

## **Human Resource Tips for Starting a New Business**

Whether you plan to handle Human Resource (HR) responsibilities yourself with your new business or you hire someone else to handle this, the first step is to understand what exactly do we mean by “HR”?

In a nutshell, HR is managing people who work for you and complying with the rules and responsibilities that come with having employees. It covers everything from recruiting and hiring to payroll and benefits to training and supervision.

Even if you have only one or two employees, you’ll need to map out what HR functions you’re going to need as you establish (and grow) your business.

- **Hiring**

- To get started with hiring folks to work for you, start with a recruitment plan. This includes thinking through what kinds of jobs you want to have done.
- A well-written job description can help you identify what qualifications a person will need, along with the specific tasks needed to get the job done.
- Next, post the job on job boards. Finally, create a set of job-specific questions to ask applicants in an interview, and create a process to determine which applicants move onto the next step with your business.

- **Payroll & Benefits**

- How will you track time and run payroll? While payroll can be paper or electronic, many employers these days are electing to start electronically since it can be more efficient in the long run.
- Be mindful of complying with Federal and State laws concerning administering payroll and benefits. Information on wages, hours, and labor standards can be found at <https://dol.ny.gov>. Paid sick leave, workers’ compensation, short-term disability, and paid family leave are required under New York law.
- Other benefits to offer your employees may include some of the following:
  - Paid time off;
  - Flex scheduling; and
  - Health insurance.

- **Onboarding and Training**

- Create a checklist of the Federal and State required documents needed for New Hires. Required documents include:
  - a W-4 form;
  - IT-2105 state tax form;
  - I-9 Employment Eligibility Verification form; and
  - Direct Deposit form.

These forms can be found online but make sure that you are always pulling them from a government website and that you are using the most current version. They do get updated periodically!

- Finally, think about what your employees will need on their first day and have a training schedule for them.
  - Training is ongoing, but to start, provide your employee(s) with required state training (e.g., NYS sexual harassment training), job-specific training, and technical training such as using the payroll system or copy machine.
  - Checklists are very helpful for keeping track of what training has been completed and what still needs to be done.

- **Communication**

- How will you communicate with your employees - and how should they communicate with you? Establishing your expectations upfront can be very helpful in avoiding miscommunication. Here are some considerations when setting up a communications system:
  - How will you schedule your employees?
  - Will you check in daily with your employees?
  - How often will you have staff meetings?
  - Will you use email or texting/instant messaging, a log, or something different?

- How should employees contact you if they will be tardy or absent from work? Is a text message sufficient, or are they expected to call?

- **Employee Relations**

- This area of HR manages employee conduct and conflict resolution in your business (and yes, conflicts will happen from time to time).
- There are federal and state laws that prohibit certain types of behaviors in the workplace, for example, discrimination or harassment on the job.
- Employers are responsible for training their employees about these laws and holding them accountable. The Equal Employment Opportunity Commission provides fact sheets and other free resources to help businesses understand these laws and steps to take to avoid legal issues. You can find these resources at [www.eeoc.gov](http://www.eeoc.gov).
- Employers are responsible for posting certain information regarding labor and employment laws. You can learn more about what's required and obtain free posters for your business at <https://www.dol.gov/general/topics/posters>.

- **Employee Handbook**

- Create a handbook or set of policies for your employees that clearly spells out all the policies needed to guide you and your employees. Some important policies for every employer include:
  - Equal Employment Opportunity policy (EEO)
  - NYS Harassment policy
  - NYS Paid Family Leave
  - Compensation policies
  - Work schedules and meal/rest breaks
  - Benefits
  - Hiring and Separation

You can find free sample policies on websites such as the EEOC or you can work with an experienced HR firm, such as Clarity HR Solutions, to do the policy development for you.

Lastly, having a labor and employment attorney review your handbook is recommended to ensure your business has legally sound employment practices right from the start. Even having one employee puts in place certain legal responsibilities, which can't be avoided by classifying workers as independent contractors!