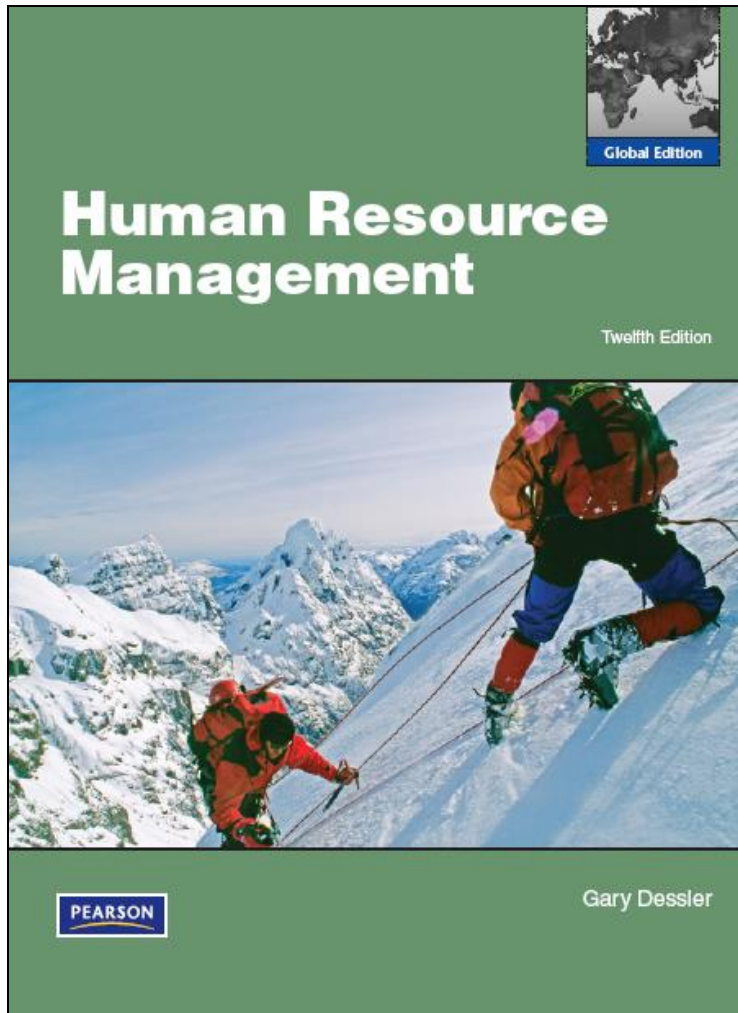


HUMAN RESOURCE MANAGEMENT

Global Edition 12e

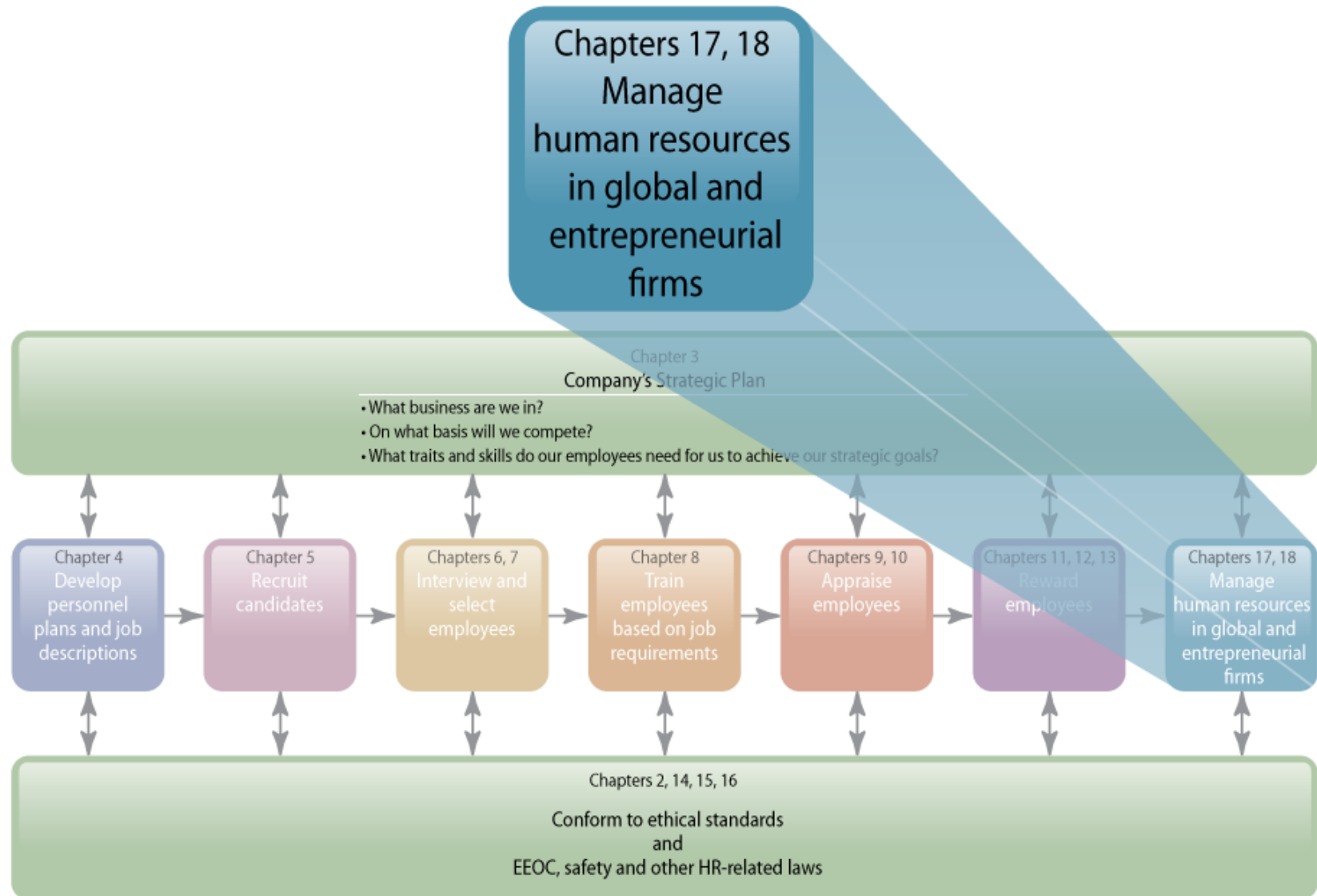


Chapter 18

Managing Human Resources in Entrepreneurial Firms

Part 5 Employee Relations

WHERE WE ARE NOW...



LEARNING OUTCOMES

1. Explain why human resource management in small companies is different from that in larger companies.
2. Give at least five specific examples of how you would use the Internet and government tools to support the HR effort in a small business.
3. Answer the question, “Why are familiarity, flexibility, and informality important tools that entrepreneurs can use to improve human resource management practices in their small businesses?”
4. Explain what professional employers’ organizations are and how entrepreneurs can use them.
5. Describe how HR systems traditionally evolve in a small business and give examples of how small businesses can use human resource management information systems.

The Small Business Challenge

- Why Entrepreneurship Is Important
 - Over one-half of the U.S. labor force works for small firms.
 - Over 600,000 small businesses are created annually.
 - Three-fourths of employment growth comes from small firms.
- Why Is HRM Important to Small Businesses?
 - Growth of any small business depends on effective HR activities.
 - Getting and keeping large customers requires compliance with international quality (HR) standards.

How Small Business Human Resource Management Is Different

```
graph TD; A[How Small Business Human Resource Management Is Different] --> B[Size of HR staff]; A --> C[Priority of HR issues]; A --> D[Informality of HR practices]; A --> E[Entrepreneur's effect on HRM];
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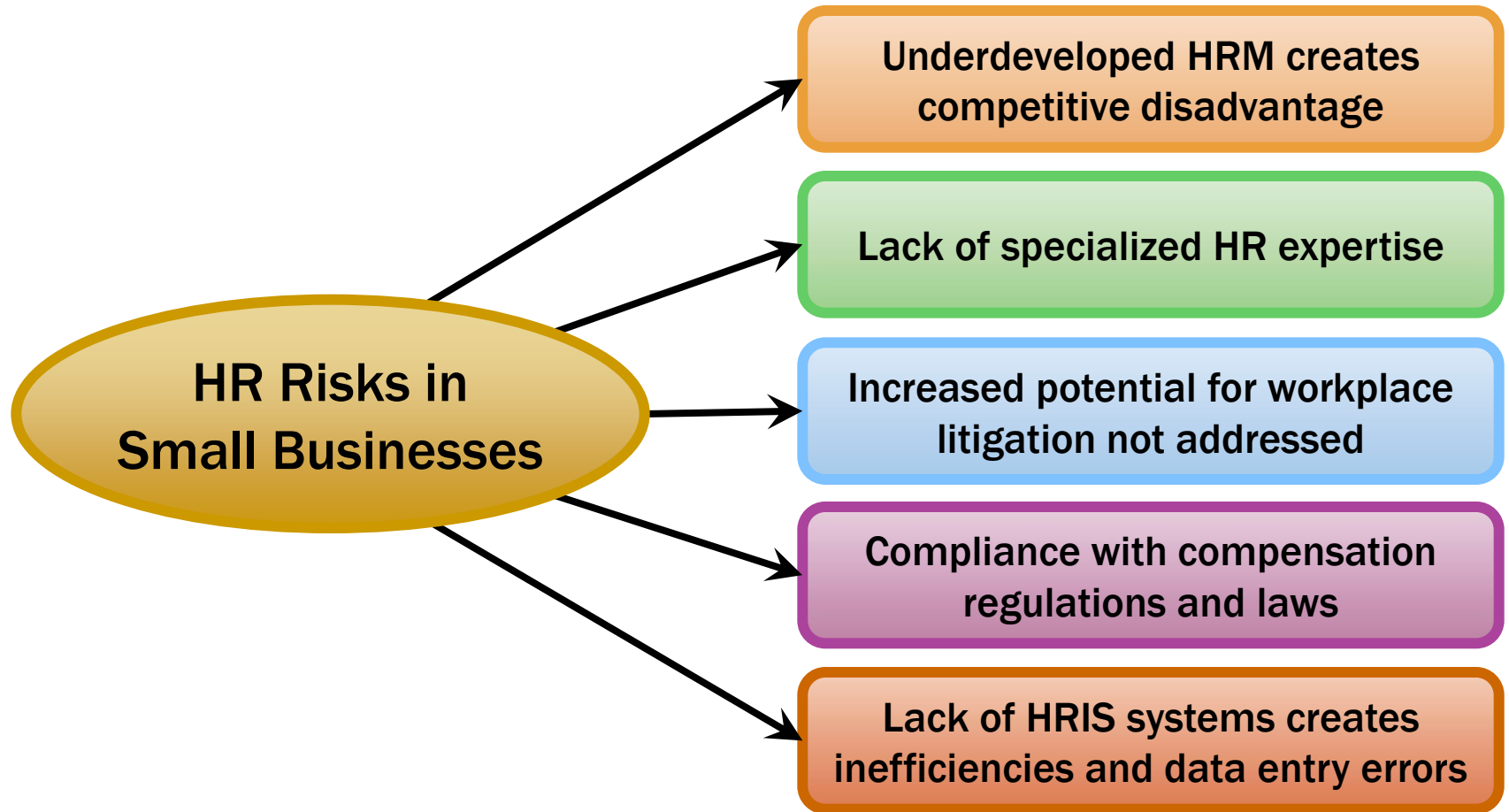
**Size of
HR staff**

**Priority of
HR issues**

**Informality of
HR practices**

**Entrepreneur's
effect on HRM**

The Entrepreneur's Risky Human Resource Management Situation



Why HRM Is Important to Small Businesses

- Effective HRM:
 - Is a competitive necessity for small firms.
 - Makes small firms more successful.
 - Helps small firms get and keep large customers.
 - Is necessary to meet ISO-9000 requirements for competing internationally.



Using Internet and Government Tools To Support The HR Effort

Complying with Employment Laws:

DOL: www.DOL.gov/elaws/firststep
www.dol.gov/esa/whd/flsa

EEOC: www.EEOC.gov/employers/smallbusinesses.html

OSHA: www.OSHA.gov
www.OSHA.gov/dcsp/smallbusiness/index.html

Employment Planning and Recruiting:

DOL: <http://online.onetcenter.org>

Employment Selection

Wonderlic: www.wonderlic.com

Employment Training

AMA: www.amanet.org

SHRM: www.shrm.org

SBA: www.SBA.gov/training

NAM: wwwnamvu.com

FIGURE 18–1 *FirstStep* Employment Law Advisor

The screenshot shows a web browser window titled "elaws - FirstStep Employment Law Advisor - Windows Internet Explorer". The address bar shows "http://www.dol.gov/elaws/firststep/". The page features the United States Department of Labor logo and header. Navigation links include "Subscribe to E-mail Updates", "All DOL", "ELAWS", "Advanced Search", "Find It In DOL", "A to Z Index", "Site Map", "FAQs", "DOL Forms", "About DOL", and "Contact Us". The main content area is titled "Office of the Assistant Secretary for Policy / Office of Compliance Assistance Policy" and "DOL Home > elaws Advisors > FirstStep Employment Law Advisor". The "elaws® - FirstStep Employment Law Advisor" section describes the tool's purpose: to help employers determine which federal employment laws apply to their business, what recordkeeping and reporting requirements they must comply with, and which posters they need to post. It also offers a quick reference guide for those already familiar with the laws. Three red buttons with white text and right-pointing arrows are provided: "Begin FirstStep Employment Law Overview Advisor Now!", "Begin FirstStep Recordkeeping, Reporting and Notices Advisor Now!", and "Begin FirstStep Poster Advisor Now!". A list of three bullet points details the specific functions of each advisor. A note at the bottom states that the advisor is a guide on major DOL laws and does not cover all laws administered by DOL or other federal agencies. A final paragraph suggests contacting state labor offices or federal agencies like the EEOC, NLRB, and NMB for more information.

elaws - FirstStep Employment Law Advisor - Windows Internet Explorer

http://www.dol.gov/elaws/firststep/

elaws - FirstStep Employment Law Advisor

UNITED STATES DEPARTMENT OF LABOR

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☒ All DOL ☐ ELAWS Advanced Search
Find It In DOL

[A to Z Index](#) | [Site Map](#) | [FAQs](#) | [DOL Forms](#) | [About DOL](#) | [Contact Us](#)

Office of the Assistant Secretary for Policy / Office of Compliance Assistance Policy

DOL Home > elaws Advisors > FirstStep Employment Law Advisor

elaws® - FirstStep Employment Law Advisor

The *FirstStep* Employment Law Advisor is designed to help employers determine which federal employment laws administered by the U.S. Department of Labor (DOL) apply to their business or organization, what recordkeeping and reporting requirements they must comply with, and which posters they need to post. The Advisor can help all employers, including non-profit organizations, private sector businesses and government agencies.

If employers already know which federal employment laws apply to them, the Advisor can quickly provide basic information about how to comply with these laws, including the requirements for recordkeeping, reporting, and posters and other notices. This information can also be printed off as a reference guide.

This Advisor provides three basic starting points depending on your interests and needs:

- FirstStep - Employment Law Overview Advisor provides a short primer on each law's basic provisions as well as any related recordkeeping, reporting and notice requirements.
- FirstStep - Recordkeeping, Reporting, and Notices Advisor provides detailed explanations of each law's recordkeeping, reporting and notice requirements.
- FirstStep - Poster Advisor provides access to short descriptions of DOL poster requirements and links to printable posters.

Please note that the *FirstStep* Employment Law Advisor is intended as a guide on [major DOL laws](#) – it does not cover all laws administered by DOL. In addition, the system will not identify laws administered by other federal agencies that might be applicable to your business or organization.

You may want to contact your [State Labor Office](#) to obtain information about your state's requirements, or other federal agencies that enforce employment laws such as the [Equal Employment Opportunity Commission \(EEOC\)](#), the [National Labor Relations Board \(NLRB\)](#), and the [National Mediation Board \(NMB\)](#).

Begin FirstStep Employment Law Overview Advisor Now!

Begin FirstStep Recordkeeping, Reporting and Notices Advisor Now!

Begin FirstStep Poster Advisor Now!

FIGURE 18–2 Sample DOL elaws Advisors

- The Coverage and Employment Status Advisor helps identify which workers are employees covered by the FLSA.
- The Hours Worked Advisor provides information to help determine which hours spent in work-related activities are considered FLSA “hours worked” and, therefore, must be paid.
- The Overtime Security Advisor helps determine which employees are exempt from the FLSA minimum wage and overtime pay requirements under the Part 541 overtime regulations.
- The Overtime Calculator Advisor computes the amount of overtime pay due in a sample pay period based on information from the user.
- The Child Labor Rules Advisor answers questions about the FLSA’s youth employment provisions, including at what age young people can work and the jobs they can perform.
- The Section 14(c) Advisor helps users understand the special minimum wage requirements for workers with disabilities.

FIGURE 18-3
OSHA Web Site

OSHA's Small Business Page - Windows Internet Explorer

http://www.osha.gov/dccsp/s

OSHA's Small Business Page

UNITED STATES DEPARTMENT OF LABOR
 OCCUPATIONAL SAFETY & HEALTH ADMINISTRATION

www.OSHA.gov A-Z Index: A B C D E F G H I J K L M N O P Q R S T U V W X Y Z Search OSHA GO

Small Business Consultation SHARP Tools Hispanic Safety

Benefits | SBREFA | Non-Retaliation Policy | Penalty Reductions | Office of Small Business Assistance

Small Business

OSHA encourages all businesses to establish safety and health programs and find and fix hazards to prevent workplace injuries and illnesses.

- OSHA Benefits for Small Business
- Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA)

OSHA offers many resources designed specifically for smaller employers. This site provides access to the most popular materials for small businesses, from free on-site consultation to interactive computer software to technical information to easy-to-follow guides for specific OSHA standards. It also includes links to OSHA local offices and the Small Business Administration.

OSHA's Non-Retaliation Policy

OSHA has a long-established policy that information inquiries received by the agency regarding safety and health regulations or other safety-related subjects shall not trigger an inspection. The exact wording is:

"Employer Information Requests.
Contacts for technical information initiated by employers or their representatives will not trigger an inspection, nor will such employer inquiries protect the requesting employer against inspections conducted pursuant to existing policy, scheduling guidelines and inspection programs established by the Agency."

Highlights

- NEW!** Consultation Services (OSHA Publication 3357) (July 2009)
 - English (also available as a 47 KB PDF)
 - Spanish [PDF* - 47 KB]
- NEW!** Pandemic Influenza Preparedness: 2009 H1N1 Influenza
- NEW!** Small Business Forums
- OSHA Small Business Handbook with new and improved Industry Checklist [PDF - 261 KB]
- Compliance Assistance Resources available from Business.gov (the official U.S. Government website).

Search OSHA's Small Business Site

Search Clear

[Search Tips | Comments or Corrections]

NEW! OSHA Small Business Construction Links

OSHA Small Business

Construction Links

OSHA's Safety Pays Program helps employers estimate injury and illness costs.

OSHA's Safety Pays Program

Safety and Health Add Value

OSHA is committed to assuring - so far as possible - that every working man and woman in the nation has safe and healthful working conditions. OSHA believes that

Find It in DOL

- About OSHA
- Compliance Assistance
- Recordkeeping
- Laws & Regulations
- Enforcement
- Construction
- Cooperative Programs
- State Programs
- Newsroom
- Safety/Health Topics
- Statistics
- International
- Freedom of Information Act (FOIA)

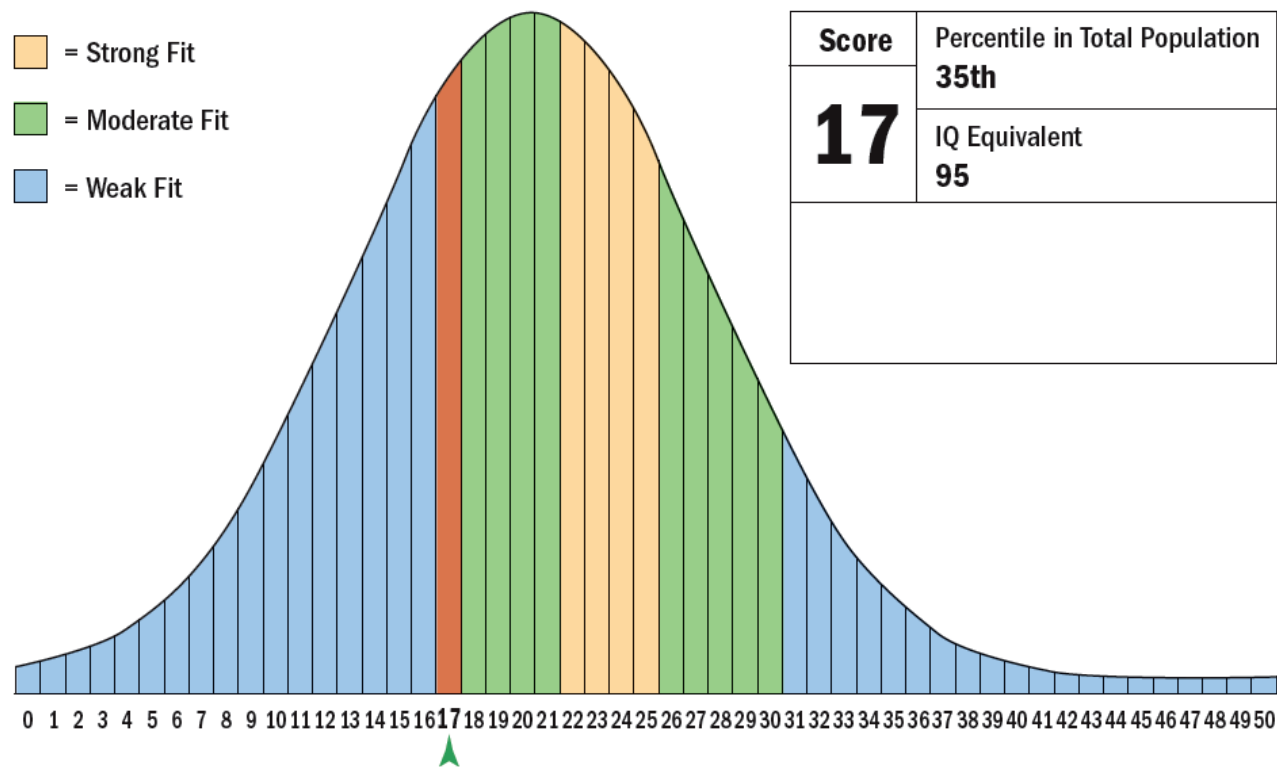
Audiences:

- En Español
- Hispanic Employers & Workers
- Small Business
- Workers
- Teen Workers

More Resources

- DOL.gov
- The White House
- USA.gov
- GovBenefits.gov
- Disability.gov
- HireVetsFirst.gov
- Career Voyages
- Business.gov
- Regulations.gov
- PandemicFlu.gov
- USA Freedom Corps
- No Fear Act

FIGURE 18–4 Wonderlic Personnel Test: Part of a Sample Report



Score Interpretation

Job Fit: Test takers who score in this range do not meet the cognitive ability requirements identified for this job. The complexity present within this position may make it difficult for these individuals to meet minimum standards for job performance.

Training Potential: This test taker is likely to receive maximum benefit from training that follows a programmed or mastery approach to learning. Given enough time, this individual may have the ability to learn a limited number of lengthy, routine procedures. Allow for sufficient time with hands-on-training before requiring this individual to work independently.

Employment Training

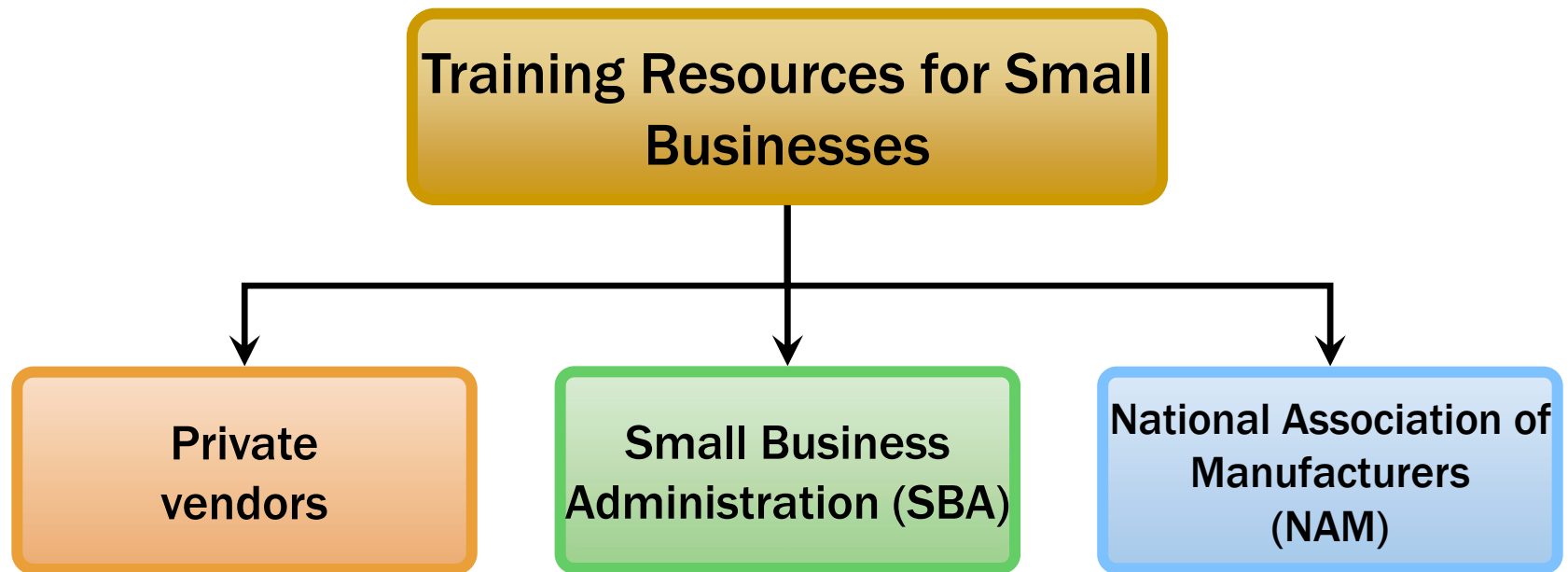


FIGURE 18–5

Part of Small Business Administration's Virtual Campus for Small Business Training

The screenshot shows a web browser window titled "Small Business Administration - Manage Employees - Windows Internet Explorer". The address bar shows "http://www.sba.gov/smallb". The page features the SBA logo and the tagline "Your Small Business Resource". The main navigation bar includes links for Home, About SBA, Newsroom, Contact, FAQ, E-NEWSLETTERS, FREE ONLINE TRAINING, E-PAYMENTS, MARKETING AND OUTREACH, MOST REQUESTED ITEMS, and BUDGET AND PERFORMANCE. The "Manage Employees" section is highlighted, showing a breadcrumb trail: Home > Small Business Planner > Manage Your Business > Manage Employees. The page content includes a search bar, a "Manage Employees" heading, and a list of links for various topics such as "Writing Effective Job Descriptions", "Employees vs. Contractors: What's The Difference?", "The Interview Process: How To Select The 'Right' Person", "When Potential Employees Lie", "Immigration FAQs", "National Labor Relations Board FAQs", "Glossary Of National Labor Relations Board Terms", "Hiring Employees FAQs", "The U.S. Department Of Labor's Employment Law Guide", "Federal Government Jobs Bank", "Verify A Social Security Number", "Plain English Guide To Employee Handbooks", and "Planning For The Future". A sidebar on the right lists additional resources like "Plan Your Business", "Start Your Business", "Manage Your Business", "Lead", "Make Decisions", "Market and Price", "Market and Sell", "Understand Fair Practice", "Pay Taxes", "Get Insurance", "Handle Legal Concerns", "Forecast", "Advocate and Stay Informed", "Use Technology", "Finance Growth", and "Getting Out". The footer contains links to "USA.Gov", "E-Gov", "Regulations.gov", "White House", "SBW 2010", "MedWeek 2009", "Business.gov", "Privacy & Security", "Information Quality", "ADA", "SBA Jobs", "No Fear Act", "About Site", "Contact SBA", and "Site Map".

Small Business Administration - Manage Employees - Windows Internet Explorer

http://www.sba.gov/smallb

Small Business Administration - Manage Employees

U.S. Small Business Administration
SBA
Your Small Business Resource

Programs and services to help you **start, grow and succeed**

> En Español

Search SBA GO

Home SMALL BUSINESS PLANNER SERVICES TOOLS LOCAL RESOURCES

Home > Small Business Planner > Manage Your Business > Manage Employees

Manage Employees SBA Program Office SBA Programs

Managing the actions of employees is a critical component of running a business. Knowing what to do with regards to hiring, motivating, directing, reprimanding, and even firing an employee is information a business owner should know.

> **Writing Effective Job Descriptions**
A job description describes the major areas of an employee's job or position. A good job description begins with a careful analysis of the important facts about a job, such as the individual tasks involved, the methods used to complete the tasks, the purpose and responsibilities of the job, the relationship of the job to other jobs, and the qualifications needed for the job.

> **Employees vs. Contractors: What's The Difference?**
Whether a person is an independent contractor or an employee generally depends on the amount of control exercised by the employer over the work being done. Dictating how a job is to be done or limiting the actions of the worker may establish an employer-employee relationship.

> **The Interview Process: How To Select The "Right" Person**
How do you select the right person for your business? There is no perfect answer, but the interview process can be a tremendous help if you use it effectively. In other words, you must have completed all of the other steps in the hiring process in order to get the most out of the interview process. Interviewing candidates for a position within your company is one of the final steps in the hiring process.

> **When Potential Employees Lie**
When you receive a resume or job application, how can you be sure the applicant is telling the truth?

> **Immigration FAQs**
Answers to common questions about immigration.

> **National Labor Relations Board FAQs**
Answers to frequent questions regarding the National Labor Relations Board.

> **Glossary Of National Labor Relations Board Terms**
Learn the terms used in and about the National Labor Relations Board Teams.

> **Hiring Employees FAQs**
Answers to commonly asked questions about hiring employees.

> **The U.S. Department Of Labor's Employment Law Guide**
Laws, regulations, and technical assistance services, provided by the U.S. Department of Labor.

> **Federal Government Jobs Bank**
Career opportunities with the federal government.

> **Verify A Social Security Number**
Verify employees' Social Security Numbers for accurate W-2 wage reports.

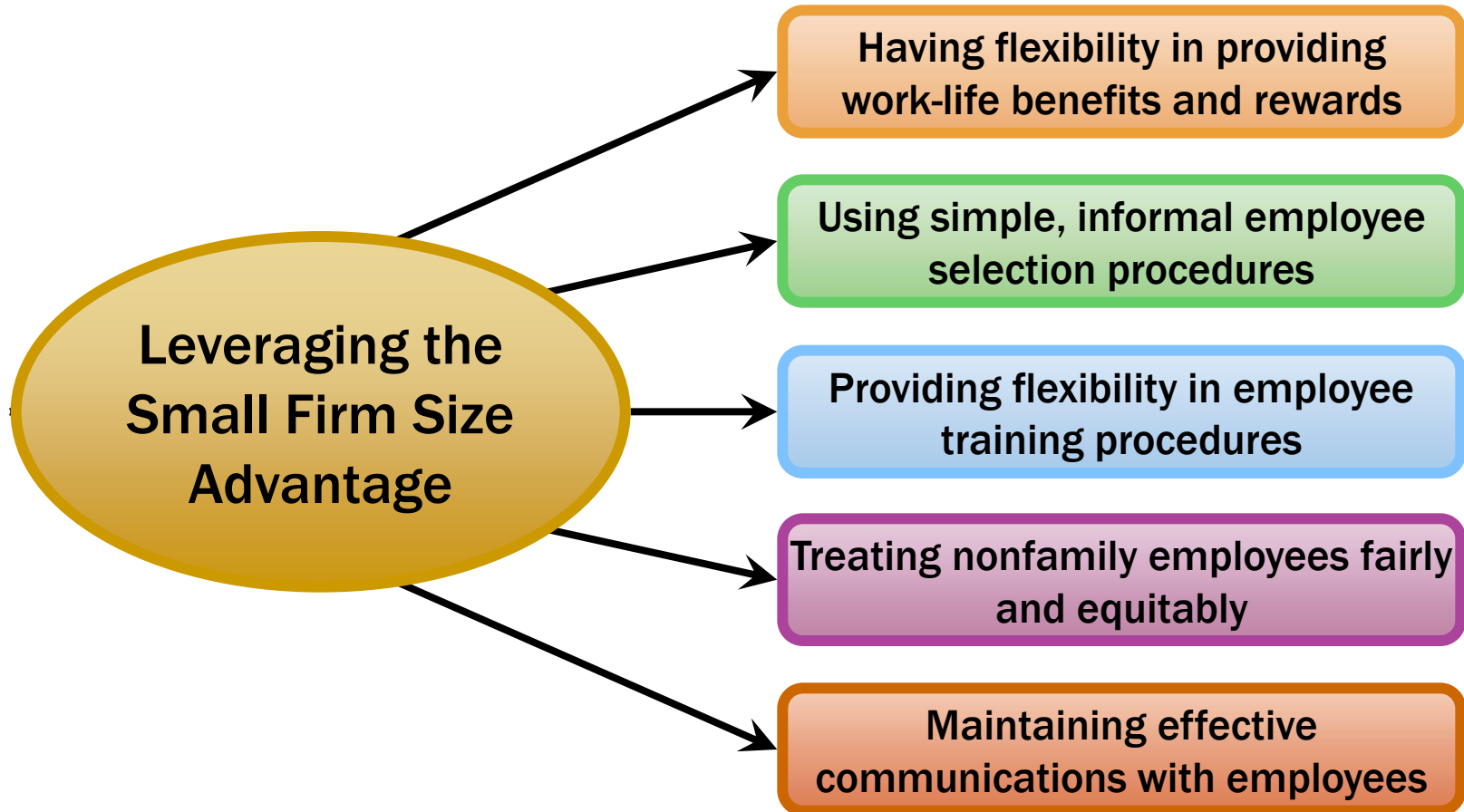
> **Plain English Guide To Employee Handbooks**
Simple, easy guide to employee handbooks.

> **Planning For The Future**
Know the ways to prepare for your retirement today.

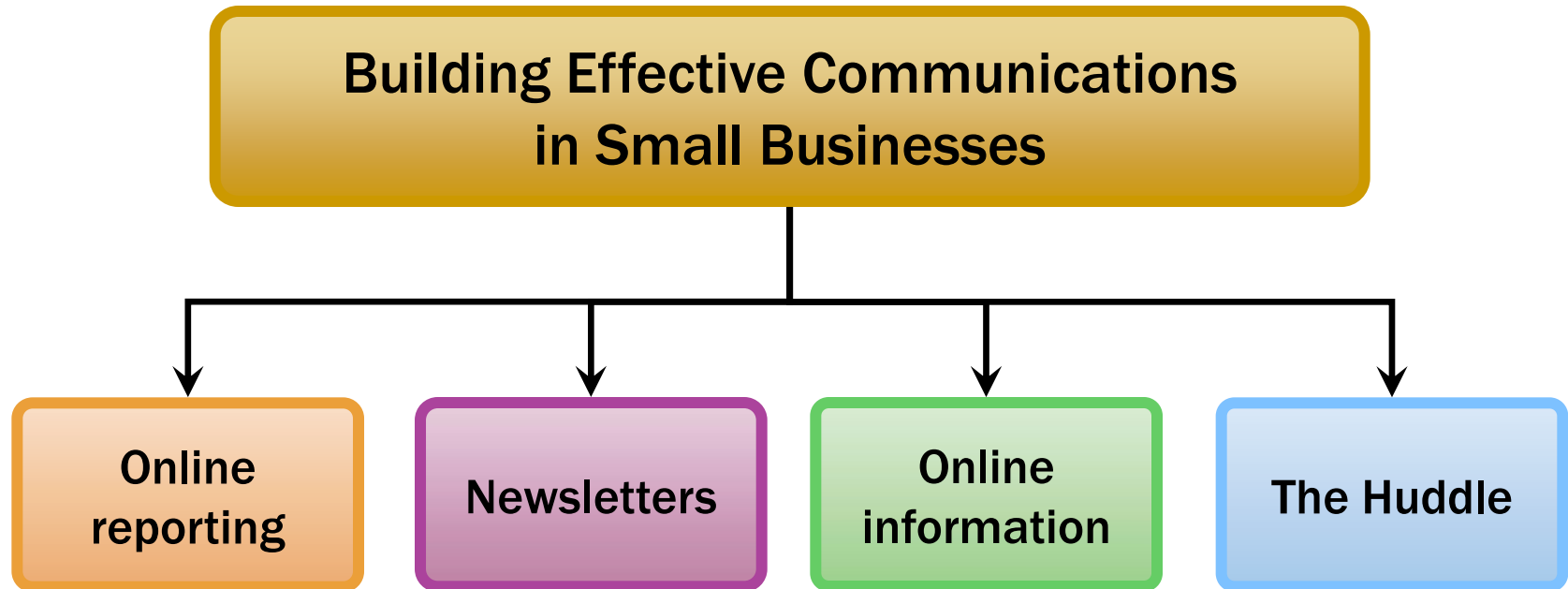
> Plan Your Business
> Start Your Business
> Manage Your Business
 > Lead
 > Make Decisions
 > Manage Employees
 > Market and Price
 > Market and Sell
 > Understand Fair Practice
 > Pay Taxes
 > Get Insurance
 > Handle Legal Concerns
 > Forecast
 > Advocate and Stay Informed
 > Use Technology
 > Finance Growth
 > Getting Out

Resource Guides Recovery.GOV FOIA Recovery Act Inspector General SBA RESOURCE PARTNERS

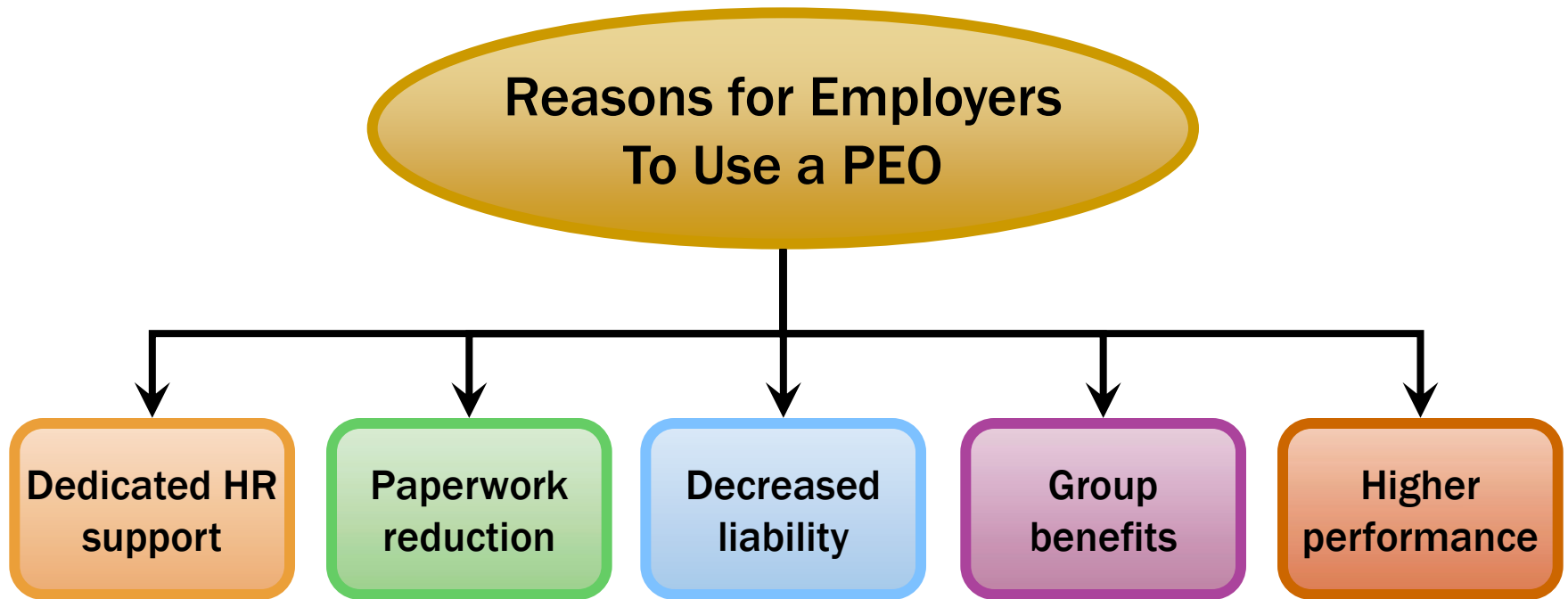
> USA.Gov > E-Gov > Regulations.gov > White House > SBW 2010 > MedWeek 2009 > Business.gov
• Privacy & Security • Information Quality • ADA • SBA Jobs • No Fear Act • About Site • Contact SBA • Site Map



Building Communication



Using Professional Employer Organizations (PEO)



Guidelines for Finding and Working with PEOs

- Conduct a needs analysis.
- Review the services of all PEO firms you're considering.
- Determine if the PEO is accredited.
- Check the provider's bank, credit, and professional references.
- Understand how the employee benefits are funded.
- See if the provider contract assumes the employment law compliance liabilities in the applicable states.
- Review the service agreement carefully.
- Investigate how long the PEO has been in business.
- Check out the prospective PEO's staff.
- Ask how will the firm deliver its services.
- Ask about upfront fees and how these are determined.
- Periodically get proof that payroll taxes and insurance premiums are being paid properly and that any legal issues are handled correctly.

Managing HR Systems, Procedures, And Paperwork

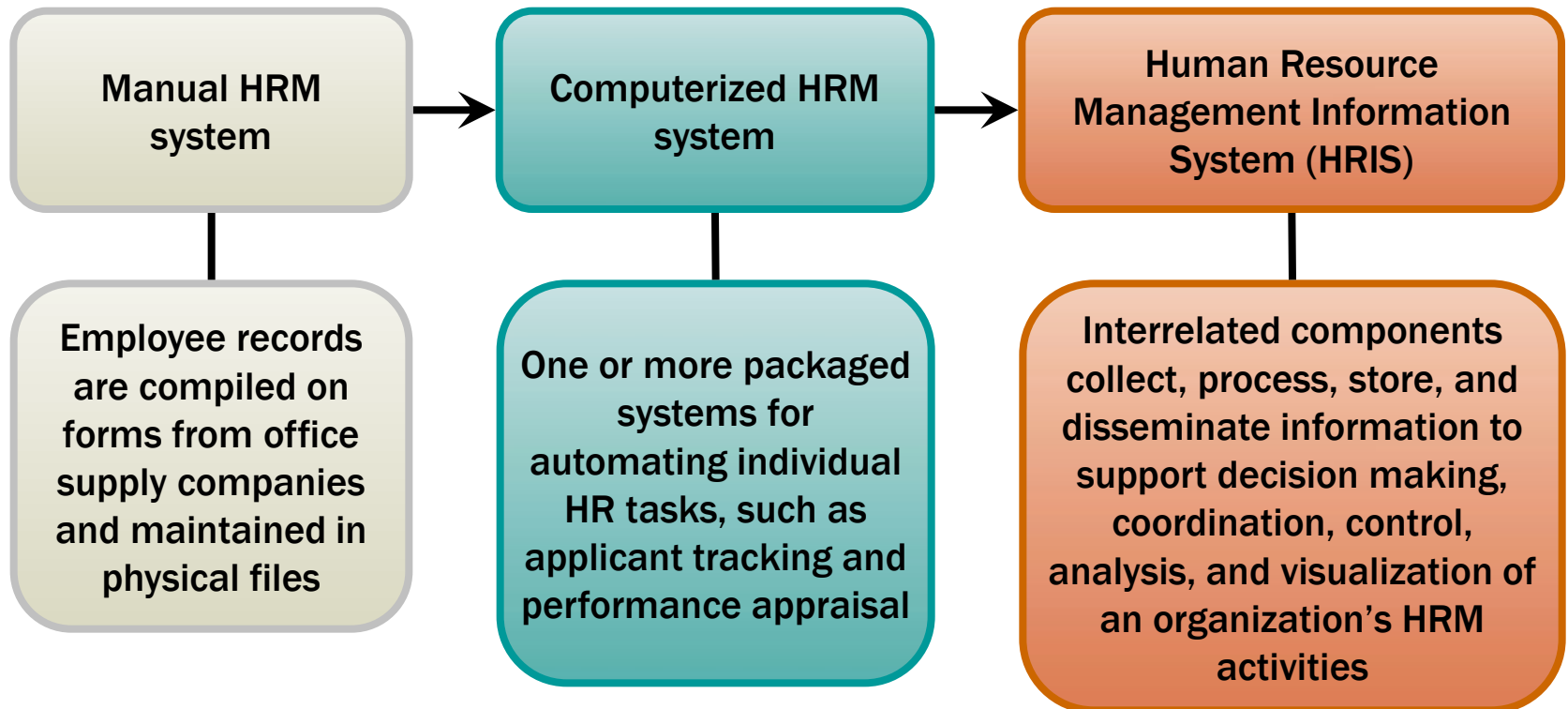
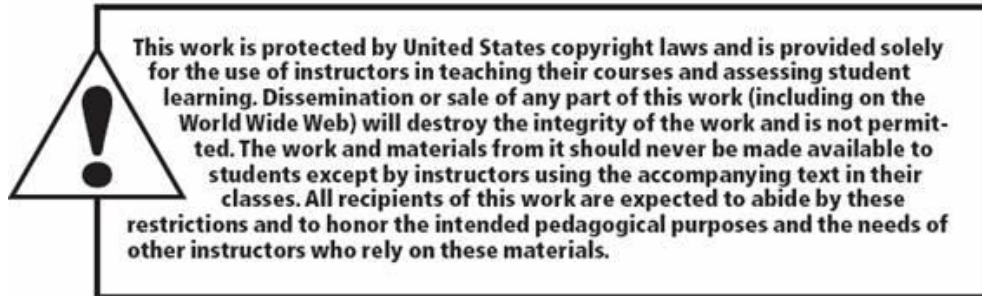


TABLE 18–1 Some Important Employment Forms

New Employee Forms	Current Employee Forms	Employee Separation Forms
Application	Employee Status Change Request	Retirement Checklist
New Employee Checklist	Employee Record	Termination Checklist
Employment Interview	Performance Evaluation	COBRA Acknowledgement
Reference Check	Warning Notice	Unemployment Claim
Telephone Reference Report	Vacation Request	Employee Exit Interview
Employee Manual	Probation Notice	
Acknowledgement	Job Description	
Employment Agreement	Direct Deposit Acknowledgement	
Employee Application Disclaimer	Absence Report	
Probationary Evaluation	Disciplinary Notice	
	Employee Secrecy Agreement	
	Grievance Form	
	Expense Report	
	401(k) Choices Acknowledgement	
	Injury Report	

Human Resource Management Information Systems (HRIS)

- Levels of Information Systems
 - Transaction processing systems
 - Management information systems (MIS)
 - Executive support systems
- Benefits of HRIS
 - Improved transaction processing
 - Online self-processing
 - Improved reporting capability
 - HR systems integration
 - HR intranets



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