

HR Basics for Small Business



Overview

HR is a minefield of laws, regulations and requirements. For most small businesses (fewer than 50 employees) there are basic requirements for a sensible, practical HR program.

These basic requirements are:

- Creation and maintenance of employee files
- Publication of an employee handbook with certain policies

Without question, there is a lot more to HR than the items listed above. But with regard to compliance with HR rules and regulations, this is where owners of a small business need to start.

Employee Files

Employee File

You should create and maintain a separate file for each of your employees. This file is where you keep all of the information you collect on employees, such as:

- Resumes and employment applications
- Offer letters, employment agreements or contracts
- Payroll information
- Basic employment data including
- Information about participation in benefit programs
- Awards, recognition or disciplinary documents
- Performance evaluations
- Termination documentation and exit interview information

It's best to assume all this information is confidential, so keep these files in a secure location. Only people with a compelling business reason should have access to these files.

Employee Handbook with Company Policies

An employee handbook is the centerpiece of an effective HR program. The employee handbook explains your company's policies and procedures and communicates your expectations to employees. A good handbook also helps to protect your company in the event of a dispute.

As with many issues surrounding HR, the policies you include in your handbook can be comprehensive to the point of being ridiculous. For most small companies, an employee handbook with the following policies makes sense:

Employment in General

- Introductory Statement – Purpose of the Handbook
- Employment Equity Policy
- New Hire Policy
- Policy Against Harassment and Discrimination
- Open Door Policy
- Confidential Information
- Computer Use Policy
- Social Media Policy
- Employment Categories
- Work Hours
- Alcohol and Drug Policy
- Personal Appearance Policy
- Return of Property
- Solicitation Policy

Timekeeping and Payroll

- Timekeeping Procedures
- Paydays
- Pay Deductions

Work Conditions

- Violence in the Workplace
- Workplace Safety
- Drug Free Workplace Policy
- Grievance Policy
- Employee Conduct and Disciplinary Action

Benefits

- Sick Leave
- Personal Leave
- Holidays
- Bereavement Leave
- Maternity/Paternity Leave
- Insurance
- Workman's Compensation Insurance
- Business Expense Reimbursement

IMPORTANT NOTE: Creating your employee handbook is a crucial first step. But it's also critical that your employees read the handbook and agree to your policies as a condition of their employment. The best practice is to ask employees to acknowledge their acceptance and to store that acknowledgement in case it's needed in the future.

Creating an employee handbook with all the necessary policies seems like a daunting task. But **Norman Brett & Associates** will help you get it done.

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