

## **11.0 HUMAN RESOURCES ADMINISTRATION**

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### **11.1 Introduction and Summary**

Entrepreneurs can find themselves unprepared for the extra demands of hiring and directing employees. This Section provides some tools for establishing and maintaining effective policies and practices. They are designed to maximize the hiring of quality employees and increase productivity.

### **11.2 Recruitment**

Questions to be considered before recruiting additional staff:

- Could the existing staff absorb the additional workload?
- Could current work assignments be reprioritized or eliminated in order to take on the new work?
- Can the additional workload be handled with overtime?
- Can temporary staff fill the need until the consistency of the additional work is determined?
- Can part-time rather than full-time staff do the work?
- Can the business afford to add staff?
- Would the current staff prefer to do the new work?

Plan your recruitment efforts .Prepare a job description, including job title, reporting relationships, primary function, main duties/expected results, and job requirements (skills, knowledge and training required). Establish pay range for the new position.

Select recruitment sources most likely to achieve results for the particular search. Recruitment sources may include: existing employees; employee referrals; personal contacts; educational institutions; walk-ins; the internet; employment agencies (public, private, and temporary); professional associations; media advertising; community organizations (such as the Chamber of Commerce)

Establish a recruitment budget.

### 11.3 Interviewing

- Employment interviews have the following objectives:
- To obtain as much information as possible as to the applicant's knowledge, skill levels and ability to do the job
- To assess levels of past performance
- To assess the candidate's personality traits. Can he/she work effectively within the company culture and with co-workers?

Prepare a set of behavior based interview questions that are asked of all candidates

Ask only job-related questions during the interview. Avoid questions regarding a person's age, race, sex, marital status, national origin, or disability status.

### 11.4 Selection

Assure that an offer of employment is conditional upon favorable reference checking and convey this to the job candidate in the offer letter. An offer letter will clarify the terms of employment, such as:

- Start date;
- At-will status;
- Exempt or nonexempt status
- Wage or salary
- Any contingencies such as drug test, medical exam or background check
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An offer letter should also state the name of the company providing Workers' Compensation insurance.

If a formal background check is required because of the specific duties of the position, go on-line and search for companies that provide these services. Be sure that the employment application includes authorization to conduct such background checks.

Prior employment: Obtain dates of employment, reason for leaving and any positive/negative comments.

Credit Check: Important when employee will handle large amounts of cash. Consumer credit reports for employment purposes are permissible only for certain positions, such as executive, Department of Justice, sworn peace officer, etc. Be sure to check the full list along with State requirements prior to requesting written authorization to run a credit check. There are also written disclosure requirements to consider.

Driving record: Where use of the company or private vehicle is required for company business.

Criminal record: Essential when the employee will have unsupervised contact with the public. Any decision not to hire requires demonstration of legitimate business purpose (must be related to the specific position). You can choose not to hire someone based on past felony convictions if you can show a legitimate business purpose.

Education: If position requires degree or specific training, be sure to check the validity of stated credentials

## **11.5 Administrative Details – New Employee**

A new employee must complete all required documentation including:

- **Information about benefits and employee rights, such as:**
  - - Workers' Compensation
  - - State Disability Insurance
  - - COBRA and Cal-COBRA rights notifications
  - - Paid Family Leave
  - - HIPAA Questionnaire
  - - Sexual Harassment pamphlet

### **Safety Information, such as:**

- Emergency Information form
- Initial Safety Training Certificate

### **Government Forms, such as:**

- W-4 Employee's Withholding Allowance certificate
- DE4 California Employee's Withholding Certificate
- New Employees Report – Form DE 34
- 1-9 Employment Eligibility Verification (Form I-9)

### **Human Resources Policies, such as:**

- Confidentiality Agreement
- Property Return Agreement
- Holidays and paid time off policies
- Hours of work

## **11.6 Compensation**

Minimum wage: Check the latest minimum wage; it's a legal requirement.

Exempt vs. Non-exempt. Employees who are classified as Exempt are not covered by laws requiring rest periods, lunch periods, and overtime pay. Exempt status generally applies to the following categories of employees:

- Administrative
- Computer Professionals
- Executive
- Professional
- Salesperson

- Use the Exempt vs. Non-Exempt Forms and Checklists (available at CalChamber.com) to determine the proper status of the position – DO NOT assume that employees with these titles meet the test of exemption.
- Non-exempt employee must be paid Overtime pay.
- Time and one-half after 8 hours of work per day or 40 hours per week. The first 8 hours on the 7<sup>th</sup> consecutive day of work is also paid at time and one half.
- Double time must be paid after 12 hours a day and after 8 hours on the 7<sup>th</sup> consecutive day.

For Non-Exempt Employees, a meal period must be provided. : A 30-minute meal period is required after 5 hours of work. An additional 30-minute meal period is required after 10 hours of work. If the employee is not relieved of their duties, meal periods are to be paid for.

### **11.7 Benefits**

Optional Basic benefits: Optional benefits may be offered to employees. The extent of basic benefits depends upon applicability and cost and are often offered as a retention tool. . Benefits such as paid holidays, vacation, health insurance and paid sick leave help to recruit and retain employees.

If you offer paid vacation, when an employee terminates you must include any accrued but unused vacation at the same time as the final paycheck. It is considered an earned benefit and cannot be taken away. You may, however ,limit vacation time by assigning a maximum amount of accrual.

Mandated benefits: Social Security (FICA)( shared cost); Workers Compensation ( employer paid); Unemployment Insurance ( shared cost);State Disability ( employee paid)