

PERSONNEL NOTEBOOK

For Your Most Important Resource

HR for Companies with No HR Department

We know that the majority of all new U.S. jobs (approximately 70 percent) are created by small companies defined by the government as those with 500 employees or less. We also know that most companies don't hire a full time HR person until they have about 100 employees. Full-time HR person No. 2 doesn't get hired until somewhere around 250 employees. What this says is that almost half of all that hiring, training, and handling of personnel problems is being done by companies who don't have a developed, staffed and trained HR department.

The more realistic fact is that in most companies with less than 100 employees, the HR function is handled by the owner, their spouse, the bookkeeper or the receptionist, not an HR department.

How do these people do it? What skills do they have? What skills do they need? What resources do they use? What are the basic HR necessities for the company with no HR department?

Let's begin at the beginning and identify the basics:

- I. You Need to be Good at...
- II. You Need Resources
- III. What are the Key HR Functions?
- IV. What Regulations Should I be Aware Of?

I. You Need to be Good at:

- **Organization** Lots of record keeping and accuracy counts.
- **Multitasking** You will be pulled quickly in many different directions.
- **Discretion and Ethics** Keep information private, conduct affairs ethically and honestly.
- **Dual-Focus** Meeting company and employee needs is a dual role and difficult responsibility.

II. You Need Resources

- **Manuals** Have reference manuals on hand when needed , plus your association's website provides many of them free at HR UNIVERSITY

- **Internet** Many sources, Department of Labor for federal and state regulations, many free HR sources.
- **Colleagues** Network and establish friends with mutual concerns.
- **Trade Associations** Join, participate and attend your association's activities and functions.
- **Society for Human Resource Management (SHRM)** Provides training, certification and support at shrm.org
- **Association's HR Hot-Line (703) 897-8511 and HR UNIVERSITY** Free HR support on your association's website.
- **Solving Employee Problems** Know how, fairness and practicality.
- **Job Descriptions** They're important. Don't recruit, evaluate performance or determine hourly vs. salary without them.
- **Compensation / Benefits** What's competitive? Best performers get best compensation
- **Terminations** Know if, when and how
- **Legal Compliance** Get help, have resources, **HR-Hot-Line** and **HR UNIVERSITY** is free to members on your association's web site.

III. What are the Key HR Functions?

- **Recruiting / Hiring** What, Where, Who and How
- **Record Keeping** Personnel files, performance records / hours worked
- **Payroll** The regulations, records and regularity
- **Orientation / Training** What, who, how, when
- **Safety** The regulations and intensity
- **Performance Management / Discipline**
Do it! Document it! Follow through!

IV. What Regulations Should I Be Aware of?

As your company grows, you become subject to more federal employment regulations. An employer with 8 employees has fewer laws with which to comply, than does an employer with 50 employees. In many cases hiring one more employee, even for a short time, can put you over the threshold into new employment regulations.

What are the key laws and thresholds?

One Employee

Federal Labor Standards Act (FLSA):
Regulates wages, hours of work and overtime.

National Labor Relations Act (NLRA): Employers cannot prevent employees from forming or joining a union.

Drug Free Workplace Act: You must make an ongoing effort to keep your workplace free of drugs. Requires training sessions, posters and support referrals.

Employee Polygraph Act: controls and in some cases forbids most uses of Polygraph tests in employment.

Employment Retirement Income Security Act (ERISA): regulates employee benefits, including pension and profit sharing plans. Requires filing federal reports.

Hazard Communications Standard (HAZCOM): requires employers to inform employees of all hazardous chemicals and substances in the work place and to provide information on antidotes and first aid.

Equal Pay Act (EPA): Forbids discrimination in pay on the basis of gender.

Federal Tax Withholding: Requires the deduction and payment of Social Security taxes.

Health Insurance Portability And Accountability Act (HIPAA): Employers must accommodate employees in carrying insurance benefits during leaves and on to next employment, limits the time allowed for

pre-existing conditions and requires privacy of individual's medical records.

Immigration And Reform Control Act (IRCA): Requires employers to verify that workers are legally entitled to work in the U.S.

Occupational Safety and Health Act (OSHA): Requires employers to maintain a safe workplace free from recognized hazards.

Veterans Employment Opportunities Act: For companies that engage in federal (and most states) contracts, requires special effort to employ veterans.

Uniformed Services Employment and Reemployment Rights Act (USERRA): Military Leave rules. Prohibits discrimination against veterans and employees on military leave.

15 Employees

Pregnancy Discrimination Act (PDA): Forbids discrimination on the basis of pregnancy, childbirth or related conditions.

Americans With Disabilities Act (ADA): Forbids discrimination in employment against disabled individuals, requires accommodation in work and facilities accessibility.

Civil Rights Act Of 1964 / Title VII: Prohibits discrimination on the basis of

race, color, religion, sex and national origin. (Although such discrimination is illegal for all employers, carrying out the processes of Title VII is not required for employers with less than 15 employees.)

20 Employees

Age Discrimination In Employment Act (ADEA): Forbids discrimination against those aged 40 or over.

Consolidated Omnibus Benefits Reconciliation Act (COBRA): Requires employers to offer employees the opportunity, and to accommodate their desire, to continue group health plans at their own expense when on leave or when leaving employment.

Older Worker's Benefit Protection Act (OWBPA): Protects older workers from discrimination in the administration of their benefits, particularly in severance agreements.

50 Employees

Family And Medical Leave Act (FMLA): Requires employers to allow employees 12 weeks unpaid leave in any 12-month period for childbirth, adoption and serious illnesses.

Affirmative Action Plan (AAP): For companies that engage in federal (and most states) contracts of \$50,000 or more, requires a written plan to proactively provide employment opportunities for women and minorities.

100 Employees

Worker Adjustment and Retraining Notification Act (WARN): Requires employers to give as much as 6 months advance notice to employees and the community, before large layoffs, shutdowns or plant closings.

Some states may have additional laws or may make these laws more stringent.

Descriptions, manuals, how-to guides and forms for most of these subjects can be found on your association's website under HR UNIVERSITY.

Bill Cook

Have a question?

HR Hot-Line (703) 897-8511