

Must-Have HR Policies and Processes

*“Opportunity is missed by most people because it is dressed in overalls and looks like work.”
~ Thomas Edison*

Many entrepreneurs regard human resources as something big companies do. That is until their first employee issue, complaint or law suit arises. Then, when the attorney asks, “Did you get a policy acknowledgement?” or “Where’s the at-will language and documentation?” and when you have nothing to show, the sick feeling occurs. But there is no need to have such an experience. Since the reality is that human resources is something that every company needs, whether you have one employee or thousands of employees—the time is now to put some essential policies and procedures in place.

Here are some stats you should know: There are 36 employee law/requirements that a California business with 75 employees or more has to abide by. If you only have five employees, don’t start breathing a sigh of relief yet. That’s because 27 of those 36 law/requirements apply to you. And, if you have one employee, 23 of those 36 law/requirements apply to you.

Employee Handbook

To comply with these laws and requirements, each company must draft policies and procedures that address the company’s statement, philosophy and procedures for reporting issues, as well as for defining what consequences occur when policies are violated. An employee handbook is a good place to state these policies and procedures. That way you can have employees acknowledge that they have read and understood the policies. Employee handbooks also contain other important elements concerning the employee/employer relationship, including information about benefits, time off, performance and general policies. Plus, when all pertinent employee information is in one place, it makes sending out addendums and updates easy.

In addition to knowing and following laws and regulations, there are four essential areas that every company should create human resources processes for, regardless of company size. They are recruitment and selection, new-hire orientation and on-boarding, performance management and termination.

Must-Have HR Policies and Processes (continued)

Recruitment and Selection

Recruitment and selection refers to establishing processes for finding and hiring employees. Good recruitment and selection processes ensure that you have access to a pool of candidates. In addition, these processes ensure that your managers are trained in good interviewing techniques, so you are not asking illegal questions or losing good candidates because of poor interviewing skills. Good recruitment and selection processes also ensure that your company is conducting background and professional reference checks. After all, according to InfoLink Screening Services Inc., 34 percent of employment applications contain falsified information and 30 percent of applicants exaggerate their accomplishments.

New-Hire Orientation and On-Boarding

Good new-hire orientation and on-boarding processes ensure that your new employees are set up for success. Part of this process is collecting new hire paperwork, including signed employee handbook acknowledgements and confidentiality agreements. In addition, required training is completed. Plus, new employees spend time with someone in a like position to learn what's expected of them, or they cross-training with other departments to see how departments interconnect. New employees can also be shown a performance review within their first few days so they know what will be expected of them.

Performance Management

Good performance management refers to both the informal and formal aspects of managing employee performance. This ranges from performance feedback to pay structures that reward performance. Performance feedback should be ongoing and provided regularly. Formal written reviews can be annual, biannual or every quarter, as well as when an employee completes his or her 90-day introductory period. Some reviews include a section for self-feedback so managers have access to an employee's thoughts about his or her performance. Pay-for-performance programs should reward your top performers the most, while not discriminating against other employees. These programs also ensure that your pay practices are backed up with a good performance ethic within your company.

Termination

Whether employees terminate voluntarily or involuntarily, companies should have a process to collect termination paperwork and conduct exit interviews, as appropriate. Using a checklist will help make sure you complete details, such as getting COBRA paperwork mailed. It's also important to understand why your employees are leaving, which is why exit interviews are recommended. In addition, a good termination process will include a policy on how to respond to post-employment inquiries, as well as designate who will be authorized to provide this information. This will protect you from the legal issues of defamation and slander.

All in all, well thought out processes for all of these HR processes will help you run the people side of your business, instead of letting it run you.