



Sh **HR CONSULTING**

Six Steps to an HR-Compliant Business



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HR is a crucial function when it comes to growing your company. It may not be the first thing you're thinking about as a small-business owner. You might think to yourself: Why create an HR department when we have so few employees? But having consistent policies and procedures for hiring, doing performance evaluations and attracting and retaining key employees helps accelerate business growth and allows you to fulfill your vision for your company.

As seasoned HR experts, SW HR Consulting knows that setting up your HR department can be daunting. We recommend these six steps to creating an HR-compliant business:

1. Determine your method to recruit candidates, onboard new hires and evaluate performance.
2. Create your compensation structure and determine what benefits you will offer.
3. Create a plan for training and development opportunities.
4. Choose a record keeping system.
5. Determine what laws your company needs to comply with, depending on employee count.
6. Create an employee handbook that documents your policies regarding time off, discipline, code of conduct, and culture.

Step 1: Determine your method to recruit candidates, onboard new hires and evaluate performance.

This is a chance to attract the kinds of employees you want who can help your company grow and fulfill your vision. Identify what positions you want to hire for, then create a plan to recruit the kinds of people you want to work for your company. We can customize a recruiting and hiring process that meets your company's specific needs.

Here are a few key steps to take:

- Choose where you will look for candidates, for example your personal network or industry-specific job boards.
- Write job descriptions for each position you're hiring for. Include your company's story: what makes your company a compelling place to work?
- Choose interview questions for each position, ensuring that your questions are relevant to the position and comply with non-discrimination laws.
- Determine what kinds of vetting you will do for each candidate, for example, background checks, reference checks or resume verification. If you choose to do background checks, ensure that you have written authorization from each candidate.
- Have your job offer letters reviewed by an employment law attorney or HR specialist. Offer letters should include a statement regarding at-will employment.
- Outline the process of onboarding new employees. Create a list of the mandatory paperwork that each employee will need to complete. The paperwork will likely include:
 - Form W-4
 - Form I-9
 - Benefits enrollment forms
 - Acknowledgment of receiving employee handbook of internal policies
- Beyond filling out the necessary paperwork, determine what else you will do to onboard new employees, whether that's a lunch to meet the team, a sit-down orientation or an out-of-office team building exercise.
- Create a structure for evaluating employee performance. How will you measure how well each person is doing his/her job?
- Determine your termination policy. What are the steps you will take to offer feedback before you have to fire someone? What disciplinary measures will you take? And how will you document this process?



Step 2: Create your compensation structure and determine what benefits you will offer.

Offering competitive benefits and salary packages is key to attracting the right employees. Determine what you will pay each of the positions and do some research to discover whether your compensation is staying competitive with market rates. SW HR Consulting can help advise you on how to structure compensation and benefits packages that are right for your company.

Here are a few key action items:

- Choose your pay period — biweekly, bimonthly or monthly.
- Choose which health benefits you will offer: medical, dental, vision
- Choose which additional benefits you will offer: retirement, life insurance, discounts for gym memberships and other discounts.
- Ensure that your pay and incentive programs are equitable, and that criteria for promotions and raises are clear and objective.
- Review independent contractor agreements and relationships to ensure contractors are not misclassified.
- Ensure that all your pay procedures comply with the Fair Labor Standards Act and any applicable state laws.
- Classify employees as either exempt (salaried) or non-exempt based on their specific duties and compensation.
- Decide whether you will offer performance-based bonuses.

Step 3: Create a plan for training and development opportunities.

Ensure your employees remain engaged with their jobs through ongoing training and development. As your company grows and people progress into different functions, training can also help you retain your key employees.

Here are a few key steps:

- Research external training opportunities including conferences, webinars or programs offered through industry trade organizations.
- Brainstorm potential internal training opportunities, such as bringing in an expert to speak about specific challenges in your industry.
- Determine whether you will create a mentorship program, either within your company or partnering with larger firms to create mentoring relationships with their leadership.
- Figure out what management training new supervisors will receive.
- On a regular basis, investigate or re-evaluate what new training opportunities might exist for your employees.

Step 4: Choose a record keeping system.

Choosing a record keeping system, especially one that helps you automate routine procedures, will save you time and money. A good system will help you track:

- Employee hire dates
- Signed job offer letters
- Employee classifications
- Employee time and attendance and expense reimbursements
- Time off requests and keep a running total of time taken
- Health benefit enrollment paperwork
- Retirement benefit enrollment paperwork
- Employee information for compliance purposes
- Employee performance evaluations
- Any disciplinary action



Step 5: Determine what laws your company needs to comply with, depending on employee count.

Depending on your company's size, you will have to comply with federal laws governing things like equal opportunity, accessibility for disabled employees and preventing sexual harassment. State employment laws may also apply to your company.

We at SW HR Consulting can help you figure out which federal laws apply to your company along with laws that apply in the state of Nevada and Clark County.

Regardless of size, every employer must comply with laws including:

- Equal Pay Act: Prohibits sex-based wage discrimination
- Fair Labor Standards Act: Establishes minimum wages and overtime pay
- Occupational Safety and Health Act: Ensures safe workplaces
- Health Insurance Portability and Accountability Act (HIPAA): provides rights and protections for participants in group health plans, including privacy rights

Many of these laws require you to inform your employees of their rights. Some laws require that posters detailing the laws be posted in a prominent place or require that your employees read and sign documents listing their rights.

Step 6: Create an employee handbook that documents your policies regarding time off, discipline, code of conduct, and culture.

Creating an employee handbook lets your employees know what behavior is encouraged and what is frowned upon in your company. You'll want to let your employees know your policies about:

- Work schedules, including flexible schedules and policies around telecommuting
- Time off, including vacation, sick time and leaves of absence
- Company dress code
- Code of conduct regarding what behavior is encouraged and what's prohibited
- Performance evaluations and giving feedback
- Expense accounts, per diems or work-related reimbursements
- Training and development
- Promotions and raises
- Benefits including health insurance, retirement, employee assistance program, health and wellness program, and vendor discounts
- Anti-sexual harassment
- Non-discrimination and equal opportunity



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