

Doron F. Eghbali Closely Held Business Law

[How to Hire Your First Employees](#)

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In an uncertain economic climate, hiring seems to be an insurmountable task. However, if you need help with your business, you should think seriously about it. But before becoming an employer, you should know you have the prerequisites to becoming a boss.

ARE YOU THE BOSS?

The most important question is to be able to feel that you are the boss. However, what does it really mean? Does it mean telling your employees what to do and feeling you have the final say over business decisions or there is something else to it?

In fact, becoming the boss of your business means having *all* the following characteristics:

- Knowing How to Effectively Lead
- Knowing How to Deal With Customers, Producers, Manufacturers and Everybody Else with Respect and Wisdom
- Knowing How to Prudently and Efficiently Manage Your Finances
- Knowing How to Communicate Your Vision to Your Employees
- Knowing How to Give Incentives to Your Employees
- Knowing RESPECT is the Cornerstone of any Successful and Healthy Relationship

However, these broad guidelines are very hard to put into practice. In fact, every business is different and requires a different set of decisions. Hence, it behooves prospective employers to do the following:

- Take a Management Course
- Talk to People Whom You Trust and Are Financially Successful
- Prepare an [Operations Manual](#)

ARE YOU READY TO SPEND MORE?

Probably, the most important question bedeviling prospective employers is whether they can afford to pay their employees. There is no question about this.

- **Reviewing Your Accounting:** As such, you first must know your financial situation by reviewing your [business accounting](#) scrupulously. You do not want to come up short.

ARE YOU CONFIDENT AND KNOWLEDGEABLE ABOUT COSTS INVOLVED IN HIRING?

In fact, just paying your employees is not easy. If you pay too little you might lower morale, keep away talents and hurt your business. If you pay too much, you still hurt your business. So, this is what you could do:

- **Set and Define Employee's Parameters:** Define exactly what an employee has to perform and the breadth of that performance.
- **Ask Your Trade Association:** Ask your trade association about their competitive rates.
- **Ask Other Business Owners:** Ask other business owners in your industry about how much they pay their employees.
- **Check Employment Listings Online:** Check online and see what people are willing to pay and employees are willing to receive. Some sites such as Salary.com and Glassdoor.com provide useful tools.
- **Check What Other Costs Are Involved in Hiring:** There are various requirements that an employer must satisfy. You could read more on this in my previous article: [What are Employment Taxes for Business Owners?](#)

ARE YOU AWARE OF OTHER ALTERNATIVES TO DIRECT HIRING?

Maybe direct hiring would not work for you. Nonetheless, you need assistance, then what could you do? Well, a couple of things:

- **Independent Contractors:** You might want to hire independent contractors. But, be careful, as my earlier article on [Hire Independent Contractors, If Possible](#) points out.
- **Virtual Assistants:** You might be able to use virtual assistants depending on the type and needs of your business. You could search for virtual assistants through the International Virtual Assistants Association, at www.ivaa.org.

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