by primarily attracting your target candidates. It's disappointing to sift through a list of contractors who can't perform the work you have or just don't meet the qualifications. This is why it's important to be direct when writing your job description.

Here are the most important items you should include in a job description:

Job details: Provide detail on what the job entails.

Required credentials: If you require a degree, license, or other credentials, include it so contractors who don't qualify won't apply. State if it's a preference rather than a requirement, so you don't miss out on eligible candidates.

Length of job: Estimate the length of time you expect the job to take. If you're looking to build a long-term relationship over a series of projects, express this in the job description.

Ideal contractor: It'd be helpful to spell out what your ideal contractor is like. You can list traits like adaptability, charisma, and so on.

Company profile: Include a brief description of your company with details on its industry and clients.

Pay: Some companies list the pay amount (either by the hour or project) directly on the job description. Although pricing is an important detail that governs the owner-contractor relationship, it's not always a good idea to include it in the job description. Instead, request quotes from the contractors you're interested in; this leaves room to negotiate.

4. Search for Contractor Candidates

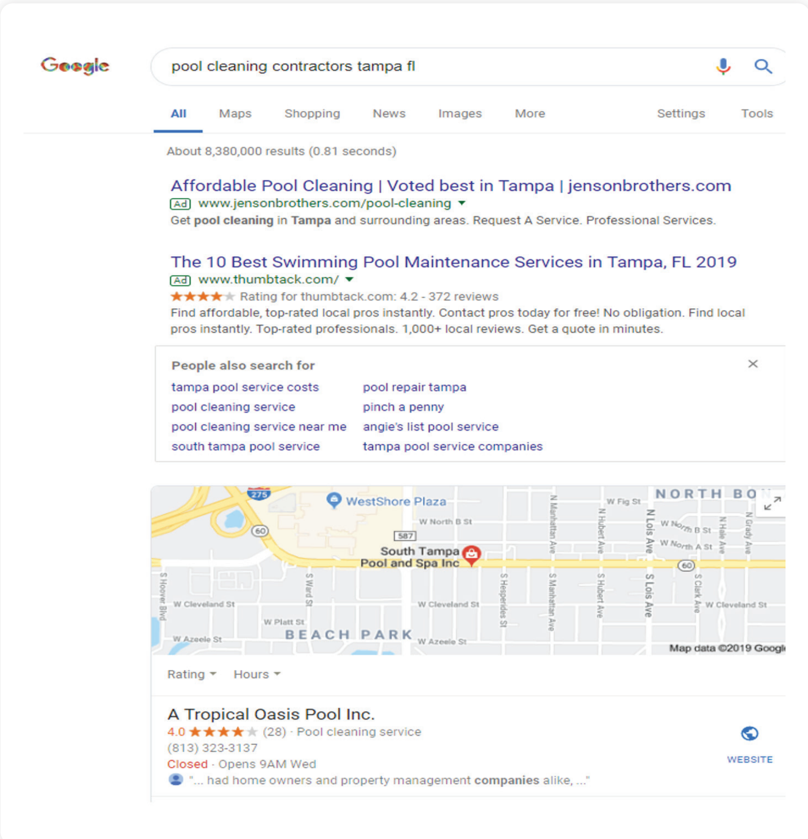
Once you know what your needs are and have your job description, you can begin searching for contractors. Deciding where to search sets the stage for this step, and it primarily depends on the type of work you have available. For instance, you'd look for bookkeepers, virtual assistants, and roofing contractors using different platforms. There are numerous avenues you can use to search, but you should take advantage of the internet as it's convenient and offers a wide reach.

Freelance Websites

If you need a freelancer—to build an app, create a website, or design a logo, for example—a freelance website would be a good option. The best freelance websites are affordable, easy to use, and offer a broad range of talent. Many of these websites will allow you to post job descriptions on which freelancers can bid, and some sites will vet the freelancers for you.

Google Search

With Google, hiring a contractor is much simpler than it was a couple of decades ago. You can easily search for specific contractors in your local area by entering the type of contractor you're looking for and include your city and state.



When searching for local contractors, Google will populate a list of companies in your area in addition to websites that will help you get bids from local professionals to compare before making a hire.

Word of Mouth

The age-old approach of finding contractors through word of mouth is still popular—and works. If you receive a recommendation, it usually means that person had a good experience working with the contractor. As long as the contractor fits the qualifications you laid out at the beginning of the process and you trust the person recommending him or her, you should at least be comfortable adding the contractor to your "to be considered" list, if not hiring the contractor outright.

5. Compile Applicant List & Screen for Best Candidates

As you proceed through the process of hiring a contractor, start compiling a list of eligible candidates. You should be able to eliminate some contractors before doing any major evaluation. Always refer to your qualification list and job description to keep you on track because it's easy to become sidetracked when reviewing dozens of candidates.

Be aware that some contractors will look great on paper but aren't exactly what you need. They may have more qualifications than the job requires and hence exceed your budget. On the opposite end, you'll find some deals that look very attractive financially, but the contractor's experience may be questionable.

Once you compile your list, filter it for the candidates that fit your profile of an "ideal contractor" for the job. If you struggle to find ideal candidates, screen for the next best.

6. Request Quotes From Each Contractor

Once you know which contractors you're willing to work with, you can hone in on pricing. By the time you reach this step, you'll most likely already have insight into the amount each professional charges. It's up to you whether or not you want to negotiate; you should wait until officially meeting with them before starting the process.

Be cautious of quotes that are too high or low. Any quotes significantly outside of the general range could signal a red flag. Compare all prices and consider factors such as experience and contractor business structure before drawing any conclusions. Eliminate any contractors that don't fit.

7. Interview Top Independent Contractor Applicants

After receiving a few bids for the job, you'll interview the best contractors and negotiate a price before making your final decision. Similar to scheduling a job interview, you should set up a meeting or call with the top independent contractor applicants. Three is a good number to consider, but add more if you want additional options. Use the meeting to ask questions and assess the contractors' capabilities and compare your findings with the research you've already gathered.

QUESTIONS TO ASK CONTRACTORS	ATTRIBUTES TO LOOK FOR IN CANDIDATES
Have you worked similar jobs before?	Honest
How long do you estimate the job will take?	Enthusiastic
Do you have any special licenses or certifications that pertain to the job?	Knowledgeable
Will you have other workers helping you with the job?	Flexible
What type of business or liability insurance do you carry?	Organized
Do you have any references?	Punctual
Do you require a down payment, or can I pay what I owe once the job is complete?	Efficient
I know you charge $__, but will you accept $_?	Skilled

Ask questions and review attributes during the interview stage, so you're ready to make a decision shortly after.

8. Extend Offer & Prepare Independent Contractor Agreement

You'll need to decide which contractor you'll hire and prepare to extend an offer. Please note that extending an offer to a contractor isn't as official as extending one to an employee. It's typically a verbal offer that states information like the price you'll pay, work performed, and due date; most importantly, it doesn't carry legal obligations.

Once the contractor accepts your offer, you should prepare an independent contractor agreement. It will contain all of the details you discussed when extending the offer in addition to a confidentiality agreement and documentation on how to resolve issues should a disagreement arise. For the contract to be legally binding, both you and the contractor must sign. It's best not to begin working with any contractors until a fully executed (signed) contract is in place.

Tip: When it's time to pay, good payroll software will make processing payroll much easier than doing it manually.

Federal Laws on Hiring a Contractor

One of the best parts about hiring independent contractors is the lack of extensive regulation. Hiring employees subjects employers to numerous laws, but working with contractors is much less complex. Depending on your state, you may have to report new contractors to a state agency. Your primary concern should be ensuring that your contractor is indeed a contractor and not an employee. You shouldn't dictate how or when the contractor works, only what the final product should be.

Penalties For Misclassifying Independent Contractors

Penalties for not complying with federal laws can be costly. The IRS is very sensitive to contractor-employee misclassifications and will search for those occurrences when conducting audits. If the IRS discovers you misclassified any employees as contractors, the contractors are automatically reclassified and you may owe back payroll taxes (15.3% for Social Security and Medicare (FICA) and possibly 20% for income taxes) and penalties of $1,000 per misclassified worker; you could also get a year in prison.

Be sure that you're not setting your contractors' work hours or controlling how they perform their work; otherwise, they should probably be employees. It's also a good idea to check whether your state has specific contractor classification tests, like California, that you can follow to ensure you comply.

New Hire Reporting for Independent Contractors

Federal law doesn't require new hire reporting for contractors, but some states do. These states match the reports against their child support records to locate parents, establish a child support order, or enforce an existing order. All laws differ, so it's best to check your state's website for specifics.

Federal Laws on Paying Independent Contractors

Generally, you aren't required to withhold taxes from an independent contractor's pay. They are obligated to pay their own contractor taxes. However, if you're unable to gather their Social Security number (SSN) or Tax Identification Number, you'll need to withhold 24% from each payment to remit for taxes.

The IRS requires you to collect your contractors' identifying information, like name, SSN, and address (usually on Form W-9), at the time of hire so you can file the 1099 tax form at year-end with ease. 1099 reports all contractor earnings for the year. You'll send a copy to each contractor, the IRS, and your state tax agency. This ensures the tax agencies are aware of who should be paying their own taxes.

> Need help paying your independent contractor? Check out our guide on how to pay contractors.

Bottom Line

Hiring independent contractors requires analyzing the work you need to be completed so you can determine the best professional for the job. You'll spend time researching different options and strive to choose the best one based on cost, ability, and ease of use. Understanding federal laws is also important so you avoid penalties and taxes.

How to Hire International Employees in 4 Steps

Hiring employees can be a difficult and time-consuming process, but is fairly straightforward. The same is true for hiring international employees specifically, although you will have certain considerations in mind as you go through the process of determining the type of worker you need, creating and posting a job description, interviewing and evaluating candidates, and making your offer. Those considerations include visa restrictions and available work hours.

Each international hire is unique so your company may not encounter those specific challenges, or you may encounter a host of others. That's not to say you shouldn't hire overseas employees if it's in your business's best interest. You just need to be ready for some extra hurdles.

Step 1: Determine the Type of Worker to Hire

Just as with domestic hiring, the type of international employee you choose to hire is an important factor. When hiring, many small businesses choose to partner with independent contractors for specific projects instead of hiring an employee. You can do the same with international workers.

Hiring an international independent contractor has its benefits. The individual worker is responsible for reporting their income to their government, not you. You simply make a payment to them, and they handle the rest under their home country's laws.

Be aware that the same rules apply to international independent contractors as for domestic ones. So, you cannot cross the line of making an independent contractor an employee by giving them a schedule, telling them what to work on, and generally supervising their work. If you take those actions, the individual is most likely an employee.

If the worker you want to hire is not a US citizen and is only working in their home country, you will not need to worry about getting a visa. However, you may need to obtain a visa for the worker if you need them to be present in your office or when you're hosting an in-person company event or retreat in the US.

Your international employee cannot enter the US as a visitor if they're here for business purposes or staying for an extended period of time. Your employee would be considered a nonimmigrant worker for the duration of their stay in the US, so you would need to get a visa for them. You may also have to change the way you pay them while they're physically present in the country, as they may become subject to additional taxes. If the person you choose to hire is a US citizen living abroad or they hold dual citizenship, they will be able to enter and exit the country freely.

You'll need to be prepared for either situation. Be careful during the hiring process, however, about asking questions about citizenship. You cannot directly ask an applicant if they are a US citizen.

Step 2: Creating a Job Description & Posting a Job Ad

Writing a job description is crucial to hiring the right employee, knowing how their skills match up with what you need and holding the employee accountable to stated tasks. When you write a job description, make sure you're including required skills, education, and brief details about the projects or work the employee will do. Include a brief discussion selling your company. Why would someone want to work for you? What benefits do you offer? What sets your company apart from the competition?

After you've written a clear job description, it's time to post the job ad. You may be unsure where to post your job ad when hiring international employees. However, you may already use job boards that can help you attract international candidates.

Step 3: Evaluate Candidates & Interview With International Details in Mind

Interviewing is always a crucial part of the hiring process. The interview allows you the opportunity to ask about the candidate's skills and get a feel for their personality and how they'll fit into your company culture. Hiring international employees requires you to be more focused during the interviews and consider additional aspects.

Many companies have moved toward a remote or hybrid work environment, and hiring remote workers presents its own challenges. Having employees that may be seven, eight, or even 12 time zones away creates logistical problems. Understand what your requirements are:

- Will this employee need to work US hours?
- Will this employee need to be flexible and join team meetings during their night hours?
- How will your company coordinate with the employee on events that may be outside of their normal working hours?

Beyond that, you'll also need to consider technological issues:

- Does the employee have stable internet access?
- Will you provide them with a computer and other electronic equipment?
- How will you troubleshoot technical issues, especially if your domestic team is sleeping?

When you're interviewing candidates, you can ask questions about their flexibility to attend team meetings. You can also pay attention to their internet connection and see if their video is choppy or freezes. While you shouldn't eliminate a candidate based on unstable internet alone, it's good information for you to have when deciding on a new hire who will work entirely remotely from abroad.

Step 4: Make a Job Offer

Now that you have figured out which applicant you want to hire, it's time to make a formal job offer. While it's usually best to make a soft offer by calling the candidate, giving them the good news, and discussing any final details like start date and salary, doing that for an overseas employee may be impractical. If you are unable to speak with the new hire before sending a formal offer to them, be prepared for at least some back and forth negotiation, especially on salary.

In the offer letter, make sure you include the job title, start date, benefits, salary, and the full job description. Also include a timeline for them to sign and return the letter to you, generally around one week. Because the person you're hiring lives in another country, using secure online signature software is your best bet to make this process smooth and efficient. Upload the offer letter to the software and send it to the chosen candidate. Once they return the signed letter to you, begin your onboarding process.

Legal & Operational Considerations

Besides the actual process of interviewing and hiring an international employee, there are operational considerations, some of which were briefly alluded to above. Here we discuss in more detail.

Misclassification

As we touched on above, ensuring there is a clear line between employees and independent contractors is crucial to keeping your small business compliant. Employees and independent contractors serve different functions for companies. Here is a breakdown.

Employee	Independent Contractor
You direct their daily duties	You can only give them projects
You can discipline them for poor work performance	You cannot give performance reviews but can terminate their contract
Additional overhead costs including benefits	No additional overhead besides agreed upon rate

If you misclassify an independent contractor, however, and they are really an employee, you could face stiff fines and penalties. In this case, your small business could be responsible for back taxes, missed overtime, benefits contributions, and other fines. Some workers, especially international workers, prefer independent contractor status. Just make sure they fit the criteria before you enter into an independent contractor agreement with them.

Taxes & Payroll

No one likes this part, but taxes are a crucial aspect of running a small business. And hiring an international employee doesn't make your business or employee immune. Failure to properly withhold taxes could lead to costly fines and penalties.

If your remote international employee is not a US citizen and they'll perform all of their work outside the US, they will need to complete and send you IRS Form W-8BEN. Your business uses this form to withhold appropriate taxes from an international employee's pay. When the source of the payment comes from within the US, the foreign employee is subject to a withholding tax of up to 30%. There are exceptions which this form will alert you or your payroll department before making any payments. If your remote employee living abroad is a US citizen, you may be able to simply add them to your regular payroll.

If you decide to engage an international independent contractor, you will need to use a slightly different form if they have their own corporation: IRS Form W-8BEN-E. This is a complex form the international independent contractor will need to complete and provide you before you can make any payments to them.

Each situation could also be affected by tax treaties the US may have with other countries.

Hours

The role you're hiring an international employee to do could be strategic. Maybe you have customers in their country and you need someone working their regular business hours to help with any issues. This makes it easy for the employee to engage with customers but not with their colleagues, especially if their time zone is different by more than a few hours.

On the other hand, if you're hiring an international employee because they have a certain set of skills, you could have them work US hours, or at least have them work a few hours that overlap with your core business hours. This will greatly reduce the headaches you'll encounter with scheduling full team meetings and events, and allow the international employee the chance to get to know their colleagues better.

Need help scheduling your international employee's work hours?
Check out our guide and free scheduling template.

Setting Up a Foreign Entity

This may not apply to every situation, but it's worth mentioning so you can be prepared. If you're considering opening an office in an international location or you plan on hiring more than a few employees from one country, you may benefit from setting up a foreign entity in another country.

There are registration requirements, associated fees, and corporate taxes you may need to pay. It's a good idea to hire a lawyer to help you. Setting up a foreign entity makes it easier to hire people in another country, giving you more flexibility and autonomy over your company. For just a few employees, however, this is probably more of a headache than it's worth.

Pros & Cons of Hiring International Employees

Hiring employees can be a difficult and time-consuming process, but is fairly straightforward. The same is true for hiring international employees specifically, although you will have certain considerations in mind as you go through the process of determining the type of worker you need, creating and posting a job description, interviewing and evaluating candidates, and making your offer. Those considerations include visa restrictions and available work hours.

Each international hire is unique so your company may not encounter those specific challenges, or you may encounter a host of others. That's not to say you shouldn't hire overseas employees if it's in your business's best interest. You just need to be ready for some extra hurdles.

PROS	CONS
Enter an international market	Possible extra costs for hiring internationally
Larger candidate pool	May have challenges supervising work from a great distance
May be able to hire employees for less than you'd pay in the US	Could be subject to international taxation
Ability to have local employees service local customers	International employee may have vastly different working hours

Bottom Line

Today's distributed workforce makes hiring international employees more common, but there are still hurdles to overcome. Traditional laws and regulations need to be adhered to, both domestically and abroad. If you're looking to hire international employees, it can greatly expand your candidate pool and could be just the step you need to help your business get to the next level.

CHAPTER 5

Employee Hiring Laws

When hiring employees there are many federal and state laws to take into consideration. In this chapter you will learn employment laws, rules to follow while interviewing and hiring, tips for hiring minors, salary history bans, and when to classify employees as exempt or non-exempt.

Follow these topics to learn more:

Employment Laws: Rules to Follow While Interviewing & Hiring

Hiring Minors: Child Labor Laws for Small Businesses

Salary History Ban: Everything Employers Need to Know

Exempt vs Non-exempt Employee: Definition, Differences & How to Determine

Employment Laws: Rules to Follow While Interviewing & Hiring

Employment laws, such as wage, employee rights, and nondiscrimination laws, are important to understand during the interviewing and hiring processes. Knowing the laws that govern how you can bring people on to your team allows you to remain compliant and competitive as an employer. If your organization develops a reputation for being fair and law-abiding, attracting and retaining top talent may be easier.

Let's review eight categories of employment law that can impact your interviewing and hiring processes.

Department of Labor (DOL) Laws

As soon as you begin any recruitment process, you need to be mindful of the critical employment laws that exist through the US Department of Labor (DOL) and your state labor bureaus. To give you the best resources, we have compiled a list of websites that include state law office contacts and other important information.

Resource	Purpose
Major DOL Laws	The DOL administers and enforces more than 180 federal employment laws that govern workplace activities for about 150 million workers and 10 million workplaces.
State Labor Law Offices	A list of each state and their labor office contact information to assist with state-specific hiring laws.
State Minimum Wage Laws	Highlights different minimum wage laws from state to state.
Employment Age Certification	Employment/Age Certification issuance practice under state child labor laws.
State Labor Legislation	The Wage and Hour Division (WHD) tracks state legislation on 34 labor-related topics.

Corporate Business Laws

When starting a new business or remaining compliant with an existing business, there are several corporate employment laws you should follow. Be sure to include these items in your new hire paperwork and/or employee handbook.

Employment-at-Will

An at-will employment arrangement refers to both the employee and employer maintaining the freedom to end the employment relationship at any time, with or without advance notice, and for any reason (or no reason). Employment relationships are presumed to be “at-will” in all US states, with the exception of Montana and fast-food industries in the state of New York.

Notations of your at-will employment status should be included in your employee handbook and any employment contracts. This protects both your rights as the employer and the rights of the employee to end the relationship at any time.

Employment Contracts

Although at-will employment is a standard expectation, there are times when at-will legal status is diminished. If you enter into a signed employment contract with an employee, depending on how the employment contract is constructed, the employer is usually not allowed to simply end the employment without cause or advanced notice.

Depending on the restrictions of the agreement or contract, the employer must adhere to the parameters it has agreed to with the employee. We advise seeking legal counsel when constructing employment contacts with any team member because they tend to be more legally binding and challenging to dispute.

Equal Employment Opportunity Commission (EEOC)

The EEOC is responsible for enforcing federal hiring laws that make it illegal to discriminate against a job applicant or an employee because of their race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), national origin, age (40 or older), disability, or genetic information.

It is also illegal to discriminate against a person because they complained about discrimination, filed a charge of discrimination, or participated in an employment discrimination investigation or lawsuit.

Most employers with at least 15 employees are covered by EEOC laws (20 employees in age discrimination cases). The laws apply to all types of work situations, including hiring, terminating, promotions, harassment, training, wages, and benefits.

Employee Wage Laws

There are many laws a business must abide by that benefit the employee. These include laws that state how and when employees should be paid. For new hires, these laws should be adhered to from the start of their employment.

Fair Labor Standards Act (FLSA)

There are a number of provisions that the FLSA covers, including minimum wage, overtime pay, recordkeeping, and child labor standards affecting full-time and part-time workers in the private sector and federal, state, and local governments.

It is important to think about the type of position you're recruiting for and whether the position (not the employee in the position) qualifies as exempt or nonexempt, as this often determines if you pay the employee a salary or hourly wage.

Additionally, as you help prepare your new employee for their job, be aware that deductions made from wages for employer-required uniforms or tools aren't legal if they reduce employee wages below the minimum wage required by the FLSA or the amount of overtime pay due.

State Minimum Wage Laws

Understanding the minimum wage laws in your state prevents you from underpaying employees, which could lead to repayments, penalties, and fees. Some states have a separate or higher minimum wage than the federal minimum wage. Some states follow the federal minimum wage guidelines.

Be aware of industries and job types that are exempt from federal minimum wage requirements.

Interview Laws

During the interview and candidate screening process, there are specific laws to keep in mind—those that prevent you from asking about previous salaries, and those that require you to remove criminal history questions from your applications and interviews. Staying abreast of these interviewing laws can help you avoid legal issues.

Ban the Box Law

"Ban the box" laws require employers to remove criminal history questions from employment applications and their interviews. The law further states that you may not legally inquire about criminal convictions with job applicants until you have extended at least a verbal offer of employment.

Salary History Requests Ban

There's also a regulation many states have implemented that bans companies from asking candidates about salary history. The idea behind this movement is that employers may be tempted to reset offers of annual pay at a rate that matches the candidate's pay history and not the level of position the employer is filling.

Throughout the interview process, do not ask candidates about pay history. Instead, inquire about their salary expectations moving forward and consider sharing what your open position pays.

Fair Credit Reporting Act (FCRA)

Under the FCRA, employment background checks are oftentimes allowed and may include a copy of the candidate's credit report.

The FCRA does not require employers to conduct employment background checks, but the law sets a national standard that employers must follow when doing employment screening. In some states, laws may give an employee more rights than the FCRA.

We recommend including an employment candidate's credit profile only if the job you're considering hiring them for merits such action (such as an accountant or IT professional role).

Illegal Interview Questions

When conducting interviews there are illegal questions you should avoid. These questions can be considered discriminatory and could result in potential lawsuits. They include asking questions on protected class topics such as race, religion, sex, or nationality.

Having solid job descriptions and a list of approved questions prior to an interview can help the interviewer remain compliant.

New Hire Laws

When hiring new employees, there are specific laws and regulations related to their employment that must be followed. You must verify an employee's eligibility to work in the US, report new hires to your state, and post workplace posters.

I-9 Employment Eligibility Verification Form

Under federal law, employers are required to verify an employee's eligibility to work in the US by completing an I-9 Employment Eligibility Verification form within three days of the employee's start date.

The I-9 confirms your employees are eligible to work in the US. This form should be completed and kept in a separate employee file.

New Hire Reporting

The Office of Child Support Enforcement requires that all employers report basic information on new and rehired employees within 20 days of hire (note that some states require it sooner). Private-sector employers report to the State Directory of New Hires. Federal agency employers report to the National Directory of New Hires.

The state and federal government utilizes the new hire reporting process to assist with mandates such as child support payments, garnishments, and so on. All employers, regardless of size, must comply with their state's new hire reporting requirements.

Workplace Posters

Statutes and regulations enforced by the DOL require that notices be provided to employees and/or posted in the workplace. The DOL provides free electronic copies of the required workplace posters, and some of the posters are available in languages other than English.

Post labor posters in conspicuous places for all employees to see and ensure that electronic ones are made available to those who need them (remote employees).

Employee Rights Laws

The Employee Retirement Income Security Act (ERISA) regulates employers who offer pension or welfare benefit plans for their employees. Title I of ERISA imposes a wide range of fiduciary, disclosure, and reporting requirements on businesses administering pension and welfare benefit plans.

Under Title IV, certain employers and plan administrators must fund an insurance system to protect certain kinds of retirement benefits, with premiums paid to the federal government. You'll need to be aware of what you're responsible for paying before offering such benefits to new employees.

There are also reporting requirements for the continuation of healthcare benefits after employees leave the company under COBRA (Comprehensive Omnibus Budget Reconciliation Act of 1985) and preventing the disclosure of sensitive patient health information under HIPAA (Health Insurance Portability and Accountability Act).

If you choose to offer benefits, including 401(k) and flexible spending accounts (FSA), as well as several other qualifying benefits, ERISA's requirements may impact how you offer and govern these benefits.

Workers' Compensation

Although the requirement to have workers' compensation insurance comes from the federal government, the enforcement and guidance employers receive is from state labor offices. If you work for a private company or a state government, you should contact the workers' compensation program for the state in which you live or work each time you hire a new employee. If they are located in a state that you haven't previously employed anyone, let your workers' compensation provider know because they will have to register that state under your policy.

There are a number of industry-specific programs and resources available:

- The Longshore and Harbor Workers' Compensation Act (LHWCA), administered by the Office of Workers' Compensation Programs (OWCP), provides for compensation and medical care to certain maritime employees (including a longshore worker or other person in longshore operations and any harbor worker, including a ship repairer, shipbuilder, and shipbreaker).
- The Energy Employees Occupational Illness Compensation Program Act (EEOICPA) is a compensation program that provides a lump-sum payment of $150,000 and prospective medical benefits to employees (or their survivors) of the Department of Energy and its contractors and subcontractors in the event they are afflicted with cancer caused by exposure to radiation or other work-related illnesses.
- The Federal Employees' Compensation Act (FECA) establishes a comprehensive and exclusive workers' compensation program that pays compensation for the disability or death of a federal employee resulting from personal injury sustained while in the performance of duty.
- The Black Lung Benefits Act (BLBA) provides monthly cash payments and medical benefits to coal miners totally disabled from pneumoconiosis ("black lung disease") arising from their employment in the nation's coal mines.

Child Labor Laws

When bringing on employees under the age of 18, there are certain stipulations you need to know before making a job offer. Further, there are only certain jobs 16-year-olds, for example, can perform with limited hours per day to work.

Child labor provisions under FLSA are designed to protect the educational opportunities of youth and prohibit their employment in jobs detrimental to their health and safety. FLSA restricts the hours that youth under 16 years of age can work and lists hazardous occupations too dangerous for young workers to perform.

Nondiscrimination Laws

There are laws put in place to protect employees from discrimination. These employees are part of a protected class of individuals that may not be discriminated against due to race, religion, age, sex, nationality, etc. It is imperative that you follow these anti-discrimination laws during the interview and hiring process.

Title VII

Title VII of the Civil Rights Act of 1964 prohibits employment discrimination based on a number of protected classes. Although you can deny employment to someone because you have found another candidate who is more qualified, you may not deny employment for any reason due to race, color, religion, sex, or national origin, as well as a host of other protected classes.

CRA

The Civil Rights Act (CRA) of 1991 was an amendment of the original 1964 law, but did not replace its main tenets. It further defines that the burden of proof resides with the employer in most cases and also refines the severity of action available to courts when ruling on monetary remedies for plaintiffs. This Act provides for monetary damages if employers intentionally discriminate when making employment decisions.

EPA

The EPA (Equal Pay Act of 1963), which is part of the FLSA and administered and enforced by the EEOC, prohibits sex-based wage discrimination between men and women in the same establishment who perform jobs that require substantially equal skill, effort, and responsibility under similar working conditions.

The protection of wage equality is essential for a healthy workplace. This Act protects all workers who perform substantially equal work as their colleagues in the same establishment from sex-based wage discrimination.

ADEA

The Age Discrimination in Employment Act (ADEA) protects certain applicants and employees 40 years of age and older from discrimination on the basis of age in hiring, promotion, discharge, compensation, and in regards to terms, conditions, or privileges of employment.

ADA

Titles I and V of the Americans with Disabilities Act (ADA), which is effective for employers with 25 or more employees, prohibits employment discrimination against qualified individuals with disabilities. It also highlights employers' inability to discriminate against otherwise qualified individuals with disabilities, both in the private sector and state and local governments.

GINA

Under Title II of the Genetic Information Nondiscrimination Act (GINA), employers cannot utilize genetic information when making employment decisions. This rule strictly prohibits employers from requesting, obtaining, or disclosing genetic information, including family medical histories that determine if an individual is at risk for certain diseases or conditions.

Industry-specific Laws

Certain laws related to specific industries or groups of workers need to be followed by all employers when hiring these types of employees.

Government Contracts, Grants, or Financial Aid

Although specifically relevant for companies that receive government funding, do not ignore regulations that companies you may partner with have, because once you conduct business with them, you may also be required to adhere to the same stipulations.

Recipients of government contracts, grants, or financial aid are subject to wage, hour, benefits, and safety and health standards under the following:

- The Davis-Bacon Act requires payment of prevailing wages and benefits to employees of contractors engaged in federal government construction projects.
- The McNamara-O'Hara Service Contract Act sets wage rates and other labor standards for employees of contractors furnishing services to the federal government.
- The Walsh-Healey Public Contracts Act requires payment of minimum wages and other labor standards by contractors providing materials and supplies to the federal government.

Uniformed Services Employment And Reemployment Rights Act (USERRA)

Certain people who serve in the armed forces have a right to reemployment with the employer they were with when they were called to report for service. This includes those called from the reserves or National Guard. It is important to know this during the recruitment process if a returning service member requests their position or a similar one back.

Construction

Several agencies administer programs related solely to the construction industry. The Occupational Safety and Health Administration (OSHA) has special occupational safety and health standards for construction; the Wage and Hour Division, under Davis-Bacon and related acts, requires payment of prevailing wages and benefits.

The Office of Federal Contract Compliance Programs enforces Executive Order 11246, which requires federal construction contractors and subcontractors, as well as federally assisted construction contractors, to provide equal employment opportunity; the anti-kickback section of the Copeland Act precludes a federal contractor from inducing any employee to sacrifice any part of the compensation required.

Migrant & Seasonal Agricultural Workers

The Migrant and Seasonal Agricultural Worker Protection Act (MSPA) regulates the hiring and employment activities of agricultural employers, farm labor contractors, and associations using migrant and seasonal agricultural workers. The Act prescribes wage protections, housing and transportation safety standards, farm labor contractor registration requirements, and disclosure requirements.

The FLSA exempts agricultural workers from overtime premium pay, but requires the payment of minimum wage to workers employed on larger farms (farms employing more than approximately seven full-time workers).

The Act has special child-labor regulations as well that apply to agricultural employment; children under 16 are forbidden to work during school hours and in jobs deemed too dangerous. Children employed on their families' farms are exempt from these regulations.

The Immigration and Nationality Act (INA) requires employers that want to use foreign temporary workers on H-2A visas to get a labor certificate from the Employment and Training Administration certifying that there are not sufficient, able, willing, and qualified US workers available to do the work.

Bottom Line

Employers that know about and follow employment laws during the interviewing and hiring processes make better hiring decisions resulting in a stronger team. The fundamental goal of employment law is a continued effort to ensure workers have fair equity and work-life balance, and job candidates have fair access to employment opportunities of interest.

Hiring Minors: Child Labor Laws For Small Businesses

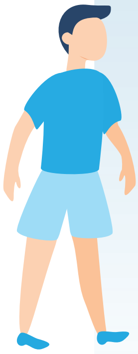
Many small businesses hire candidates that are considered minors (those anywhere from the ages of 14- to 17-years-old). Due to their underage status, the Department of Labor (DOL) has developed child labor laws concerning minors, such as work hours and job restrictions, that all employers must know and follow. Understanding these rules will empower you to employ this eager, resourceful, and underutilized people group, safely, legally, and successfully.

Federal Child Labor Laws

The FLSA determines all work rules (wages, hours worked, safety requirements) for all age groups of minors and the subsequent enforcement and fines for employers who violate these laws.

In addition to the legal aspects of hiring and managing any employee, employers need to go a step further with minors to ensure compliance:

- Minors may not work beyond the legal number of hours for their age.
- Their workspace must meet safety regulations.
- Employers must take reasonable measures to ensure that a minor's job doesn't interfere with their education.



Under 14

HOURS REQUIREMENTS

3 hours per school day;
18 hours per school week

JOB EXAMPLES

- Agricultural positions
- Babysitting
- Deliver Newspapers
- Non-Agricultural, Non-Hazardous positions, only when employed by a parent

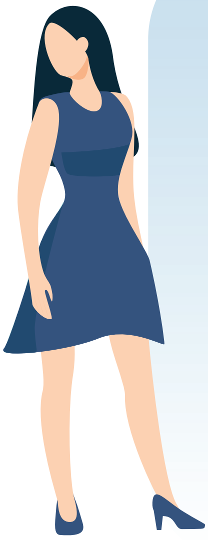
Age 14 to 15 Years

HOURS REQUIREMENTS

- 3 hours per school day; 18 hours per school week
- 8 hours per non-school day; 40 hours per non-school week
- Working hours must be between 7 a.m. and 7 p.m.

JOB EXAMPLES

- Any non-hazardous position
- Retail
- Food Industry
- Car Wash



Age 16 to 17 Years

HOURS REQUIREMENTS

No limit on hours

JOB EXAMPLES

- Any non-hazardous position
- Retail
- Food Industry
- Lifeguard

Age 18+

HOURS REQUIREMENTS

No limit on hours

JOB EXAMPLES

Any position

SOURCE: WWW.THEBALANCECAREERS.COM

Fit Small Business

In most cases, age-specific work restrictions do not apply to minors working in a family business or employed by their parents or legal guardians. The notable exception to the rule is jobs within hazardous industries.

Jobs For Which Minors Are Not Eligible

The FLSA prohibits minors under the age of 18 to work in any occupation that is deemed hazardous. Among these jobs are:

- Storing or manufacturing explosives
- Driving or working as an outside helper on motor vehicles
- Coal mining/mining in general
- Logging and sawmilling occupations
- Fighting or prevention of forest fires
- Forestry service or timber tract
- Operating a forklift
- Operating metal-forming, shearing, or punching machines
- Operating power-driven saws, shears, chippers, and abrasive cutting discs
- Operating jobs in the wrecking, demolitions, and ship-breaking fields
- Operating power-driven slicing machines in meatpacking or processing
- Slaughtering or rending of poultry
- Jobs with exposure to radioactive substances of ionizing radiation
- Trenching and excavating

For a more comprehensive list, visit the Occupational Safety and Health Act's OSHA Education Center.

Work Permits

While the federal government does not require work permits or proof-of-age certificates for a minor to be employed with your company, several states do require youth work permits for workers of certain ages. The purpose of these permits is to protect the employer from prosecution when hiring minors. It is advised that you check with your state on work permit and age certificate requirements.

The DOL will issue age certificates if the minor employee's state does not issue them. More times than not, however, youth work permits or age-verification certificates are issued by individual states.

Minimum Wage for Minors

The FLSA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards for minors in the workplace and requires at least the federal minimum wage, $7.25 per hour, to be paid to all covered and non-exempt employees. Additionally, overtime pay at a rate of not less than one and one-half times the regular rate of pay is required for all hours worked over 40 in a workweek. Some occupations, such as babysitting, do not require a specific minimum wage.

"Youth Minimum Wage"

An exception to the minimum wage requirement is the Youth Minimum Wage. This DOL rule permits employers to pay anyone under the age of 20 a training wage of not less than $4.25 an hour during the first 90 consecutive calendar days after initial employment, except where prohibited by state or local standards. The law contains certain protections for employees as well that prohibit employers from displacing any employee to hire someone at the youth minimum wage.

Federal Work Rules: Hours And Job Type

Knowing what types of occupations minors are allowed to work and for how many daily and weekly hours are essential to staying within compliance with the DOL (as well as taking proper care of your youngest workers). It should also be noted that some work rules differ depending on the time of year and related circumstances. For example, summer vacation hours are different than when school is in session.

Labor Types	Hours Restrictions	Job Restrictions	Key Takeaways
Non-agricultural Jobs	• 18 years or older have no restriction on hours. • 16- or 17-year-olds may perform any non-hazardous job for unlimited hours. • 14- or 15-year-olds may work outside school hours in various non-manufacturing, non-mining, non-hazardous jobs. Minors can work between 7 a.m. and 7 p.m., except June 1st through Labor Day, when they can work between 7 a.m. and 9 p.m. They may not work more than 3 hours per day on school days, including Fridays.	• 18 years or older may perform any job, whether hazardous or not. • 16- or 17-year-olds may perform any job not identified as hazardous by the Secretary of Labor. • 14- or 15-year-olds may not work in hazardous jobs identified by the Secretary of Labor.	Under a special provision, 14- or 15-year-olds who are in a "Work Experience and Career Exploration" program may work up to 23 hours during school weeks and 3 hours on school days (including during school hours).

Labor Types	Hours Restrictions	Job Restrictions	Key Takeaways
Agricultural Jobs	• 16-year-olds have no restrictions for the number of hours or days they can work in agriculture. • 14- and 15-year-olds can work in agriculture, on any farm, but only during hours when school is not in session. • 12 or 13-year-olds can only work in agriculture, on a farm if a parent has given written permission or a parent is working on the same farm. The work can be performed only during hours when school is not in session and in non-hazardous jobs. • Ages under 12 can work in agriculture, on a farm only if the farm is not required to pay the federal minimum wage.	• For 16-year-olds, there are no restrictions for the types of jobs that youth can work in agriculture. • 14- and 15-year-olds can work only in non-hazardous jobs. • 12- and 13-year-olds can work only non-hazardous jobs. • Ages under 12 may not work hazardous jobs.	• FLSA applies to migrants and U.S. citizens, regardless of farm size or the number of days of labor used on any farm. • Note that several states have additional mandates for minors working in agriculture.

Unpaid internships are a way to provide opportunities for youth to explore new careers and gain on-the-job experience. The determination of whether an internship or a training program meets the hours worked exclusion depends on all the facts and circumstances of each such program. If all of the factors for unpaid internships are met, then standard regulations governed by the FLSA, such as minimum wage and overtime provisions, do not apply to the intern.

Penalties For Violations

Violators of child labor laws are subject to a civil penalty of up to $10,000 for each employee where a violation was present. Additionally, penalties can include imprisonment for willful repeat offenders for certain violations. When violations are found in the workplace, the FLSA may impose changes to employment practices to bring an employer into compliance.

We recommend developing a policy for hiring minors in your workplace. You can also include specific new hire materials as a part of your onboarding process for underage workers that include employment stipulations.

It is a violation to fire or otherwise discriminate against any employee who files a complaint or participates in any legal proceedings under FLSA law.

State-specific Child Labor Laws

When it comes to state-specific child labor laws, we recommend using the DOL resources that offer a comprehensive list of all of the state labor offices.

There are highlighted areas (or vocations) that both the DOL and many state child labor programs provide additional instructions for employers. These include:

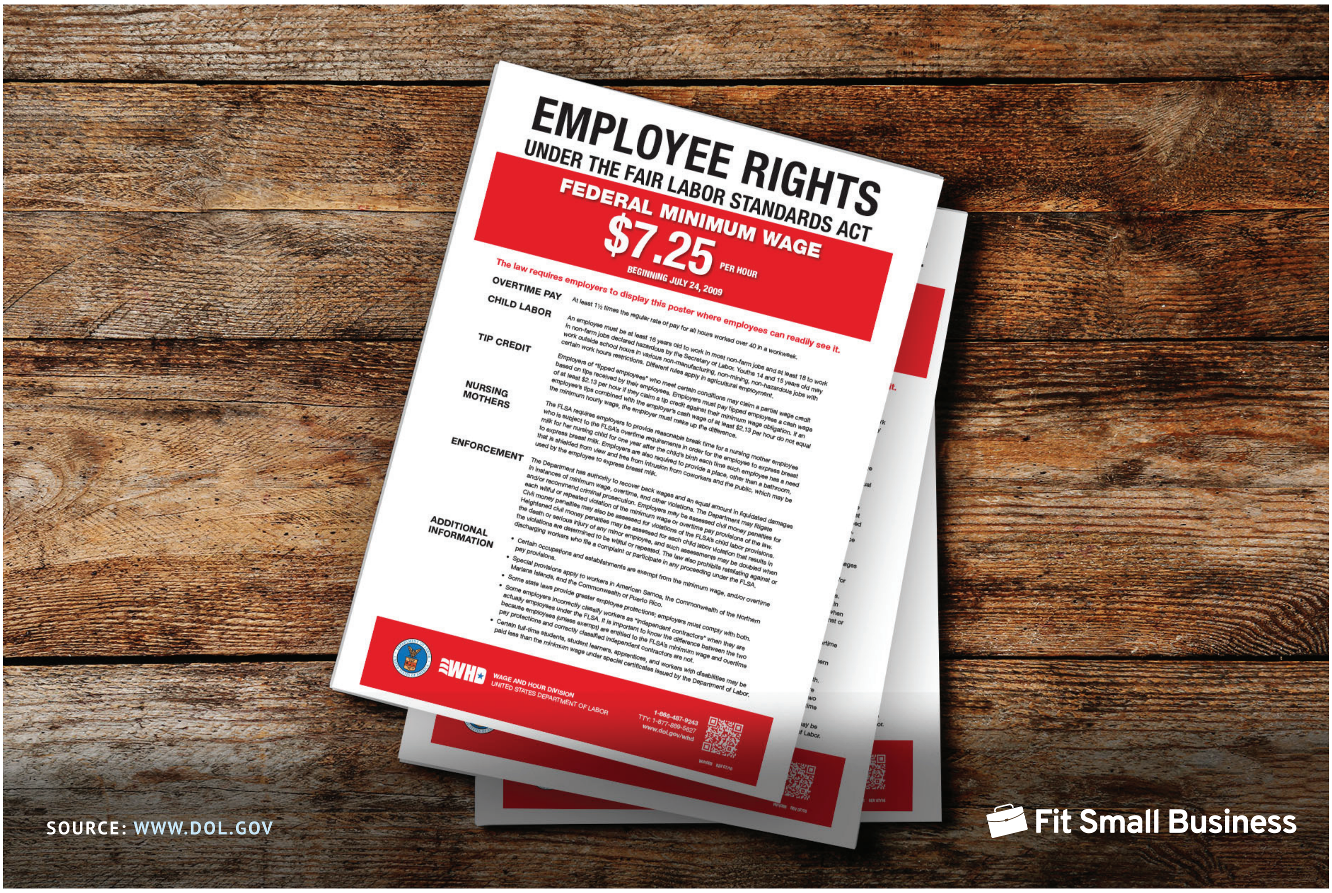
- **Non-agricultural:** Several state-level new child labor laws went into effect as of January 2021. Among these include extended hours on non-school days.
- **Agricultural:** The DOL requires that all child labor laws, whether it was created at the federal or state levels, equally apply to migrants and, "local residents regardless of farm size or number of days of labor used on that farm."
- **Entertainment:** The entertainment industry has its own set of rules when it comes to child labor work rules and each state has different laws. It is important that employers know what can and cannot be done with minors to remain compliant. Included in these rules are written parental consent and working no more than five consecutive days.
- **Door-to-door Sales:** This is another category where there are several additional work rules for minors at the state level. For instance, in Florida, Maine, Michigan, Missouri, and North Dakota, minors under the age of 16 cannot perform this type of work at all.

State labor laws often overlap what federal laws have initially declared for the employment of minors. When this occurs, the law that is more protective of the minor will always take precedence. We recommend that you check the state child labor laws that might impact your workforce.

Labor Law Posters

Every employer in every state must visually post labor law posters as required by law. There are labor law posters for both federal and state regulations. Employers may also be required to display special child labor law posters depending on the type of work performed by the minor.

All FLSA-covered employers are required to post the Employee Rights Under the Fair Labor Standards Act poster, which includes a section on child labor and minimum wage requirements.



Why Child Labor Laws Were Created

Federal child labor laws, launched in 1938 by the Fair Labor Standard Act (FLSA), were created to protect minors in the workplace. They are designed to ensure that when young people work, the work they take part in is safe and age-appropriate and does not jeopardize their health, well-being, or educational opportunities.

Since then, several states have imposed additional requirements that add to what the federal government requires. These restrictions include work permits, limiting the times and hours minors can work, and imposing additional safety regulations. No matter the rules in place, all employers must follow the federal or state rule which provides the most protection to the minor.

Bottom Line

Federal child labor laws are set in place to ensure the safety, well-being, and educational opportunities for minor employees. In addition to federal laws, there are many state laws in place that companies must follow to remain compliant. As such, many companies have developed child employment policies that are not only helpful to employers but also present wonderful opportunities for young workers looking for work experience and money in their pockets.

Salary History Ban: Everything Employers Need to Know

To help eliminate pay discrimination, many states have enforced salary history bans, or laws prohibiting employers from asking job candidates information about their salary history. Currently, 19 state-wide and 21 local bans are in place. To comply, some companies are updating job applications and company practices as each violation can result in a penalty from $100 to over $250,000.

Salary Information Ban Laws

Salary history is an employee's past earnings and can include details about other benefits received (bonuses, paid time off). Sometimes new employers ask for a job applicant's salary history so they can consider it when making a job offer. Since the bans on salary history questions have gone into effect in many states and localities, fewer employers are requesting salary information during interviews and on job applications.

The laws governing pay history bans vary by location. For instance, California's ban covers the entire state. Employers are banned from requesting a job applicant's salary history; however, they can ask the candidates to describe their ideal salary range for the open position. New York State, on the other hand, bans employers from requesting salary history from both potential and current employees and doesn't allow questions about expected salary ranges.

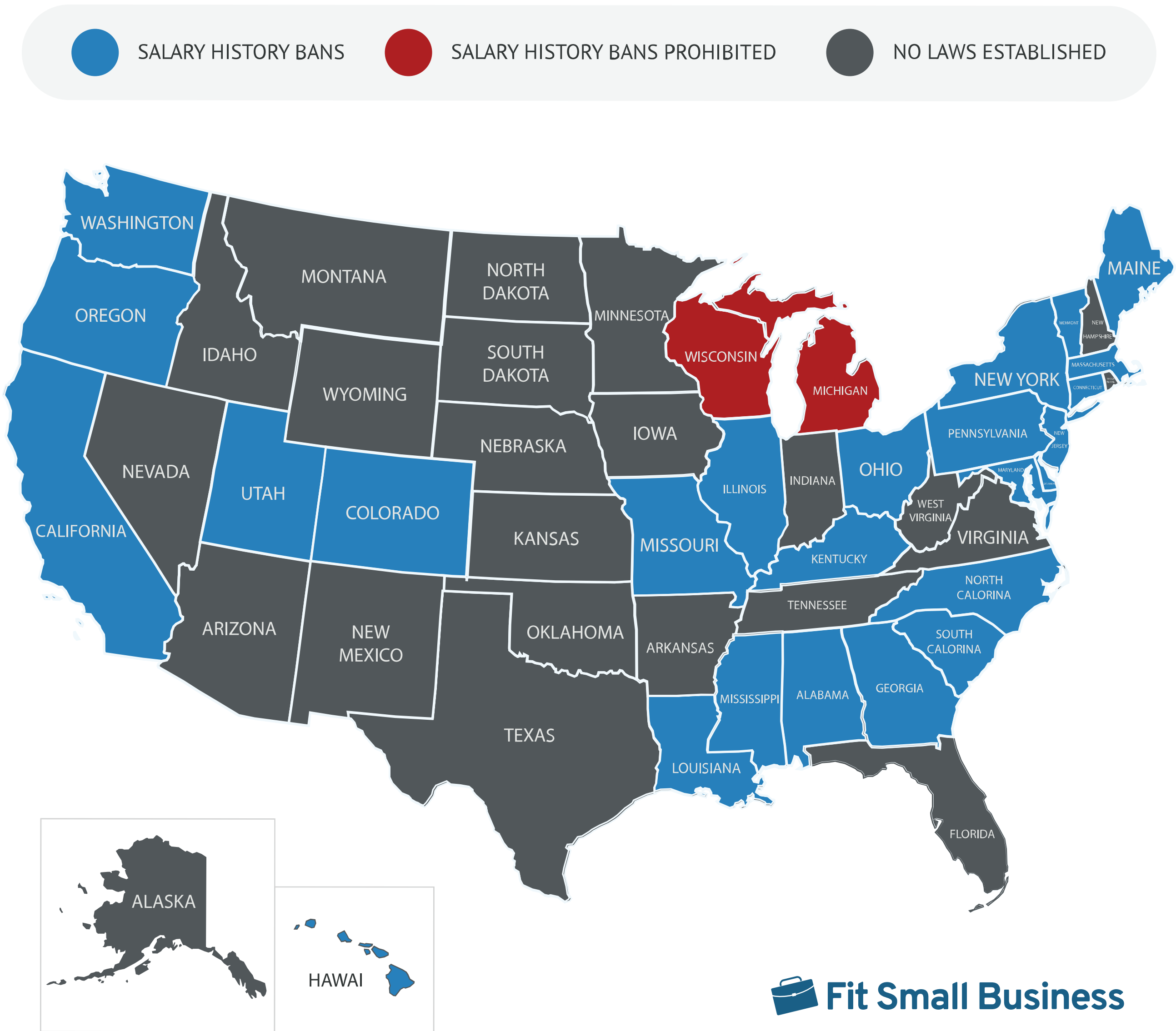
Here are the rules you should generally follow to avoid violating salary history ban laws:

- Don't ask applicants how much they earned in their previous jobs.
- Don't ask job candidates' current or former employers about their pay history.
- Don't ask the candidates' current or past co-workers for salary history information.
- Don't use any salary history information you receive to determine how much to offer a job candidate.
- Review the details of any salary information bans your business must comply with; verify that you're allowed to ask for salary expectations instead of assuming.

Keep in mind that the concept of banning salary history is still fairly new. Check your state for updates often as they are subject to change at any time. Also, don't assume the exceptions that exist in one state can be applied in yours. All states and localities have specific rules and penalties surrounding the pay history ban.

Check the map below to see if your business is in a salary history ban state:

STATES WITH SALARY HISTORY BANS



Salary History Bans—States & Localities

While there are no federal laws restricting employers from asking their job applicants or the companies for which the applicants work about current or previous salaries, there are multiple state and locality regulations.

It's important that you stay abreast of your area's specific laws; you wouldn't want to make the mistake of assuming your state's pay history ban only applies to state agencies when it has been updated to include all employers.

States Restricting Salary History Questions

There are currently 19 state-wide salary history bans. These bans prohibit some companies from requesting salary history altogether, prohibit salary history inquiries before providing an offer, and prohibit the use of salary history to set pay.

Localities Restricting Salary History Questions

Numerous localities, in addition to U.S. territory Puerto Rico, have passed legislation restricting certain types of employers from requesting salary history information from job candidates. Some bans only cover city or county agencies, while others apply to all employers within that jurisdiction.

Salary History Ban Localities

Some states that do not have state-wide bans have put into place locality bans in some counties or cities within the state. Additionally, where some states already have a state-wide ban in place, there are localities within that state with different rules. Be sure to check the law for your area.

There are a couple of states, Michigan and Wisconsin, that have prohibited bans on salary history altogether. Local governments in these states aren't allowed to regulate the salary information that employers request from job applicants during the hiring process.

If your state and/or locality has regulations in place restricting your use of salary history during the hiring process, be sure to research the specifics. Some bans only apply to employers with a certain number of employees, and others are only applicable to city or county employers.

How to Comply With Pay History Ban Laws

Complying with salary information bans might seem complicated at first, but once you review your hiring process, policies, and procedures, it'll be much easier. The best thing you can do is remove conversations about your job candidates' salary history from the application, interview, and job offer process. Walk through your hiring procedures several times before making any changes. You need to identify each step in the process that leaves your company vulnerable to non-compliance.

Here are steps you can take to ensure your company doesn't violate a pay history ban:

- Remove salary information requests from all job applications.
- Remove questions about salary from all job interview scripts.
- Retrain your human resources and recruiting team.
- Display labor law posters with salary ban regulations in locations where job interviews are usually conducted and where your human resource team frequents.
- Set up a system to document how hourly wage and salary amounts are determined for new employees.
- Review all print or electronic hiring policies and update them to align with your state's laws.
- Use a job search site to do salary comparisons before finalizing a job offer.

Tips on How to Avoid Salary History in Interviews

To avoid asking questions about salary during a job interview, focus on the candidate's ability to perform the job. Get creative and ask case-study questions that will test their thought process on the spot.

It's also a good idea to inquire about the results your job candidates have had in former jobs. A resume is good at showing an applicant's previous job titles and duties, but finding out how well they performed may require more digging.

Your goal should be to gather as much evidence as possible to help you determine if the candidates are a good fit for the job. Just because they were once paid $10 an hour for similar work doesn't mean they shouldn't be paid the $50,000 a year that their experience is currently worth.

Penalties for Violating Bans on Salary History Questions

Penalties for violating the pay history bans, which can reach upward of $250,000, vary depending on state or local laws. Some states don't have clear penalties as of yet, and others subject violators to pay back pay, civil penalties and even reinstate job applicants who were dismissed on illegal grounds (salary history).

Here's how a couple of the laws differ:

- In San Francisco, employers are given a notice and warning for their first violation. They can be charged up to $100 for second violations that occur within 12 months after the first violation, and employers may have to pay up to $500 for any subsequent violations (still within those 12 months).
- Illinois has approved a new statewide ban—previously, Chicago was the only Illinois city that banned salary history questions—and employers have to pay up to $5,000 for each violation. They can be subject to up to $10,000 for "special damages" if the court finds that the employer acted with malicious intent.

What Started the Ban on Salary History?

In 2016, Massachusetts became the first state to prohibit a potential employer from inquiring about salary history before making a job offer. Since then, several other states have followed suit, each passing its own state-wide salary history ban laws for all employers. The idea of prohibiting salary history started as a way to resolve historical pay gaps that have impacted employees due to their gender, race, background, and so on.

Banning companies from asking potential new hires for salary information forces employers to set wages based on other factors. Work experience and credentials should be considered in addition to the market value of your job candidates' skill sets to ensure you offer new employees fair pay.

The Paycheck Fairness Act is a bill that addresses wage discrimination based on sex (to include pregnancy, sexual orientation, gender identity, and sex characteristics).

Who Does Pay Discrimination Impact the Most?

Pay discrimination affects more than just women and minorities. Numerous other demographics are susceptible to pay equality issues. Over time, many studies have shown that certain demographics average lower wages than their peers for doing the same job.

Job candidates that have experienced pay discrimination at any point in their careers usually feel the impact on their earnings for years to come. This means that employers who use job applicants' salary history to determine how much to pay them could continue to perpetuate the pay discrimination issue by assuming (many times, incorrectly) that they're being paid fairly in the first place. And the reality is that many employees who identify with disadvantaged groups (women, minorities) are currently or have historically been underpaid.

Here are common groups of people who experience wage gaps:

- **Minorities.** This can include anyone who belongs to a group that doesn't fit into the majority population. Usually, the term "minority" refers to different races and ethnic groups, such as African Americans, Hispanics, Latinos, and so on.
- **Women.** Females in all occupations have experienced pay gaps over the years.
- **Employees with a work history gap.** Sometimes, employers will unfairly judge and underestimate job candidates who have taken significant time off between jobs.
- **Candidates with criminal records.** Many companies won't hire candidates who have a criminal background, and some of the employers who do give these job applicants a chance will cut costs by paying them less money. This led to the "Ban-the-Box" policy.
- **Applicants with disabilities.** Some employers perceive that applicants with disabilities aren't able to perform their jobs as well as others, so they will pay them less. You should be aware that the law prohibits discrimination against anyone with a disability, including in wages.

- **Single parents.** Because single parents are responsible for managing their careers and household on their own, they're more likely to be discriminated against than parents living in a two-parent household.
- **Non-Christians.** Christianity is the world's dominant religion, and although people are becoming more diverse in their religious (or non-religious) choices, some employers still hold prejudices against non-Christians, such as Muslims or Buddhists. The law prohibits this type of religious discrimination.

Bottom Line

Salary history bans restrict employers from requesting information about job applicants' past earnings. They were created to combat pay discrimination and are being adopted by numerous states and cities. Employers should be careful to research the specific ban that applies to their business, so they can avoid spending thousands of dollars in penalties.

Salary History Bans by State

State-Wide Ban	Compliance Rules
Alabama	A company may not refuse to interview, hire, or employ an applicant who does not provide pay history.
California	All private and public employers are prohibited from requesting salary history.
Colorado	Employers may not ask about pay history or rely on it to determine salary.
Connecticut	Employers may not ask about salary history unless voluntarily disclosed.
Delaware	Employers are prohibited from asking about salary history. They may require it after an offer is made.
District of Columbia (D.C.)	Government agencies are prohibited from asking about salary history unless brought up after an offer is made.
Hawaii	Employers may not ask about salary history or rely on the information unless provided
Illinois	Employers may not ask about salary history, but may ask about salary expectations.
Maine	Employers may not inquire about salary history until after an offer has been made.
Maryland	Employers may not ask but can confirm salary history after a compensation offer has been made. Employers must also provide an applicant with the wage range of a position if requested.
Massachusetts	Employers may not request salary history before an offer is made.
New Jersey	Employers may not screen applicants based on their salary history and may not require their prior salary to meet a certain minimum or maximum. Employers can confirm salary history once a compensation offer has been made.
New York	Employers may not ask about salary history. An exception is to confirm at the time of offer if an employee provides pay history to support a higher salary than being offered.
North Carolina	State agencies may not request salary history and may not use provided history to set pay.
Oregon	Employers may not ask about salary history until after a compensation offer has been made and may not use history to set pay.
Pennsylvania	State agencies may not ask about current or former salary history at any point in the hiring process. All posted jobs must show pay scale/range.
Rhode Island	Employers in this state may not request or rely on salary history when considering an applicant or determining salary.
Vermont	Employers may not request salary history. If provided, employers may confirm only after a job offer has been made.
Virginia	The salary history field has been eliminated from all state job applications.
Washington	Employers may not request salary history unless an employee voluntarily provides it and only after a job offer has been made.

Salary History Bans by Locality

Local Salary History Bans	Employers That Must Comply
Atlanta, Georgia	All city agencies
Chicago, Illinois	All city agencies
Cincinnati, Ohio Toledo, Ohio	All employers within the city limits that have more than 15 employees
Columbia, South Carolina Richland County, South Carolina	All city and county agencies
Jackson, Mississippi	All city agencies
Kansas City, Missouri St. Louis, Missouri	All employers within the city limits that have more than 6 employees
Louisville, Kentucky	All city agencies
Montgomery County, Maryland	All county agencies
New Orleans, Louisiana	All city agencies
Albany County, New York New York City, New York Suffolk County, New York Westchester County, New York	All county employers and employers within the city limits of New York City
Philadelphia, Pennsylvania Pittsburgh, Pennsylvania	All employers within the city limits
Puerto Rico	Commonwealth-wide
Salt Lake City, Utah	All city agencies
San Francisco, California	All employers within the city limits

Exempt vs Non-exempt Employee: Definitions, Differences & How to Determine

Exempt and non-exempt employees are worker classifications established by the Fair Labor Standards Act that determine if you must pay an employee overtime pay.

- **Exempt employee:** An employee who, based on job duties and salary, is "exempt" from receiving overtime pay.
- **Non-exempt employee:** An employee who, based on job duties and salary, will receive overtime pay as required by federal and state law. (Overtime pay in most states is 1.5 times the hourly rate whenever the employee works over 40 hours in a workweek).

When determining exempt vs non-exempt, you need to consider three tests: salary level (with $684 per week as the dividing line), salary basis (consistency of pay and hours), and duties (job tasks). For example, an hourly worker doing mostly entry-level tasks is generally considered non-exempt and eligible for overtime pay, whereas salaried managers overseeing the work of others are exempt and not eligible for overtime.

Comparing Exempt vs Non-exempt Employees

Understanding the differences between exempt and non-exempt is important for your business. Misclassification of your employees and failure to pay them earned overtime pay may subject you to penalties (up to $10,000 in fines or incarceration) and backpay (often double the hourly rate) to all misclassified employees for all overtime hours worked for up to three years. That's not to mention hundreds of dollars an hour for consulting and documentation prep and damage to your brand reputation.

COMPARISON TABLE OF EXEMPT VS NON-EXEMPT EMPLOYEES

	EXEMPT EMPLOYEES	NON-EXEMPT EMPLOYEES
Entitled to Overtime?	No	Yes
Pay Rate Boundary	Consistent Salary (minimum of $684 per week / $35,568 per year)	Hourly Pay (less than $684 per week / $35,568 per year)
Job Duties	Executive, Professional, or Administrative	Anything Else (non-executive, non-professional, or non-administrative)
Full-Time or Part-Time Employees	Salaried; Over the Pay Rate Boundary; Pass the 3-Tests	Hourly; Under the Pay Rate Boundary; Does Not Pass the 3-Tests
Jobs That are Generally Classified by Definition	Doctors, Teachers, Lawyers, Professionals, and Jobs Governed by Other Rules (Railroad, Agriculture, Union)	Restaurant Staff, Retail Workers, Customer Service Representatives, Cleaning Services, and Any Hourly Employee That Does Not Pass the 3-Tests

Fit Small Business

It’s unwise to risk financial and reputational ruin by taking a do-it-yourself approach to employee job classification. For significantly less than the cost of just one violation, you can often work with an HR consulting firm, or partner with an online legal service. Consider it a cost-saving, risk avoidance business investment in labor law compliance.

3 Tests to Determine Exempt vs Non-exempt Employee Status

To be considered exempt from overtime, according to the Fair Labor Standards Act (FLSA), an employee must pass three tests—Salary Level, Salary Basis, and Duties. All three of these tests must be met for an employee to be exempt from overtime pay unless exclusions apply.

- **Salary Level Test:** An employee must be paid a minimum of $35,568 per year to be considered exempt.
- **Salary Basis Test:** The employee must be paid a consistent salary based on a standard work schedule.
- **Duties Test:** The employee's job duties must be executive, administrative, or professional.

If the answer to all three of these is yes, then the job is likely considered exempt, and overtime pay will not be required.

Salary Level Test

Employees who are paid more than $684 per week or $35,568 per year pass the salary level test to be classified as exempt and ineligible for overtime pay. In contrast, employees who make less than this are considered non-exempt. There are a few exceptions, such as teachers.

Salary Basis Test

As long as your employee is paid consistently the same amount with very small variance, they would pass the salary basis test and be considered exempt since this would make them salaried (interpreted as such by the government). However, if an employee is paid hourly with pay that varies widely based on their work schedule and the hours provided, they are to be classified as non-exempt. (Again, there are exceptions, such as farmworkers and outside salespeople whose jobs may be considered exempt even when they are paid hourly.)

Duties Test

An employee who meets the salary level and salary basis tests are exempt only if they also perform exempt job duties considered to be executive, professional, or administrative. This is also referred to as a White Collar Exemption.

Keep in mind that job titles and job descriptions alone can't determine whether this test is met. It is the actual job tasks that matter. For example, if you give someone the job title "Director of Facilities Operations," but they are functioning as the janitor, doing maintenance and cleaning floors, this rule would require you to classify that employee as non-exempt. This test was put in place to prevent companies from circumventing overtime rules with inflated job titles.

Some job duties examples are:

- **Executive:** Requires that a person in the job role supervises two or more full-time employees. Management of employees is the primary task of the job and the person in the job provides input on decisions affecting those team members—like hiring, firing, job promotions, or work assignments. Often, this includes people managers and sometimes supervisors.
- **Professional:** Includes jobs in "learned" and "creative" professions like doctors, lawyers, graphic designers, and engineers. These professional roles are generally considered to be exempt. Professional applies to those jobs that require an advanced degree past high school.
- **Administrative:** Jobs done while working on business support teams, like marketing, operations, accounting, or human resources, are considered administrative. These functions keep the business running and are often provided by office staff members providing support to the business.

Federal law requires that you classify employees as exempt vs non-exempt correctly upon hire.

3 Tests to Determine Exempt vs Non-exempt Employee Status

Unlike most federal and state labor laws, with employment law, there are many job types with exceptions. Current professions that are exempt regardless of the three tests are:

- **Agricultural employees**
- **Union roles**
- **Railroad workers**
- **Learned professions** (such as clergy, RNs, and engineers)
- **Creative professionals** (such as actors and writers)
- **Commission-based sales roles**
- **Highly compensated employees** ($107,432+ a year)
- **Computer professionals**
- **Automobile dealership sales & parts workers**
- **Drivers, loaders, and mechanics**
- **Seasonal and recreational employees**

For more detail on these exceptions, see our article on exemptions from minimum wage and overtime rules.

Bottom Line

When it comes to exempt vs non-exempt employee job classifications, it is crucial to ensure you're paying your workers fairly and abiding by federal labor laws. Before classifying a job as exempt from overtime, it's best to have solid job descriptions in place documenting the kinds of tasks the worker does.

CHAPTER 6

Onboarding Employees

Once you have found the perfect candidate to hire, the hiring process doesn't stop there. The next crucial step to hiring is onboarding your employee. In this chapter learn how to onboard your new employee, how to conduct a new hire orientation, how to create a new hire checklist to ensure you don't miss a step, and all the new employee forms you need to get your new hire started. Additionally, learn how to train your new employees for success.

Visit the following topics:

Onboarding New Employees in 8 Simple Steps

Onboarding new employees is the process of integrating a new team member into your company culture, ethos, policies, and teams. The goal is to provide the new hire with the tools and information needed to become productive and help them feel welcome. Prepare your new employee for success by

- Confirming new hire data prior to the first day
- Providing welcome materials
- Introducing new employees to other team members
- Holding a formal orientation
- Defining job responsibilities
- Discussing strategic growth
- Providing company training
- Scheduling regular performance reviews

Our new hire onboarding checklist is designed to provide you with the best practices you should follow when onboarding your new employees. It can be downloaded and customized to fit your business needs.

Step 1: Prepare for Your New Hire

Before your new employee begins their first day with your company, we suggest mapping out your onboarding plan. Ensure you have all the pre-hire paperwork and have

- Confirmed all documents from the hiring process have been signed and verified, including the offer letter
- Verified the salary and start date
- Set up all IT systems and equipped the new hire to use office equipment, including computer, printer, building access keys, company software, and more
- Prepared a welcome packet that includes new hire paperwork, payroll information, a summary of benefits, the employee handbook, etc.

Additionally, prepare the new employee's schedule, especially if they are an hourly employee who may work different shifts throughout the week. Consider using scheduling templates and software—they can help streamline your employee scheduling demands overall.

Considering the unique challenges of developing a robust onboarding program, we have found that partnering with outside providers, like a professional employer organization (PEO), can greatly help with managing your team members.

Step 2: Provide Welcome Materials

On the first day on the job, your new hire should receive welcome materials that include paperwork and a generalized exposure to their new role. Give your new hire time to digest the new employee forms and fill out needed documents.

All of the personnel information that you need should be included in the first section of any packet (even if it is an electronically shared packet). The welcome materials packet should have

- Payroll related forms—such as W-4, a direct deposit form, and Form I-9
- Personal information and contact numbers (create an employee data sheet with emergency contact information)
- Employee handbook (have the employee review and sign it and ensure they understand your employment at-will policy)
- Company policies unique to your business that aren't covered in your employee handbook; examples include sexual harassment policies, maternity leave policies, and time off policies
- Confidentiality or nondisclosure agreement
- Employment contract
- Job description
- Background check authorization (if relevant)
- Drug screening approval (if relevant)
- Summary of benefits
- Organizational chart with important emails

Use a new hire checklist to ensure you are providing your new hire with all necessary documents.

For access to all the tools and templates mentioned in this ebook, check out our Appendix

Step 3: Hold a Formal Company Orientation

The new hire should participate in a new employee orientation, which orientates them to the company culture. While the onboarding process can (and probably should) last up to a year, overall new hire orientation (including the presentation) should be established within the first week of employment. This can be a presentation via video or PowerPoint or simply a sit-down with HR.

The orientation should touch on the following:

- Company history and culture
- Mission statement—values and vision
- Benefits

Step 4: Clearly Define Job Responsibilities

Although your new hire may have experience in their assigned role, they may not have experience working in your industry or with your specific product or service. Be sure to sit down with them and discuss the job description and role requirements. We recommend utilizing both the employee's job description and a company organizational chart when sharing with the new team member what their role is all about as the organization strives to meet its strategic goals.

The goal of effectively sharing the employee's role is to first review what the details of their job are (using the job description) and who in the company their role will be impacting (using the organizational chart). The organizational chart shows who all team members are, and it is the supervisor's job to connect the new employee's role to the many other positions throughout the organization. It is important to show how their job impacts other roles and projects within the company—whether directly or indirectly.

Step 5: Discuss Their Strategic Growth Plan

Each employee within your organization should have a clearly defined strategic growth plan that outlines their goals and responsibilities. The growth plan should be specific and focus on the employee's continued improvement within their position.

When developing a growth plan within a specific position, be sure to

- Set clear, SMART goals
- Add an educational plan for training and development
- Implement strategies for success
- Analyze results with performance management

Your new employee should clearly understand their role and responsibilities related to the growth plan and have a clear understanding of how to achieve those goals.

Step 6: Introduce the New Team Member

The new team member should be introduced to their immediate team and the entire company within their first week of employment. This helps to acclimate the employee to their environment and allows them to meet the employees they may need to interact with regularly.

If your company has remote employees, consider an all-company meeting where you can introduce new team members to the rest of the company via video conferencing.

Step 7: Provide Role-specific Training

Throughout the first months on the job, the new employee should be exposed to education and training sessions specific to their role. This goes beyond the basic training performed during orientation (where the employee learns their role) and encompasses more detailed training sessions.

Personalized training provides the necessary education for employees and helps them keep track of their progress. Training management software can be used to deliver courses and track progress in one easy place.

Step 8: Schedule Regular Performance Evaluations

Throughout the first year of employment and as your new employee is getting settled into their role, it is important to schedule performance evaluations. This ensures the employee is following their growth plan and meeting metrics set for success with the company.

30 Days

By the end of the first month on the job, your new employee should be aware of performance expectations. This is the time to check in with them to ensure they have the tools and resources to be successful. Have the supervisor sit down one-on-one with the new hire for an informal conversation and to answer the new hire's questions.

- Ask them how training is coming along. What do they need more training on?
- Find out how they're getting along with co-workers. Any early issues to address?
- Ask about policies, procedures, and work practices. Do they find anything confusing?
- Check if they understand and have completed their medical and other benefits enrollments.
- Determine if they have the contacts they need. Do you need to make introductions?
- Find out what they're struggling with. Who can help them resolve or learn more?
- Ask if there are any tools or resources they need to be more productive.
- Review the performance management process. If you haven't already done so, it's a good time to set initial performance goals so that they're clear on your expectations.
- Consider modifying your expectations during the first few months to focus on learning and mastery, rather than on meeting numbers-based performance goals.

90 Days

The first 90 days on the job (considered the employment probation period) is a time frame when the employee and your business are determining whether the employee will be a good fit. The employee may be receiving follow-ups from job applications they made before accepting the position with your firm, so don't stop selling them on the benefits of working at your company.

Here are several ways to engage and inspire the employee:

- **Provide additional training and education:** On-the-job training provides the most value to new employees so that they can learn their tasks. Off-site and online training are great ways to develop employee skills. Consider training on software, writing, safety, presentation skills, and leadership.
- **Conduct performance reviews:** A 90-day feedback session is a great way to share what you see that's positive in the employee's performance. Ask them what they need from the company or you. This is a time to establish performance expectations and find out what the employee needs to succeed. What could you or the company do better? How could processes be streamlined?
- **Offer team building:** Great companies provide opportunities for team members to build strong co-worker relationships. Consider ways to help the team build trust and appreciation, like hosting an after-hours event or a team lunch.
- **Ask them to contribute to other projects:** Once your employee has begun to understand their specific job, consider ways that they can contribute to projects. Projects expose them to other employees in the company and help them build relationships.

Beyond 90 Days

Onboarding shouldn't end once your new hire passes their first 90 days. If you continue onboarding throughout the employee's first year, you'll have a much better chance of keeping them motivated, engaged, and productive.

Communicate with your employee about the following:

- Tasks that are ongoing during your new hire's first year.
- Best practice HR activities, such as providing two-way ongoing feedback, giving the employee new training and development opportunities, and scheduling monthly sit-down conversations with their manager or with HR to "check in."
- Discuss the employee's job responsibilities. Are they enjoying the job? Are there personality conflicts between the new hire and the supervisor?
- Keep the lines of communication open. Schedule monthly conversations as part of onboarding that first year.

At the end of the first year, celebrate your new hire's onboarding success with a company-wide announcement and perhaps a first anniversary gift. The end of the first year marks a transition from a new hire to an experienced employee. That's worth recognizing.

Objectives of Great Onboarding

The reason for ensuring that you have a solid onboarding experience for new team members is because of the value it adds to the new hire and the organization. It leads to optimal organizational performance—which is how you can measure your return on investment (ROI). Successful onboarding also:

- **Ensures legal compliance:** A robust onboarding process includes many requirements and legal obligations.
- **Deploys consistent experience:** Maintaining an onboarding program that all new employees receive ensures that everyone gets a thorough welcome and direction.
- **Makes new hires feel "at home":** The purpose of an onboarding program that offers a comprehensive experience is to embrace new employees so that they feel welcome at the earliest stages possible.
- **Leads to better ROI:** When a thorough onboarding process meets talented and ambitious new hires, companies get an incredible ROI.
- **Improves employee retention:** When you hire an employee you are investing in people. It takes money, people, and time to properly onboard new team members. Safeguarding your investment by retaining your top employees is critical to competing in business.

Bottom Line

Onboarding your new team members is one of HR's (or a supervisor's) most critical roles. New team members' first impressions play into how long they remain with your company and how they feel about leadership. Get the onboarding game right, and you will have an edge on your competition. The good news is that your company does not need to spend a fortune in getting a robust, polished onboarding program established and active.

How to Conduct New Employee Orientation in 5 Quick Steps

New employee orientation is the first official experience new hires have with their employers after joining the team. It should offer a good introduction to the company's culture and the employee's job duties, provide an opportunity to complete any required paperwork, and include presentations, training sessions, and access to the tools needed for success.

NEW HIRE ORIENTATION: STEP-BY-STEP

STEP 01

Welcome and Introductions

- Introduce to staff, managers, and supervisors.
- Provide important policies information.

STEP 02

New Hire Paperwork

- Provide documents required for payroll.
- Collect identifying documentation.

STEP 03

Orientation Video

- Orients on company culture, mission, values, and history.
- Provide details about company benefits.

STEP 04

Training Sessions

- Provide training videos and one-on-one sessions with department leads.
- Set up job-specific training.

STEP 05

Acclimation to New Position

- Provide necessary tools for job success.
- Set up shadow training with a peer.

We recommend using a checklist to ensure you provide the best experience possible. Our new hire orientation checklist is downloadable and can be modified to suit your business needs. It includes all the basic new employee orientation tasks, such as introductions that need to be made and paperwork that needs to be completed, as well as time frames to complete each task.

1. Welcome & Introductions

Once you've completed the process of hiring employees they are ready to begin their first day on the job. Your top priority is to welcome them and schedule introductions with key team members.

During the welcome and introductions process, make it a priority to do the following:

- Schedule one-on-one meetings with the key staff members the new hire will work with
- Offer cheat sheets, such as the company phone list, office map, or voicemail instructions
- Provide a list of who does what in their department in case they have questions
- Give them a copy of the organizational chart and explain how the company is structured
- Show them where labor law posters are located and offer to answer questions
- Provide a building tour so they know where to locate the conference rooms, copy machines, and emergency exits
- Describe the training they'll receive, and when/where it will occur
- Make sure they know where to find user manuals, documents, and reference materials
- Have them shadow a peer, so they see what a day in the life of a co-worker looks like
- Ensure they have all the tools they need for their job: computer, VPN, badges, keys, website URLs, and IDs
- Orient them to the company mission, vision, values, and strategic plan
- Schedule time with their supervisor to review their job description and answer questions

2. New Hire Paperwork

New hire paperwork is essential for a new employee, but it can be overwhelming. Consider pacing the paperwork review throughout the first few days instead of handing the new hire a stack of documents and walking away. Review each item with the new hire so they clearly understand what is expected of them.

If more than one new hire starts on the same day, you can schedule time with them together to review important policies, like the employee handbook. Items that aren't used right away, like an employee expense form, can be included in the paperwork but reviewed later.

3. Orientation Video

It is recommended that you provide an orientation video (or a one-on-one with HR) that highlights your company history and culture and the benefits offered to new employees.

Things to include in the orientation session are:

- **Company History**—Assume that your new employee knows nothing about your company. Including a document (or PowerPoint presentation) that shares the entire history of the company helps endear the new hire to their new employer.
- **Company Culture**—Company culture encompasses all the many values and behaviors of the company, its employees, and its brand. Taking the time to explain the company's culture thoroughly helps the new team member become more grounded in how their role fits into the larger picture.
- **Mission, Vision, and Values**—As part of the company culture, new employees need to know and understand the company's mission, vision, and values. The mission statement is the organization's charter and reason for being.
- **Company Benefits**—Although this is part of the welcome materials, company benefits should be highlighted during the orientation video as well. This will also be the time for the new employee to ask questions related to their benefits.

Conducting orientations for multiple new hires at once saves you time and gives new hires the opportunity to connect with people like them who are new to the company. Follow a structured format that works for all positions (you can always set up separate mini-sessions for specific training).

4. Training Sessions

Once your new hire has been welcomed and filled out all necessary paperwork, offer training sessions to orient them to their new company and position. These sessions can be mapped out using an Excel spreadsheet and can be either in person or via informative videos.

Things to include in your training sessions:

- 'How to' videos describing the software used at your company—QuickBooks, Salesforce, timeclock entries, etc.
- Non-discrimination and sexual harassment training videos
- Job-specific training videos
- One-on-one meetings with all department heads to learn how their work contributes as a whole to the company

Space out orientation and training sessions throughout the week so as not to overwhelm your new hire with too much information on the first day. They need time to absorb the information given and apply it to their new role.

5. Acclimation to New Position

An important step in orientation is giving your new hire the time needed to acclimate themselves to the new role—this could mean job shadowing, time to digest the tools and software needed for their role, or simply time spent completing the tasks of the job.

Consider a training session with someone in their department who will most closely do the work they were hired to accomplish. This can help the new employee feel acclimated to the position and learn how to best do their job.

We recommend waiting until day two before having the employee start training for their actual job. This will give them time to digest the company culture and complete all necessary new hire paperwork.

Orientation for Remote Employees

Orientation for remote employees, while similar to in-house, is specific to a virtual environment. All welcomes, new hire paperwork, orientation presentations, and training must be done online. Some best practices include:

- Schedule an all-company virtual meeting to introduce the new hire to the rest of the team. This can be done during a normal full company meeting or separately on the day of hire.
- Send new hire paperwork before the first day. This can ensure that the paperwork is completed in a timely manner and the new hire does not have to spend their entire first day completing documents. Be sure to have a procedure in place for completing the I-9 paperwork. Documents must be reviewed in person by an authorized representative (such as a notary public).
- Host your orientation video online. If the orientation is “in-person” consider using a video service to host your online orientation. The remote employees can meet with the in-house employees virtually while you conduct the orientation session. If your orientation is a video, simply house the video online and provide a link to the new hire to view.
- Training sessions, like the orientation video, will be virtual. Be sure to discuss the sessions with your new hire after they have viewed the training in case they have any questions.
- Check in with your new hire virtually on a daily basis to ensure they understand their work and are settling into their new role.

Bottom Line

Employees are an asset to your company if they're able to perform the job you've hired them for. To ensure that, make sure your new hires get off to a good start with a comprehensive orientation process. Our new hire orientation checklist does more than make sure you manage all the new hire paperwork. If used, it will help reduce turnover, engage your new hires, and reduce the time it takes for your new employees to be productive.

Keep in mind that orientation is just one part of the full employee onboarding process and helps the employee acclimate to their new environment.

For access to all the tools and templates mentioned in this ebook, check out our Appendix

How to Create a New Hire Checklist

A new hire checklist ensures that you don't miss important steps when adding new employees to your team. When preparing your new hire checklist template, include all the documentation and steps required to make the first day on the job an enjoyable experience for your new employee. This includes having their employment paperwork ready, setting up their computer and email, and providing a tour of the workplace.
For your convenience, we have created a free, customizable new hire checklist template so you don't miss any critical steps.

Download New Hire Checklist

Below is an overview of the required information and important steps you should include as part of an effective new hire checklist:

Basic & Background Information

Much of the information you need for a new hire will have been gathered during the recruitment and interview process; however, including all this on your new hire checklist will ensure nothing falls through the cracks. This information, as well as the forms and policies described in the next section, will form the foundation of your new employee's personnel file.

Employee Data Information Sheet

Collect the employee's name, address, phone number, and email address for your records. To ensure your company's payroll and benefits systems are up to date, accurate, and complete, all employee information must be entered into the systems. The systems must also be updated with changes in employee status (e.g., new hire, promotion, transfer, and termination).

Most HR software providers will send a new hire a data information sheet to complete that includes this information, as well as their birth date, Social Security number, contact information, and more. And payroll providers will collect employee information for you and automatically set up your employee for payroll processing.

Pre-screening, Employment Verification & Background Check Documentation

While not required for all jobs, it's a solid practice to confirm the employee you're hiring has been truthful during the application and interview process. Therefore, consider conducting post-offer assessments, pre-hire background tests, employment verifications, or drug screening (if legal in your state). It's best to maintain a confidential personnel file folder to store this data.

Screening providers can perform background checks, employment verifications, and drug screenings in one convenient location.

Signed Offer Letter & Employment Agreement

Be sure to include a copy of the signed offer letter in your new hire's personnel file. Employers often use offer letters to extend a job offer to a candidate, as well as outline the terms and conditions of the offer. By including key elements in your offer letter, you can communicate your organization's values and attractiveness as an employer.

Our free offer letter template can assist you in creating an offer letter that is tailored to your organization's employment brand.

Whether you are hiring a W-2 employee or a 1099 independent contractor, it is also a good idea to have a signed employment agreement in your new hire's files. An employment agreement spells out the specifics of the position, compensation details, and benefits, as well as requirements, such as a two-week or 30-day termination notice.

Completed Form I-9

The I-9 Form verifies an employee's eligibility to work in the US and must be completed within the employee's first three days on the job. You do not have to submit a copy of it to the government, although you do have to keep the original on file for three years after the date of hire (or one year after an employee's termination, whichever is later).

New Employee Forms & Policies

Along with the offer letter and employment agreement, there are several other new hire forms and signed policies you should make sure you have for your new hires, including tax paperwork.

Signed Federal & State W-4 Forms

Have your employee fill out and sign a Federal W-4 form on or before their first day of work. The W-4 is where an employee specifies his or her tax withholding preferences. You can find the form on the IRS website. You do not have to submit a copy of it to the IRS but should keep the original on file.

Some states use the federal W-4 form, while others have their own state W-4 form or don't collect state taxes at all. You can find your state's W-4 form or its equivalent on the Federation of Tax Administrators website. Like the federal W-4, obtain this on day one (if your state requires it).

State New Hire Reporting

Businesses need to report every new employee to their state's new hire reporting program within 20 days of their start date. The purpose of this registry is to help the government enforce child support payments, track employment stats, and more. Each state has its own new hire reporting program center, which you can find on the U.S. Small Business Administration's (SBA) website.

Signed Employee Handbook

When an employee is hired, it is a good business practice to have them sign the company handbook. This ensures they understand the company's best practices and policies, as well as paid time off (PTO) procedures. Having an employee sign the handbook also confirms that they have received a copy of the handbook and understand the policies within it.

Signed Policy Documents

It's not uncommon for businesses to require new employees to sign non-compete agreements and/or non-disclosure agreements as a condition of employment. These documents can help protect a business's trade secrets and other confidential information. Have your new hires sign these documents on or before the first day of employment. Keep the documents in the employee's personnel file.

Direct Deposit Form

When you hire a new employee, it is important to make sure their first payroll goes smoothly. One way for this to happen is by collecting a direct deposit form. This form authorizes the company to send the employee's pay directly to their bank account and will include the routing number and account number where the new employee wants their paycheck deposited. By collecting this form in advance, you can avoid any delays in the employee's first paycheck.

New Employee Pre-onboarding

Most organizations have a process in place for bringing new employees on board. New employee pre-onboarding can be a valuable way to ensure that new hires are up to speed on the organization's culture, goals, and processes. It can also help reduce the learning curve and make the transition smoother.

Several steps can be taken to make pre-onboarding successful:

Set Up New Hire Workspace

If your new hire will be working in your office, be sure they have a workspace equipped with a desk, chair, computer, printer, and any other equipment that is necessary to complete their job. (For instance, someone working in a restaurant would require a uniform, order pads, pens, etc.) If your employee will be working remotely, this could include a stipend for a new computer or necessary office equipment.

Timecard and/or Entry Card Preparation

Will your new employee punch a timecard? If so, make sure their timecard is prepared before their first day on the job. If your building requires an entry card or ID badge, make sure this is also ready to go.

Meet & Greets

Introducing new employees to their coworkers, manager, and supervisor is a good way to start their first day. This allows the new employee to get to know the people they will be working with and ask any questions they may have.

Orientation

An effective way to acclimate the new hire to their new environment is to schedule an orientation on the first day on the job. When a new employee is hired, it is important for them to feel comfortable in their new work environment as soon as possible. An orientation gives the new hire a chance to learn about the company and get adjusted to their new surroundings.

New Hire Training

The more productive and efficient your employees, the more successful your company will be. That's why it's important to properly train your new employees during their first week on the job. By providing them with the training and tools they need to be successful, you can help set them up for a long and productive career at your company.

Steps For New Businesses Before Hiring Employees

If you are a brand new business and have not yet hired any employees, follow the steps below to be certain you're prepared for your first employee.

1. **Obtain an Employer ID Number**
   Employer ID Numbers (EINs) are 9-digit numbers assigned and used by the IRS to track business tax information. You probably obtained one when you started your business. If not, before you hire your first employee, you need to apply for an EIN on the IRS website. That allows you to set up your payroll with correct tax information about your business.
2. **Register for State and Local Taxes**
   If not completed already, make sure your business is registered for state and local taxes. Each state will provide you with an ID or number that you will need to set up your payroll processing. This information is also used to notify the state when you hire each new employee so that they can manage business and employee payroll taxes, as well as monitor state employment and unemployment rates.
3. **Purchase Workers' Comp Insurance**
   Most US states require businesses with one or more employees (besides owners) to purchase workers' compensation insurance to protect their business and employees. This can typically be purchased through a state fund or a private carrier. To find your state's policy and agency, check out our article on workers' compensation insurance. Most payroll software can help you set up a workers' compensation plan.
4. **Post State and Federal Labor Law Posters**
   Depending on the state you're located in and your industry, you'll likely be required to post labor law posters around the workplace. These posters include information about at-will employment, minimum wage rates, and anti-discrimination laws. Most federal and state agencies will provide them for free.
5. **Determine Your State Unemployment Tax Rate**
   Your state unemployment insurance (SUI) tax rate often varies from year to year, depending on salaries or wages. You should receive your SUI tax rate each year in the mail, or you can log into your state tax registration website to find it. New businesses will use a default rate since they won't have had any unemployment claims.

If you're hiring a 1099 contractor versus a W2 employee, consider using an independent contractor employment contract. Tasks like state registration, workers comp, and other activities may not be required of you if you hire a freelancer or gig worker that's not an employee.

Bottom Line

Following a new hire checklist is important to ensure that you do not miss any steps when adding a new employee to your team. By doing so, you can avoid potential problems and make the process as smooth as possible for both the new employee and your team. Our new hire checklist makes it easy for you to keep track of what's needed. Once the employee is hired, you can move forward with extended onboarding and training that will further integrate your new hire with their team and the company.

For access to all the tools and templates mentioned in this ebook, check out our Appendix

New Employee Forms: Ultimate Guide For Small Businesses

New employee forms are electronic or paper documents that capture new hire information, such as address, tax withholdings, and work eligibility. New hire forms—like W-4s, I-9s, and job applications–ensure your business is compliant with labor laws and make it easier for you to manage scheduling, communication, and payroll processing.

Take a closer look at the most common compliance, employment policy, company-specific, and employee experience forms your small business will need for new hires.

Compliance

Compliance forms are documents that you may be required to send or show to a government agency in case of an audit. They fall into three primary categories—those required by the IRS, by the U.S. Citizenship and Immigration Service (USCIS), and in support of labor laws. Examples include:

- IRS forms for state and federal tax withholdings (e.g., W-4 and W-9)
- Employment eligibility form (I-9)
- State-specific disclosures and state new hire reporting

Compliance forms can be found on government websites, such as IRS.gov. In addition, many states offer an employer website that contains all the required compliance forms you need if you employ workers in that state. However, it starts to get complicated if you have workers in multiple states with varying requirements. For example, some states have their own tax withholding forms that are different from the W-4.

In most cases, your payroll provider can supply you with the forms you need in these states. If you use HR software or work with a professional employer organization (PEO), this is likely done automatically through the software. If you don't have a payroll provider, you can find the following new employee forms and compile them yourself using the links below.

W-4

A W-4 is a federal tax withholding form that tells you how much to withhold from an employee's paycheck in taxes. Employees are required to complete this form prior to the first payroll.

I-9

As a federal identity verification (employment verification) form; employees are required to complete the I-9 form per the department of homeland security. By the employee's third day on the job, they must provide documentation proving that they're legally able to work in the U.S. In most cases, a driver's license and social security card (or a U.S. passport) can be provided as documentation.

W-9

The federal tax form used for independent contract employees is the W-9. It's used to gather tax information about non-employee workers who receive payments of $600 or more in a year.

State New Hire Reporting

The state new hire reporting form is completed and sent to an individual state to document that you've hired a new employee. It's used for statistical data and child support. Most states require the information to be provided to the state within 20 days of hiring a new team member.

Employment Policy

Employment policy forms are additional new hire documents gathered during the onboarding process. They protect your business in case of an employment dispute and make your policies and expectations clear.

Employee Handbook

The employee handbook describes all employee policies, from time keeping to sick leave. The handbook should also cover at-will employment.

Signed Offer Letter

The signed offer letter is a document that is signed by the employee to show they agree to the job role, title, start date, pay, and benefits. You should receive the signed offer letter before you provide the employee with any new hire paperwork.

Employment Contract

A signed employment contract (or agreement) confirms the work agreement for management, executive, and contractors; including penalties for non-performance. This is similar to the signed offer letter but in more detail.

Non-compete Agreement (NCA)

An NCA protects your business by preventing the worker from competing with your company, during or after they terminate employment. This document will ensure that your employees will not use the knowledge they have received to work for another company that is in direct competition with your business.

Non-disclosure Agreement (NDA)

Also known as a confidentiality agreement, an NDA protects your business by preventing workers from sharing confidential proprietary information. This agreement ensures that your employees are not providing trade secrets to competitors.

Benefits Enrollment

Benefits enrollment documents allow employees to sign up for healthcare or insurance benefits. Additionally, it gathers information on the employee and their dependents for the direct purpose of enrollment.

Non-discrimination Policy

By having a non-discrimination policy that is signed by all employees, the company can clearly spell out its policy on discrimination. It provides documentation against any type of discrimination within the workplace.

Sexual Harassment Policy

A sexual harassment policy educates employees about the company policy regarding sexual harassment. This policy can be stand-alone and signed by each employee, or it can be part of the company handbook.

Company Specific

There are some new employee forms that you may need to add to your new hire paperwork depending on the size of your business, your industry, or your specific company needs. You can gather these before or during orientation or include them in your new hire checklist.

Background Check

Testing and background checks may be required in certain industries: i.e., education, healthcare, banking. If you do background checks, you should save the results in a secure location as they can protect your business in case of a lawsuit claiming unfair hiring practices.

Drug Test

Drug tests are used to assure your workplace remains drug-free. They can be industry-specific: i.e., healthcare, transportation, or optional.

Direct Deposit

A direct deposit form is used to collect employees' bank account information for payroll purposes. These forms include routing numbers and bank account numbers and can include distribution amounts that determine how much money goes into each account for employees at the time of payroll.

Job Application

A job application is collected to provide basic information on applicants. It protects you in case of a charge of hiring discrimination, and provides employee background, employment history, and contact data.

Employee Experience

These are optional employee forms that improve the employee experience, on-the-job performance, and work culture. These new hire forms aren't required by law but are used instead to create a great impression on the new hire and improve your overall employment brand.

Goal Setting

A goal setting form is used to gather employee goals and track progress. This can motivate employees, as well as help them discover ways to earn employee recognition.

Employee Evaluation

An employee evaluation form is used to evaluate employee performance; usually monthly, quarterly, or yearly. New hires should fill these out when they begin as a base mark for their performance.

Orientation Checklist

An orientation checklist gives employees insight into their first days on the job. Providing a copy to the employee helps them keep track of what is expected.

Schedule & Availability

A schedule & availability document is for employers that offer flex work schedules or allow employees to choose their shift preferences. It is a form that employees can use to share those preferences.

Assessment

An assessment can give you insight into an employee's work behaviors and style. Data can be gathered using assessment tools like DISC or Myers-Briggs.

Personal Profile

This is "nice to know" data about the employee; may include their birthday, favorite food, and dream job. You can gather this information using a simple MS Word or MS Excel spreadsheet.

Getting a new hire started on a path to success is important for employee retention. It is also essential from an employer branding standpoint.

You will need a place to store all of these new employee forms—either in file folders (which we don't recommend) or virtually, with free document storage using an HR/payroll system. Then, when it's time to file your taxes, you will have everything in one place for your accountant. In fact, if you use any of our recommended payroll software, tax filing should be done automatically.

If you're planning to run your first payroll, we recommend reading about the payroll process.

What New Employee Forms Cost

Using our forms above, government-provided PDF forms, or samples found online, you can gather and prepare most of your new employee forms for free. Then, you can modify and print them for the cost of the paper and ink. However, some businesses prefer to outsource HR to a third party to ensure that all their new hire forms are in order, customized, and legal.

Some of the costs to consider are:

- **HR Software:** Often, standard forms are built into HR software. For anywhere from $1–$15 per month, per employee, you can get the forms and an automated workflow with e-signature and online storage.
- **HR Professional:** Hiring an HR professional (or recruiter) can cost from $50 per hour to $5,000 for a start-up package of new hire forms and documents; that often include an employee handbook.
- **Legal:** You can hire a small business lawyer to review your downloaded forms. This service typically costs by the project or by the hour.
- **Do It Yourself:** This is the easiest, lowest cost option, but it may be time-intensive. Depending on your level of HR experience, you or your administrative assistant may be able to download the forms we provide and customize them for little or no cost other than time spent.
- **Document Management:** The cheapest way to manage the documents is to drop them into an employee personnel file that's kept in a secure file folder. However, a better (and more searchable) option is to store them online, such as on your secure network, or in a Google Workspace account. Of course, if you use HR or payroll software documents will be stored online.

The forms themselves cost little to nothing. Ensuring they're legally compliant may cost a bit more if you create your own documents and hire someone to track and manage them.

New Hire Forms Guidelines

If you're creating forms from scratch or customizing forms you've found online, consider ensuring your forms follow the guidelines below. This provides professionalism, ensures you have the latest version of the forms, and makes them easier to find.

- **Name each form.** This is often provided by a government agency, like the I-9 or W-4 form. However, if you create your own forms, such as to capture an employee's emergency contact information, it's best to add the name of the form at the top, and perhaps provide a footer showing the form name and revision date in case you need to modify it.
- **Fill the forms out correctly.** The most common mistake made on new hire compliance forms is not filling them in correctly, according to the instructions provided by the relevant government agency. Additionally, a common mistake on other forms is including information that is not legally compliant, such as listing a person's gender or prior salary on a job application form. Those may be discoverable in a lawsuit and show proof of discrimination or pay equity issues.
- **Help employees understand why a form is used.** Each form should have a brief explanation attached. For instance, if you request bank account and routing information from your employees, it's best to explain that the reason you're doing it is so that you can set them up for direct deposit.
- **Store the forms properly.** Some documents are fine to store in an employee's personnel folder where managers have access. Other forms, like I-9 employment eligibility forms, should be kept separate to prevent confidential employee information from being viewed.
- **Retain your completed forms.** Document retention varies by government agency and often by state. For example, 401(k) enrollment docs need to be kept for six years after an employee terminates, but a new hire offer letter or other salary data need only be kept for three years.
- **Update your new employee forms regularly.** Tax and other labor laws change regularly, at both the state and federal level, and sometimes even at the local level. For example, California requires extensive paid sick leave and many states make it illegal to ask job candidates about prior pay or criminal convictions. Therefore, it's best to take a look at both your forms and your employee handbook each year to make sure they remain compliant.

Bottom Line

New employee forms are a necessary part of the hiring process. There are a few forms that are required by law (compliance forms) and ensure your business is compliant in terms of gathering data that federal, state, and local government requests. Other necessary forms include those that are used to collect information needed for payroll, medical benefits enrollment, background checks, and enrollment in insurance benefits.

Take precautions to ensure you have completed all required compliance forms and are properly reporting them to the correct agency. Additionally, it is wise to retain signed policies and data information for each employee. This ensures you have the correct information to process benefits, payroll, and other items important to your small business.

How to Train New Employees in 5 Steps

Training new hires ensures they fit into your culture and meet your performance expectations. Although there will be certain skills each new employee brings to your company, and some may have even previously performed similar tasks, that doesn't mean you can set them loose on their first day. You'll want to select a training method and, once you have a new hire, create a clear training schedule, assign a buddy, set measurable training goals, and, finally, conduct a training review.

1. Select a Training Method & Build Your Process Before Hiring

If you are hiring your first employee, review our new hire checklist. There are several steps you'll need to take before you can hire someone in any state.

As you consider your training, think about your business and what new hires need to know. Think about your company's policies, reporting structure, and mission and goals. These items may not seem like key training, but your new hires know very little about your company—integrate them with a thorough overview.

Training your new employees requires time and effort before you hire. Winging it will set the wrong tone; your new hires will notice, and it will make their training experience ineffective. There are several training methods you can use, and generally you will use multiple. Ultimately, which methods you use depends on your organization's needs and may vary from job to job.

Recorded Training

Recorded training is great for jobs that have the same duties, like customer service. Your recorded training could include videos showing a day in the life of your new employee and showing them how to use your software.

Think about the specific tasks you need employees to do. If you're hiring a customer service representative, do they need to follow a script when a customer calls with a problem? Do they need to understand multiple products? Do you have a specific greeting they must use when answering a call? All of these questions should guide you to building a specific training process that can be recorded and reused for this type of job.

If your company doesn't have repeatable jobs, recorded training can be useful for systems everyone uses, like time-off requests or messaging platforms. As long as you record these once and keep them updated, you won't waste company resources on one-on-one training every time you hire someone new.

One-on-One Training

One-on-one training is necessary, even if you have recorded training for new hires. With this method, new employees receive more personalized attention and their questions are answered immediately. In today's work environment, this can just as easily be done remotely as it can in person.

While unnecessary to use for the entire training process, one-on-one training is best for complicated topics and confidential matters. If you're hiring a customer service representative, you may need to discuss with them the process for handling sensitive customer information and delivering great customer service. That's not something you want them to passively watch on a video—you need to see that they pay attention and understand.

One-on-one training is crucial for communicating job expectations. You need to make sure your new hire knows what's expected of them, what their metrics are, and how their performance will be evaluated. In-person or virtually, communicating this allows them to ask clarifying questions and ensure they completely understand what is expected of them.

Shadow Training

Shadow training is a great way to give a new hire exposure to other colleagues and their jobs. Especially if your new hire will be doing the same or similar job, shadow training can give them insight into how to do their job well. Because of this, it's vital to choose the right training partner, someone you can trust, to show your new employee how things work.

Shadow training is also good for new employees to see how different jobs are done in your company. For jobs that require close collaboration with other employees, it's good for the new hire to see how their job affects others and vice versa. This type of shadow training doesn't have to be long—an hour is often enough to give the new employee perspective.

On-the-Job Training

This is the most common type of training used and can be the most effective. But we recommend using this training method only after using at least one of the above. Although new hires may have done the same or similar jobs before, your company may do things slightly differently and you need to train them in your ways. On-the-job training is the best way to do that and ensure they meet your expectations.

Depending on the type of job the new hire is doing, this training may last part of a day or several weeks. For a customer service representative, you may have them answer customer calls later on their first day, sitting beside them and giving them real-time feedback. A quick and immediate adjustment will put them on a path to success in the long run.

Systems Training

Regardless of whether a new hire used the same software at a previous job, your use may differ. To ensure they use your business' technology correctly, they need to be trained. It is possible to record systems training, just make sure you update it whenever you change systems.

For a customer service representative, you may require them to make notes in customer relationship management (CRM) software. The CRM may keep detailed records for each customer so if they call with another problem, the person helping them can see what issues and resolutions this customer has received in the past. This helps give the customer a great experience and is only possible if every member of your team is using the CRM in the same way.

Culture & Policy Training

To fully adapt to your organization, your new hires need to understand your company's mission, goals, and culture. Especially for today's workforce, people want to work for a company that has a clear goal and a positive mission. Making these front and center will help you engage your new employees.

You may include discussions of specific company policies within the culture training. While many companies have similar policies, it's a good practice to have employees review the company handbook and give them time to ask questions about policies and practices. Make sure you discuss any company-specific policies, like how to request time off, how to call out sick, and the performance management process.

Compliance Training

Companies are not required by law to train their employees on regulations and laws. Although you may need to complete certain compliance training requirements, depending on the industry in which you operate.

The Occupational Safety and Health Administration (OSHA) requires certain safety training for high-risk jobs and industries. Workers in healthcare may be required to have training on the Health Insurance Portability and Accountability Act (HIPAA). Some states also require certain compliance training, most notably anti-harassment. Be sure to check your state laws to make sure you're compliant.

2. Have a Clear Training Schedule (But Be Flexible)

One key to a successful hire is to have a clear onboarding process. This process starts before the new employee's first day. The same is true with the training schedule.

Whether your new employee is remote or in-person, they'll want to know what to expect on Day One.

- Send them a welcome email a few days before their start date.
- Don't ask them to do any training in advance unless you're going to pay them.
- Do give them a clear schedule for at least their first day. In some cases, you may be able to map out their first week, giving them a good idea of what to expect.

This schedule should describe the type of training they're going to receive and include breaks. Especially if the new hire is remote, they'll need to get up and stretch their legs. Giving their brain a break is also helpful for the retention of everything they're learning. Breaks will also ensure you're not throwing too much at them too fast.

Make sure you also schedule regular check-ins with their manager, especially during that first week. You don't want the manager to appear micromanaging, but you want to ensure the new employee feels comfortable asking questions and has dedicated time during the week to speak with their direct supervisor. We recommend scheduling at least two 15-minute time blocks every day during the first week.

Your training schedule also needs to be flexible. You may want to leave some empty time during the week in case emergencies arise and you need to move something. If everything runs smoothly, this extra time can be used for additional one-on-one time with the new hire's manager and as break time for the employee to process everything they're learning.

> You may want HR to train all of your employees but make sure your managers know what's in the training so they don't give new hires contradictory information.

3. Hire in Pairs & Assign a Buddy

Hiring employees requires a structured process, just like training them. If you can, hire new employees in pairs. This gives them a partner, someone experiencing the same things at the same time. It also cuts down on the amount of administrative time you have to commit to each new employee.

Whether your company hires one employee or several, assign all of them a buddy or mentor who isn't their manager. Your new hire will undoubtedly get to know their colleagues over time, but assigning them a buddy can expedite the relationship with an already trusted member of your team. This is someone the new employee can lean on with questions about the business and their job, without feeling like they're bothering their manager.

A buddy or mentor serves as a guide for the new hire, but also as a cheerleader for your organization. By providing advice about how to deal with situations, the buddy can groom the new employee and help them progress and rise within the organization.

4. Set Training Goals

Throughout the training process, you should have training goals for the employee to meet. This gets them accustomed to meeting goals set by the company and ensures they complete the training in a timely manner.

Training goals could include:

- Relevant compliance training completed by the end of Day One
- Reviewing the handbook and signing the acknowledgment by the end of the first week
- Completing any recorded training sessions by the end of the first week

The training goals should be set by your organization and monitored by the employee's supervisor or HR. Especially for required compliance training, it's crucial you ensure the new employee has completed training on time.

5. Review Your Training

After new hires complete their training, conduct a debrief. Review the training with the new employee three to six months after their first day and get their feedback on what went well and what didn't. Ask them about what could have been improved and what could have better prepared them for this job. This will enhance the training experience for future new hires.

Also, make sure your company training stays up to date. The last thing you want is to train new employees in the old ways. An annual reminder for your HR team to review the training program to make sure it is current will ensure that your new hires receive the best information possible.

New Employee Training Tips

Do's	Don'ts
Prepare training before your new hire's first day	Wing the training
Create a structured plan, including job-specific information	Overwhelm your new hire by giving too much information on Day One
Have a discussion and encourage your new employee to ask questions	Spend all your time in one-way communication
Encourage breaks with colleagues	Silo your new hire and keep them from meeting their teammates early on
Combine different training methods to keep it fresh and cater to different learning styles	Make new hires get all their training from recordings

Building a new hire training program can be overwhelming. You don't have to build this training yourself—you may want to consider some of the best employee training software. The biggest benefit of these types of software training programs is that they allow you to easily adjust the training as your company and processes change.

Bottom Line

If you don't hire frequently, it's easy to ignore the process of creating a new hire training program and just wing it each time. By creating a structured training program once, however, you don't have to reinvent the wheel every time you hire someone new.

Your new employees are an investment in your company's success. Invest in them by setting up a training program that helps them be successful and productive.

APPENDIX

Templates & Tools

The following templates and tools will help you when hiring new employees. You can download the forms and templates and customize them to fit your specific business needs. Choose from the following:

> [Employee Referral Program Template]
>
> [Applicant Tracking Spreadsheets and Video Guide]
>
> [Interview Checklist and How to Interview Someone Video Guide]
>
> [Interview Evaluation Forms & Scorecards]
>
> [Onboarding Checklist]
>
> [Orientation Checklist]
>
> [New Hire Checklist]
>
> [New Employee Forms and Templates]

Employee Referral Program Template

Employee Referral Program Policy Template

Rationale

At [Company], we strive to find and hire the best talent available — people who exude our values and choose to contribute to our company goals. We believe that our existing employees, who already meet these criteria, are in a great position to help us find the best candidates. We recognize that current employees are likely to refer only those individuals best suited to work at our company, and therefore we wish to reward them for their referral efforts.

Positions

We accept employee referrals for any open position listed on our company job board. We also welcome referrals for highly skilled individuals who may not match up exactly with a posted job.

Incentives

To reward employees who participate in this program, we provide the following incentives, which are stackable:

- $25 for any referral submitted who participates in an interview with Company
- $2,000 for any referral submitted who is hired by Company and remains in their position for 90 days
- One (1) additional day of paid time off (PTO) for every three (3) referrals submitted and interviewed

Rules

To ensure that you get credit for a referral:

- You must submit the candidate to HR using our internal form
- You must be an employee in good standing at the time of submittal and upon payout of any incentive
- You must not be the hiring manager or a member of the HR department

Instructions

If you know someone who is qualified for an open position with [Company], refer them to HR via the internal link provided. You will need to provide the referral's name, contact information, and resume. HR or the hiring manager may reach out to you with additional questions and will keep you updated on the status of your referral.

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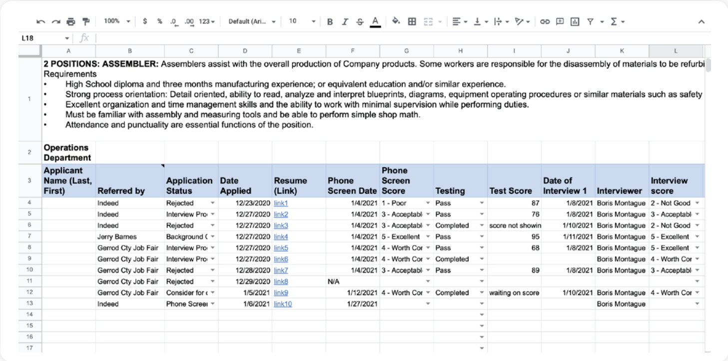
Download Template

Applicant Tracking Spreadsheets and Video Guide

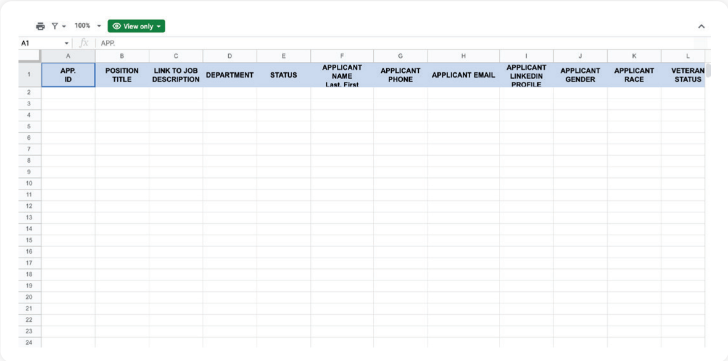


2 POSITIONS: ASSEMBLER: Assemblers assist with the overall production of Company products. Some workers are responsible for the disassembly of materials to be refurbi
Requirements
- High School diploma and three months manufacturing experience; or equivalent education and/or similar experience.
- Strong process orientation: Detail oriented, ability to read, analyze and interpret blueprints, diagrams, equipment operating procedures or similar materials such as safety
- Excellent organization and time management skills and the ability to work with minimal supervision while performing duties.
- Must be familiar with assembly and measuring tools and be able to perform simple shop math.
- Attendance and punctuality are essential functions of the position.

Operations Department

Applicant Name (Last, First)	Referred by	Application Status	Date Applied	Resume (Link)	Phone Screen Date	Phone Screen Score	Testing	Test Score	Date of Interview 1	Interviewer	Interview score
	Indeed	Rejected	12/23/2020	link1	1/4/2021	1 - Poor	Pass	87	1/8/2021	Boris Montague	2 - Not Good
	Indeed	Interview Pro	12/27/2020	link2	1/4/2021	3 - Acceptabl	Pass	76	1/8/2021	Boris Montague	3 - Acceptabl
	Indeed	Rejected	12/27/2020	link3	1/4/2021	3 - Acceptabl	Completed	score not showin	1/10/2021	Boris Montague	2 - Not Good
	Jerry Barnes	Background (	12/27/2020	link4	1/4/2021	5 - Excellent	Pass	95	1/11/2021	Boris Montague	5 - Excellent
	Gerrod Cty Job Fair	Interview Pro	12/27/2020	link5	1/4/2021	4 - Worth Cor	Pass	68	1/8/2021	Boris Montague	5 - Excellent
	Gerrod Cty Job Fair	Interview Pro	12/27/2020	link6	1/4/2021	4 - Worth Cor	Completed			Boris Montague	4 - Worth Cor
	Gerrod Cty Job Fair	Rejected	12/28/2020	link7	1/4/2021	3 - Acceptabl	Pass	89	1/8/2021	Boris Montague	3 - Acceptabl
	Gerrod Cty Job Fair	Rejected	12/29/2020	link8	N/A						
	Gerrod Cty Job Fair	Consider for (	1/5/2021	link9	1/12/2021	4 - Worth Cor	Completed	waiting on score	1/10/2021	Boris Montague	4 - Worth Cor
	Indeed	Phone Screei	1/6/2021	link10	1/27/2021					Boris Montague	

Download Excel Recruitment Template



APP. ID	POSITION TITLE	LINK TO JOB DESCRIPTION	DEPARTMENT	STATUS	APPLICANT NAME Last, First	APPLICANT PHONE	APPLICANT EMAIL	APPLICANT LINKEDIN PROFILE	APPLICANT GENDER	APPLICANT RACE	VETERAN STATUS

Download HR Applicant Master Tracker

Interview Checklist & How to Interview Someone Video Guide

Candidate Name: **Position Title:**
Interview Date: **Interview Time:**

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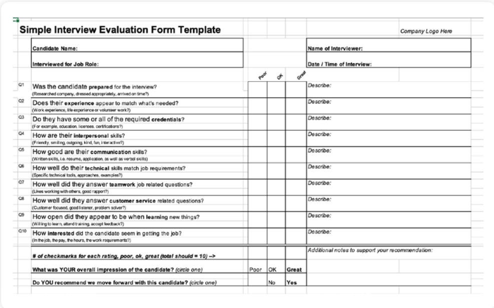
Interview Checklist

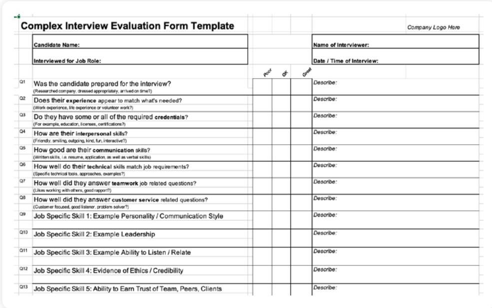
	TASK	DATE
⊠	Before the Interview	MM/DD/YYYY
	Job Description Created	
	Job Ad Created	
	Organization Chart Created	
	Application Received	
	Resume Received	
	Cover Letter Received	
	Interview Scheduled ⊠ Location: ____________________ ⊠ Interviewer: ____________________	
	Candidate Emailed Two Days Prior to Interview ⊠ Video Link Provided (if online interview)	
	Interview Questions Prepared	
⊠	After the Interview	MM/DD/YYYY
	Interview Notes and Evaluation Completed	
	Follow-Up Email to Candidate Sent	
	Skills Assessments Sent (e.g., Excel Test)	
	Sample Work Assignment Sent (e.g., Web Design Project)	
	Job Offer Letter Sent	
	Rejection Letter Sent	

Download Checklist

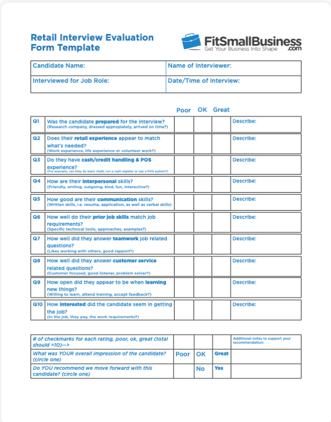
Interview Evaluation Forms



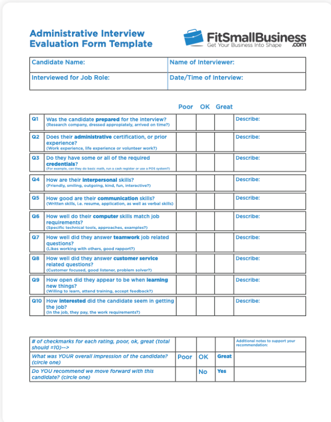
Simple Interview Evaluation Form



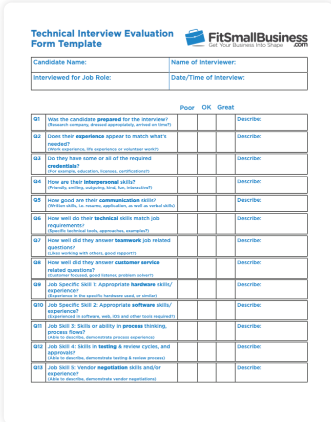
Complex Interview Evaluation Form



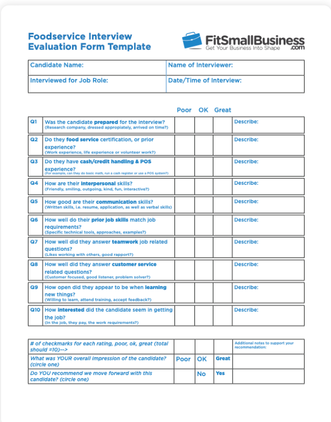
Retail Evaluation Form



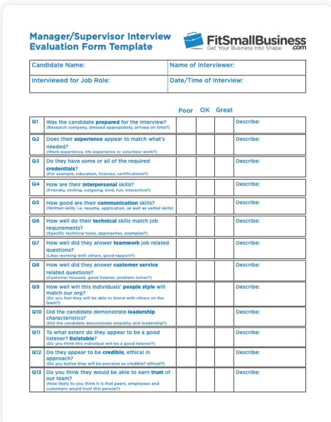
Administrative Assistant Evaluation Form



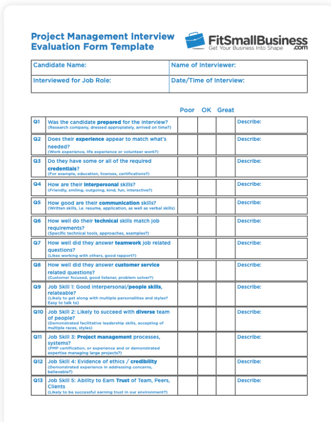
Technical Team Member Interview Evaluation Form



Food Service Evaluation Form

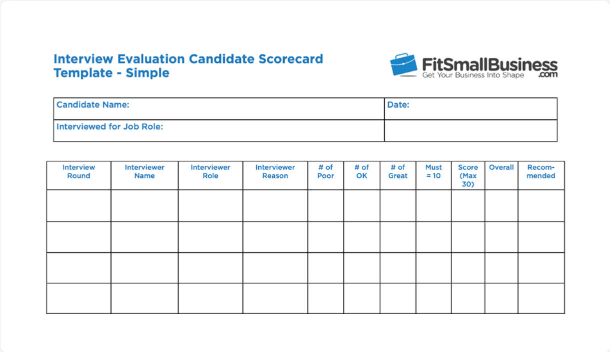


Manager Interview Evaluation Form



Project Manager Interview Evaluation Form

Interview Evaluation Scorecards



Interview Evaluation Candidate Scorecard Template - Simple

FitSmallBusiness.com Get Your Business Into Shape

Candidate Name:	Date:
Interviewed for Job Role:	

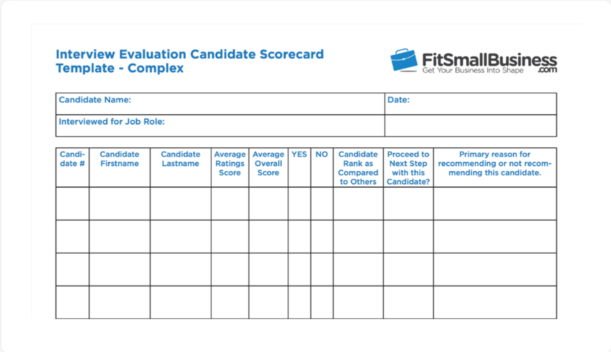
Interview Round	Interviewer Name	Interviewer Role	Interviewer Reason	# of Poor	# of OK	# of Great	Must = 10	Score (Max 30)	Overall	Recommended

Simple Interview Evaluation Scorecard

MS Excel/Google Sheets

MS Word

PDF



Interview Evaluation Candidate Scorecard Template - Complex

FitSmallBusiness.com Get Your Business Into Shape

Candidate Name:	Date:
Interviewed for Job Role:	

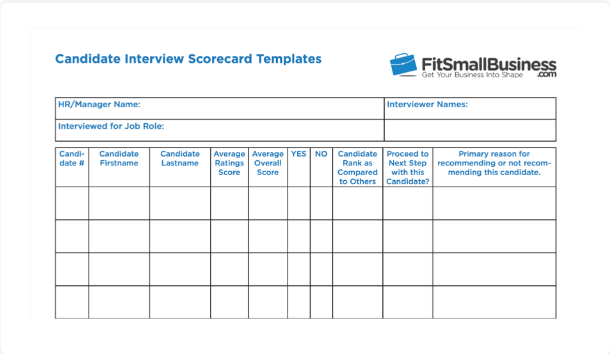
Candidate #	Candidate Firstname	Candidate Lastname	Average Ratings Score	Average Overall Score	YES	NO	Candidate Rank as Compared to Others	Proceed to Next Step with this Candidate?	Primary reason for recommending or not recommending this candidate.

Complex Interview Evaluation Scorecard

MS Excel/Google Sheets

MS Word

PDF



Candidate Interview Scorecard Templates

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HR/Manager Name:	Interviewer Names:
Interviewed for Job Role:	

Candidate #	Candidate Firstname	Candidate Lastname	Average Ratings Score	Average Overall Score	YES	NO	Candidate Rank as Compared to Others	Proceed to Next Step with this Candidate?	Primary reason for recommending or not recommending this candidate.

Candidate Comparison Scorecard

MS Excel/Google Sheets

MS Word

PDF

Onboarding Checklist

Name: **Job Title:**
Start Date: **Pay Rate:**
Reports to: **Status (FT, PT, Salary, Hourly):**

New Hire Onboarding Checklist

	TASK	WHEN
☒	**Prepare for New Hire**	
	Confirm salary and offer with a manager. Document at the top of the form.	1–2 weeks prior
	Notify all relevant departments of the new hire name and start date so that everything is ready prior to Day 1: ● IT login IDs and passwords? ● Hardware and software installed and set up? ● Phone and extension? ● Office keys, time card, security badge, or parking passes? ● Workspace, desk, file cabinets? ● Name tag, office sign, business cards?	1 week prior
	Prepare a welcome packet that should include, at a minimum: ● New hire paperwork—I-9, payroll forms, W-4, etc. ● Company handbook ● Organization chart ● Company policies	1 week prior
	First Week	
	Welcome and introductions	Day 1
	Provide and complete critical new hire paperwork	Day 1
	Complete orientation session	Day 1–2
	Provide employee with a company ID, workstation, computer, etc. Issue keys, badges, business cards, and any other tools they need	Day 1–2
	Provide training sessions	Day 2–5
	First Month	
	Review employee benefits and health insurance. Review enrollment forms and have them completed and signed, including	Before end of month

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Download Checklist

Orientation Checklist

Name: **Job Title:**
Start Date: **Pay Rate:**
Reports to: **Status (PT, FT, Salary, Hourly):**

New Hire Orientation Checklist

	TASK	WHEN
☐	**Day 1: Welcome and Orientation**	
	Introduce new hire to supervisor, key managers, and co-workers	Day 1
	In-Office: Tour the workspace and key office areas. Don't forget to show the new hire the following: • Break room and lunch area • Conference rooms • Supply area/copy machines • Restrooms • Emergency exit plan • Labor law posters	Day 1
	Complete critical new hire paperwork, such as: • I-9 form (employment eligibility) • W-4 form (tax withholding) • Emergency contact form or Employee data sheet • Direct Deposit form	Day 1
	Give employee copies of key documents to review, such as: • Company policies and/or employee handbook • Department phone list and/or org chart • Training and meeting schedule for the coming week • Computer login instructions and phone reference guide	Day 1
	Hold orientation video presentation (discuss company culture, mission, values, etc.)	Day 1
	Schedule time with supervisor to review job description and role	Day 1
	First Week: Training and Review	
	Schedule one-on-one meetings with key employees and managers; make sure daily meetings with peer mentor and lunches are scheduled.	Day 2
	Review cheat sheets, phone lists, office maps, and voicemail	Day 2

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New Hire Checklist

Employee Name: **Position Title:**
Start Date: **Salary:**

New Hire Checklist

	TASK	DATE
☒	**New Employee Information**	MM/DD/YYYY
	Employee Data Information Sheet Collected	
	Background Check Acquired & Passed	
	Drug Test Acquired & Passed	
	Offer Letter Signed	
	Employment Agreement Signed	
	Employee Information Entered into Payroll & Benefits Systems	
	I-9 Work Authorization Complete	
	HR Personnel File Created	
☒	**New Employee HR Personnel File Documentation**	MM/DD/YYYY
	W4 Federal Tax Withholding Form Complete	
	W4 State Tax Withholding Form Complete	
	State New Hire Reporting Complete	
	Employee Handbook Signed	
	Policy Documents Reviewed & Signed (NDA, Non-Compete)	
	Direct Deposit Form Acquired	
	Employee Benefits Enrollment Form Signed	
☒	**New Employee Pre-Onboarding**	
	Workspace Set-Up (e.g., Computer, Printer, Desk, Chair, etc.)	

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New Employee Forms & Templates

Compliance Forms	Employment Policy Forms	Company-Specific Forms	Employee Experience Forms
W-4	Employee Handbook	Background Check	Orientation Checklist
I-9	Signed Offer Letter & Employment Contract	Drug Test	Goal Setting
W-9	Non-compete Agreement & Non-disclosure Agreement	Direct Deposit	Employee Evaluation
State New Hire Reporting	Sexual Harassment Policy	Job Application	Scheduling & Availability

Articles You May Find Useful When Hiring

Recruiting Articles

Recruitment Management for Small Businesses

Best Recruiting Software

Best Job Posting Sites for Employers

How to Write a Job Description

Applicant Screening & Interviewing Articles

Background Check Policy

Employee Drug Screening: State-by-State Guide & Requirements

Employee Reference Checks—What Are They & Questions To Ask

How to Conduct a Video Interview in 11 Steps

Hiring Articles

Offer Letter Template + What to Include

How to Compose a Job Rejection Letter + Free Templates

Hiring Seasonal Employees in 7 Easy Steps

Hiring Independent Contractors in 8 Simple Steps

Hiring Laws Articles

Exemptions From Federal Minimum Wage Laws & Overtime Rules

What Is At-Will Employment: Exceptions & State Laws

What Is Ban the Box? Everything Your Small Business Needs to Know

Onboarding Articles

Employee Handbook: Sections to Include [+Free Sample]

Virtual Onboarding Ideas

Non-compete Agreement (NCA): What It Is & State Laws [+ Free Template]

How to Fill Out an I-9 Form by Section [+ Video Instructions]

Conclusion

Thank you for taking the time to read our How to Hire an Employee ebook. We hope this information was helpful to you. Be sure to check out the additional articles linked throughout this ebook for more tips, templates, and information on hiring.

For more information and topics on how to successfully run your small business, visit FitSmallBusiness.com.

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