

# BUSINESS SENSE

Next Level Tools for Entrepreneurs & Small Business Owners

## HUMAN RESOURCES SERIES

### The Importance of Recruitment: Staffing Your Business

#### Why is this important?

Attracting, hiring, and retaining the right people is key to any organization's success. Having employees with the right skills, abilities, interests, values, and temperament helps ensure that quality services and products are created and delivered, and makes a positive contribution to the company culture. Done well, a hiring process allows business owners and their leaders (supervisors, shift leads, managers) to focus their time on activities that help strengthen and grow the business, and support and develop their employees, instead of addressing problems related to behavior, performance, safety, or quality.

Quality hiring practices take time and money to develop and put in place, and skilled, caring supervisors to consistently follow and help improve. Key activities include preparing job descriptions, creating and managing a process for sourcing, vetting, and selecting candidates through interviews, reference checks, and hiring decisions, and designing and implementing a new employee onboarding process, all in compliance with relevant laws and aligned with your culture. This document outlines strategies, tools, and resources aimed at getting the right people into your organization, and in the right roles.



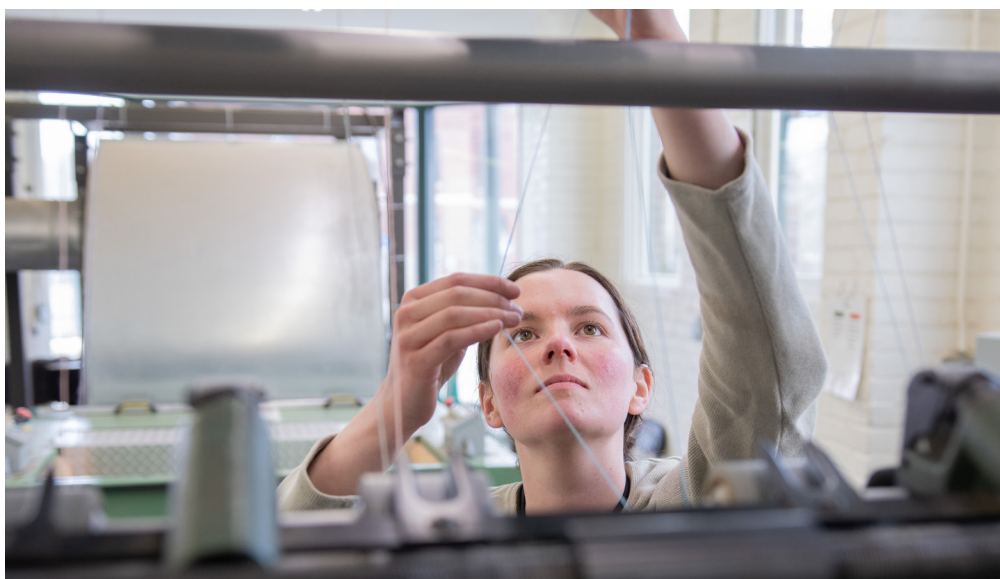
Vermont Sustainable Jobs Fund

#### Who Do You Need and When Do You Need Them?

A new business may initially employ friends and family (i.e., as the initial approach) to perform the necessary duties to get the business underway. Even if you only have a few employees, it's important to clearly define what work needs to be done, where that work fits into the organization's structure, and how it relates to and interacts with the work of others. You may find that one or more people will wear several hats until the organization is large enough to have more narrowly focused positions.

As your business grows or employees leave, a formal staffing plan can help you maximize efficiency and allocate resources appropriately, ensuring your company has the right number of people with the skills you need to meet your goals. The benefits of creating a strategic staffing plan include:

- Targeted recruitment efforts: By identifying your company's immediate and future staffing needs, you can focus on recruiting the right people at the right time.
- Staff retention: Hiring employees into positions where they can thrive and use their skills well increases the likelihood that they will want to stay.
- Succession planning: Forecasting changes in staffing needs gives you a method of identifying prime candidates, whether high potential or high performance, to move into higher-level positions as others leave or you need more managers or higher-levels of subject matter expertise.
- Productivity: Anticipating changes in the workforce helps you anticipate hiring needs and can minimize downtime due to an insufficient number or kind of employees. This allows you to get someone new into the position quickly to keep workplace productivity high.



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### Developing a Strategic Staffing Plan

Step one in creating a staffing plan is to review your business goals and evaluate how these objectives might affect your workforce demands, including the need for more employees or new skills required to help reach those goals. Then consider any factors that influence your staffing plan – internal, external, positive or negative – that could affect your plan and that your business has no control over. For example, a shortage of workers overall in the economy, competition for like-type skills, third shift scheduling, etc.

Next, evaluate your current staffing environment, such as the age of your

workforce and turnover rates, total number of employees and their skills and competencies, and potential workers or managers seeking advancement. After evaluating your current staffing environment, you are ready to make predictions about your future staffing needs which will inform your staffing plan.

Crucial information for your staffing plan includes an outline of the personnel needed for your business with job titles and job descriptions; time schedule and location relative to the position; budgetary considerations (base wage or salary, incentive compensation, taxes, insurance, etc.); recommended or required training and/or

certifications; the need for seasonal or part time personnel; and criteria for promotions.

The development of staffing plans often falls to the person or department responsible for HR, but getting involvement from different departments or other parts of the organization can elicit important insights and needs. Current employees can give insight into staffing concerns and the support they need to improve their performance. Managers might have information about upcoming projects or staffing changes they anticipate on their teams.



#### NOTE TO READER

The information contained herein is based upon sources believed to be accurate and reliable. While we have exercised reasonable care to ensure the accuracy of the information contained here, no representation or warranty is made as to such accuracy. Readers should check primary sources where appropriate and use traditional research techniques to make sure that the information has not been affected or changed by recent developments.

The author of this information does not render any legal, accounting or other professional service through publication of this document. Due to the rapidly changing nature of the law, information contained in this document may become outdated. Readers are encouraged to seek legal or other professional advice for their particular needs.

Business Sense is a no-fluff source of information that gets right to the heart of what small business owners need: essential tools and informational resources to help their businesses grow. Written by our team of business coaches, this series shares their decades of experience in areas such as financials, operations, sales and marketing, human resources, leadership, and governance. Business Sense is designed to provide entrepreneurs and small business owners in various sectors, including agriculture, forestry, waste management, renewable energy, and environmental technology, with recommendations and practical advice to help their businesses not only survive but thrive.

Our business management coaching and Business Sense Resource Guide are designed to accelerate the growth of the enterprises we work with and expand the leadership capacity of the entrepreneurs who own and manage these businesses.

### Let Us Help You and Your Business

The Vermont Sustainable Jobs Fund provides tailored business management coaching, entrepreneurial support, and training to position Vermont-based entrepreneurs and small business owners in our designated market sectors for growth and long-term success. We partner with state government, private sector businesses and nonprofit organizations to build a thriving economic, social and ecological future for Vermont. Learn more at [VSJF.org](https://www.vsjf.org)



**Vermont Sustainable Jobs Fund**

Accelerating Sustainable Economic Development

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