



# Identifying Recruitment Needs





# 10 SIGNS IT'S TIME TO HIRE

Unsure if it's time to bring in someone new?  
These are some classic signs that it may be time:

1. Your staff are working long hours of overtime on a regular basis.
2. Routine work falls by the wayside — it's delayed or never completed.
3. You can't maintain your usual levels of customer service.
4. Your quieter periods are becoming shorter and busier.
5. You're confident in your financial position — both your profit and your cash flow.
6. Your team is missing skills and training current staff isn't working.
7. Your business is on the up. Forecasts and projections are positive and you're confident that strong sales will continue.
8. You have the space and facilities to cater for another employee.
9. Your employees are concerned about their workload.
10. You're having to outsource more and more tasks.

# So, who?

## TYPES OF WORKERS EXPLAINED

### FULL TIME EMPLOYEES

Full-time employees work 38 hours per week, plus reasonable additional over-time as required.

Commonly, full-time employees are paid a fixed salary, rather than a varying hourly rate of pay (however not always). Depending on the applicable modern award, enterprise agreement or contract of employment, it is common for their hours to be averaged to 76 hours per fortnight, or 152 hours per four-week period.

Full time employment is a type of permanent employment meaning that their employment is perpetually ongoing until such time as either party terminates the employment relationship.

Full time employees are entitled to a range of benefits, including:

#### **Annual Leave:**

(also known as holiday leave) four weeks per year, accumulating progressively and carrying over from year to year. Annual Leave is cashed out upon termination.

Note that annual leave loading may be applicable under some awards or agreements.





## FULL TIME EMPLOYEES

### **Personal/Carers Leave:**

(also known as sick leave) two weeks per year, accumulating progressively and carrying over from year to year. Personal / Carers Leave can be utilised for any permitted reason, including both personal injuries or illnesses and caring responsibilities for a immediate family member or member of the household who requires care for a personal injury or illness.

**Notice of termination:** from the commencement of any full time employment arrangement, parties are required to provide notice in accordance with the Fair Work Act 2009 (Cth) (ranging from one to five weeks depending on the persons age and length of service).

**Redundancy entitlement:** if the position that the full time employee is in, is no longer required to be performed by anyone, then the position may be subject to a genuine redundancy. In this case, full time employees are entitled to both notice of the redundancy, as well as a redundancy payment or severance pay.

**Other leave:** other forms of leave may apply in certain circumstances including Long Service Leave, Community Service Leave, Compassionate Leave, Family Violence Leave, and Parental Leave

## FULL TIME EMPLOYEES

### **HIRE IF:**

- You're looking for skilled workers
- You need to increase your capacity across the working week
- You're looking for commitment

### **AVOID IF:**

- You don't have the budget to commit to a salary or to guaranteed weekly hours
- Trade is highly variable within each day, week, month or year





## PART TIME EMPLOYEES

Part time employees are in effect, the same as full time employees, except their working hours are less than 38 hours.

In many awards, part time employees are entitled to a minimum number of hours per week.

Contracts are permanent, hours of work are commonly fixed, yet they don't necessarily have to be fixed each week (check the relevant award or agreement).

Part-time staff often have the option to work overtime when required.

Part time employees are entitled to all of the same benefits and leave as full time employees. Leave is provided on a pro-rata basis .

## PART TIME EMPLOYEES

### HIRE IF:

- You have a small budget
- Trade is variable but predictable throughout the working week

### AVOID IF:

- Staffing requirements are highly unpredictable day-to-day
- If you hire another part-time worker, the combined cost is likely to exceed that of a single full-time worker





## CASUAL EMPLOYEES

A casual employee does not have a firm commitment in advance from an employer about how long they will be employed for, or the days (or hours) they will work. A casual employee also does not commit to all work an employer might offer.

In effect, casual employees are employed on a shift-by-shift basis and are free to accept or refuse work as and when it is offered.

Casual employees have no guaranteed hours of work (although awards often apply a minimum shift length), usually work irregular hours, and can end their employment at any time without notice.

Casual employees do not have an entitlement to Annual Leave or Personal Leave, and are instead paid a 'casual loading' to compensate them.

Under Part 2-2, division 4A of the Fair Work Act 2009 (Cth) Employers who are not small business employers (fewer than 15 employees based on a head count), are required to make a formal offer to casual employees to convert to part time or full time employment if the casual employee has been continuously employed for a period of 12 months, and during the last six months have worked a regular pattern of hours on an ongoing basis, which without significant adjustment, could be continued as a part time or full time employee.

## FULL TIME EMPLOYEES

### HIRE IF:

- You only know your staffing requirements at short notice
- You want a flexible, relatively low-cost workforce

### AVOID IF:

- Your workload is variable throughout the week, but predictable
- You're looking for employees to play a crucial long-term role in your business
- Require long term commitment from employees





# OTHER 'WORKERS'



The term 'worker' has far broader application than the traditional notion of 'employee'. It is a term that is becoming commonplace in the modern economy, in light of the changing face of work. This is beginning to filter into the respective laws that govern the regulation of work. Therefore, it is important to understand who you are talking about. Employees are employed under a contract of service. Contractors on the other hand, are employed under a contract for services, and effectively operate their own business providing labour and/or services to their clients. Both employees and contractors are types of workers.

Ensuring that you engage the right kind of worker is crucial. Engaging a person as a contractor, when the relationship is in fact representative of an employment relationship, is unlawful (known as sham contracting).

If you are unsure, seek independent professional advice before engaging contractors to work within your business.



## CONTRACTORS

Contractors run their own business and sell their services to others, unlike employees who work in someone else's business.

Contractors — sometimes called independent contractors, sub-contractors or subbies — generally use their own processes, tools and methods to complete the work. They can delegate or subcontract some of the work if they need to and can work for different clients at the same time.

Generally, contractors are engaged to perform a specific task, rather than work on an ongoing basis. Often, contractors are paid per task, rather than per hour.

Contractors have different responsibilities relating to insurance, taxation and superannuation.

## CONTRACTORS

### HIRE IF:

- You require a highly-skilled worker in a specific industry, to perform a specific task (such as IT, construction, or engineering)
- You need an extra worker for a project, not on an ongoing basis
- You need to fill a temporary vacancy, that is hard to recruit for

### AVOID IF:

- You aren't hiring for a high-skilled role
- You want a worker for the long term
- If the nature of the role indicates an employment relationship\*

\*seek independent professional advice if you are unsure about the correct status of a worker.





## INTERNS

Interns are students or trainees working on a short-term basis to gain work experience in a specific field or role. Internships can be paid or unpaid, but unpaid internships are on shaky ground legally in Australia. As a general rule, if the intern is producing work that contributes to the profit making of the employer, then that would be classified as employment, and a range of entitlements would apply under the Fair Work Act 2009 (Cth), including an entitlement to the minimum award wage or National Minimum Wage.

An exception applies to this however, if the internship is considered a vocational placement. A vocational placement is a formal work experience arrangement that is part of a registered education or training course.

Vocational placements that meet the definition under the Fair Work Act 2009 (Cth) are lawfully unpaid, regardless of whether an employment relationship exists or not.

If you are unsure about whether it is lawful to not pay an intern, seek independent professional advice.

## INTERNS

### HIRE IF:

- You want to access talent with potential
- You need access to certain skills but have a limited budget

### AVOID IF:

- You don't have the capacity to train inexperienced staff
- You're hiring for an unskilled role



## APPRENTICES OR TRAINEES

Apprentices or trainees' workers who gain a formal qualification at the end of their placement. The work element of the apprenticeship is accompanied by off-the-job training carried out by the employer or the main apprenticeship provider.

## APPRENTICES OR TRAINEES

### HIRE IF:

- You have the time, resources, and motivation to train inexperienced workers
- You're on a tight budget

### AVOID IF:

- You don't want the extra admin involved with training an apprentice
- You need a worker who can get up to speed almost at once





# THE COSTS OF HIRING (AND NOT HIRING)



Often an important step at this stage of the recruitment process is to identify the costs associated with hiring particular workers.

If you are unsure which worker will suit you best, then understanding the costs associated with their engagement can be a key step in that decision-making process.

Even if you're sure about who to hire and under what arrangement, it is still important to estimate how much you'll be paying out — not just in terms of salary, but other onboarding and facilities costs.



## TAKE INTO ACCOUNT

- Salary or wage (both the minimum prescribed under the relevant award or enterprise agreement; and the average market rate for a person in the position you're hiring for)
- Recruitment agency or advertising fees
- Compulsory employer superannuation contributions
- Other benefits (including bonuses, additional leave costs)
- One-off costs including a computer, uniform, and initial training
- Ongoing costs including office supplies, software fees etc.
- Payroll taxation
- Reduced productivity at the commencement of employment whilst being inducted and acclimatising to the new role

There are plenty of online calculators to help you add up all these different costs.

You might balk at these costs, but you have to weigh this figure up against the cost of not hiring an employee.



Calculating the cost of not hiring is challenging. Most of these costs are opportunity costs and are not plainly apparent.

## TAKE INTO ACCOUNT

- Lost productivity through stress and fatigue
- The potential to tap new markets, or increase the scale of the business
- Increased employee turnover due to burnout
- Stalled growth because of missing skills and expertise
- Reduced customer loyalty due to lower levels of customer service
- Reduced sales because of lack of stock management, marketing analysis, acting on changing trends etc.

It is difficult to pinpoint a specific figure when assessing these costs, however bringing these considerations to the forefront of your mind, can make the decision to hire or not hire much clearer.

Clyde Industrial is a specialist workplace relations consultancy designed to assist small to medium sized businesses in handling all issues related to employing people.

Clyde Industrial will help you transition from a reactive employer to a proactive employer by providing you with an experienced workplace specialist who will handle all your HR issues.

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