



## Assess Your Risk

Many Small Business Owners believe that because they have only a few employees that they do not need to comply with employment laws and regulations. While some regulations do apply only to larger employers, many employment laws apply to even very small companies. Failing to abide by employment laws can lead to employee lawsuits, Department of Labor (DOL) or Equal Employment Opportunity Commission (EEOC) investigations, or the loss of federal contracts.

In addition, smaller companies sometimes do not establish processes around hiring, performance management, and company culture that both protect the business legally and provide competitive advantage.

Review the questions below to assess your risk for legal liability or lost opportunity.

<b>INDEPENDENT CONTRACTORS VERSUS EMPLOYEES</b>		
<i>Questions To Ask Yourself:</i>	Yes	No
• Are you appropriately classifying employees and contractors?		
• Are you aware of the risks of inappropriately classifying an employee as a contractor?		
• Are you aware of the benefits of using contractors instead of employees where appropriate?		
<i>How yourHRusa Can Help:</i>		
Many laws apply only if you have a certain number of employees. However, if you misclassify an employee as an Independent Contractor, you could mistakenly conclude that you don't have enough employees for certain laws to apply to you.		
Through our on-line resources and individual consultation, we can help Elite members review their current employees to determine whether they are appropriately classified and reduce risks associated with a potential lawsuit or DOL or EEOC audit.		





### HIRING EMPLOYEES

<i>Questions To Ask Yourself:</i>	Yes	No
• Are you using legal practices in your hiring processes?		
• Do you know what interview questions create a risk for discriminatory hiring practices?		
• Do you know how to interview so you are able to identify the best qualified candidates for your company?		
• Are you aware that even though a test publisher may say that a test is "valid," you could still be held liable for discriminatory hiring practices?		
• Do you understand the risks and benefits of pre-employment background checks and drug testing?		
• Do you understand the fines and penalties associated with hiring undocumented workers?		
• Do you know what documents you need to retain to demonstrate that your employees have a legal right to work in the United States?		
<i>How yourHRusa Can Help:</i>		
<p>The hiring decisions you make are among the most important business decisions you will make. Each person you hire has the potential to make a huge difference (for good or for bad) in your business.</p> <p>Through our Hiring Toolkit and individual consultation for elite members, we can help you turn this high risk activity into a high value activity for your business.</p>		

### PERFORMANCE MANAGEMENT

<i>Questions To Ask Yourself:</i>	Yes	No
• Do you establish clear goals and expectations for employees?		
• Do you know how to coach and reward performance to ensure that you get the best from your employees?		
<i>How yourHRusa Can Help:</i>		
<p>Many business leaders – in both small and large organizations – fail to get the best from their employees. A well defined and documented performance management process can help you develop and retain great performers and provide documentation you will need in case of employee termination.</p> <p>Our Performance Management Toolkit is a great resource for small business owners who want to improve workforce productivity.</p>		





<b>COMPENSATION, OVERTIME, AND PAID TIME OFF</b>		
<i>Questions To Ask Yourself:</i>	Yes	No
• Have you correctly identified your employees as exempt or non-exempt?		
• Do you know when you can and cannot give employees time off instead of paying them overtime wages?		
• Are you aware that you must pay an employee for overtime hours worked – even if the overtime work was not authorized?		
• Do you know when you can legally dock an exempt employee's pay?		
• Do you know which types of employee leaves must be granted by law?		
<i>How yourHRusa Can Help:</i>		
<p>The Fair Labor Standards Act (FLSA) is enforced by the Department of Labor. Auditors identify violations both through audits and through employee complaints.</p> <p>We can help you review your practices to ensure that you are in compliance with wage and compensation laws and regulations.</p>		

<b>SUPERVISOR AND MANAGER TRAINING</b>		
<i>Questions To Ask Yourself:</i>	Yes	No
• Do the supervisors and managers in your organization understand their responsibilities related to creating a positive work environment (e.g., no harassment)?		
• Have your supervisors and managers been trained to handle tough situations with employees?		
• Have your supervisors and managers been trained to effectively manage and coach their employees?		
<i>How yourHRusa Can Help:</i>		
<p>Untrained supervisors and managers greatly increase your company's risk of being sued by current and former employees and the risk of losing those lawsuits.</p> <p>We can help you identify your training needs and provide recommendations as part of our consultation process.</p>		





### CULTURE

<i>Questions To Ask Yourself:</i>	Yes	No
<ul style="list-style-type: none"><li>• Have you established clear policies related to employee behavior (no harassment, no violence, no drug or alcohol abuse)?</li></ul>		
<ul style="list-style-type: none"><li>• Have you clearly communicated your expectations for employee behavior?</li></ul>		
<ul style="list-style-type: none"><li>• Have you established a culture in which unethical behavior is not tolerated?</li></ul>		
<i>How yourHRusa Can Help:</i>		
<p>Establishing and communicating company policies can protect your company in case an employee acts in an inappropriate manner. For example, companies with strong policies against sexual harassment have successfully defended themselves from lawsuits.</p> <p>Our online resources provide sample policies and an employee handbook that you can adapt to your business.</p>		

### EMPLOYEE DISCIPLINE AND TERMINATION

<i>Questions To Ask Yourself:</i>	Yes	No
<ul style="list-style-type: none"><li>• Are you aware of what steps you should take prior to terminating an employee?</li></ul>		
<ul style="list-style-type: none"><li>• Have you established a progressive disciplinary process?</li></ul>		
<ul style="list-style-type: none"><li>• Do you know what documentation you need to protect your business from a charge of wrongful discharge?</li></ul>		
<i>How yourHRusa Can Help:</i>		
<p>Employee terminations and lay-offs often lead employees to take legal action. Conducting the termination in an appropriate and sensitive manner can help reduce the likelihood of legal action. Having the right documentation can help you successfully defend your business legally if you are sued.</p> <p>Through our Discipline and Termination Toolkit and individual consultation, we give you resources to help you reduce your risk.</p>		

