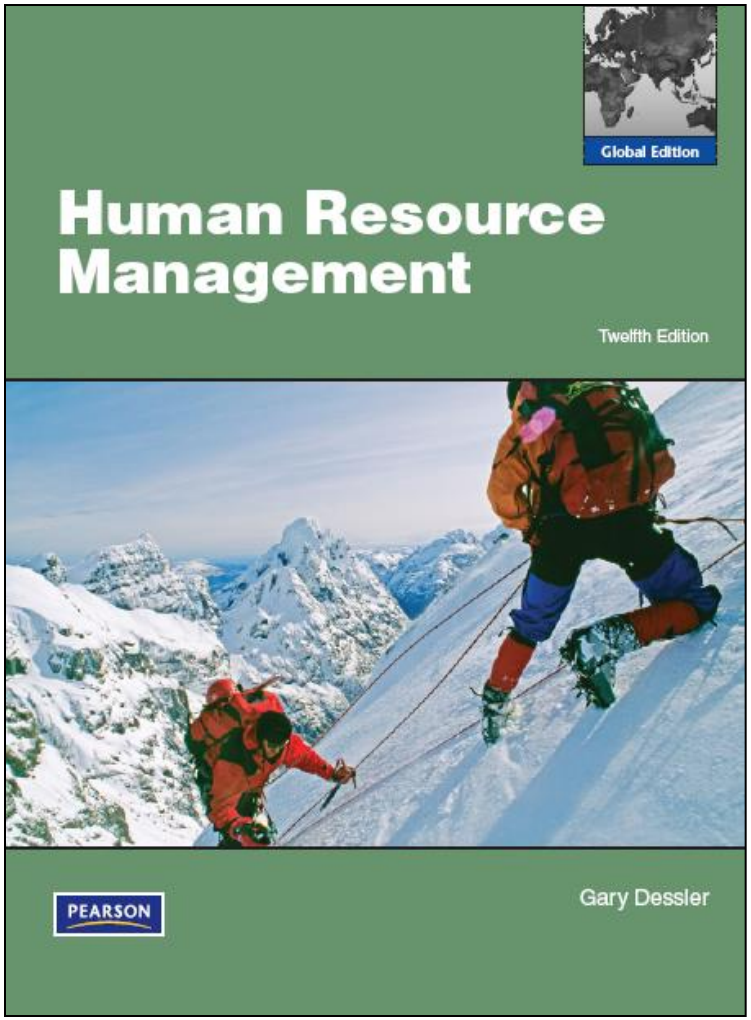
HUMAN RESOURCE MANAGEMENT

Global Edition 12e



Chapter 18

Managing Human Resources in Entrepreneurial Firms

Part 5 Employee Relations

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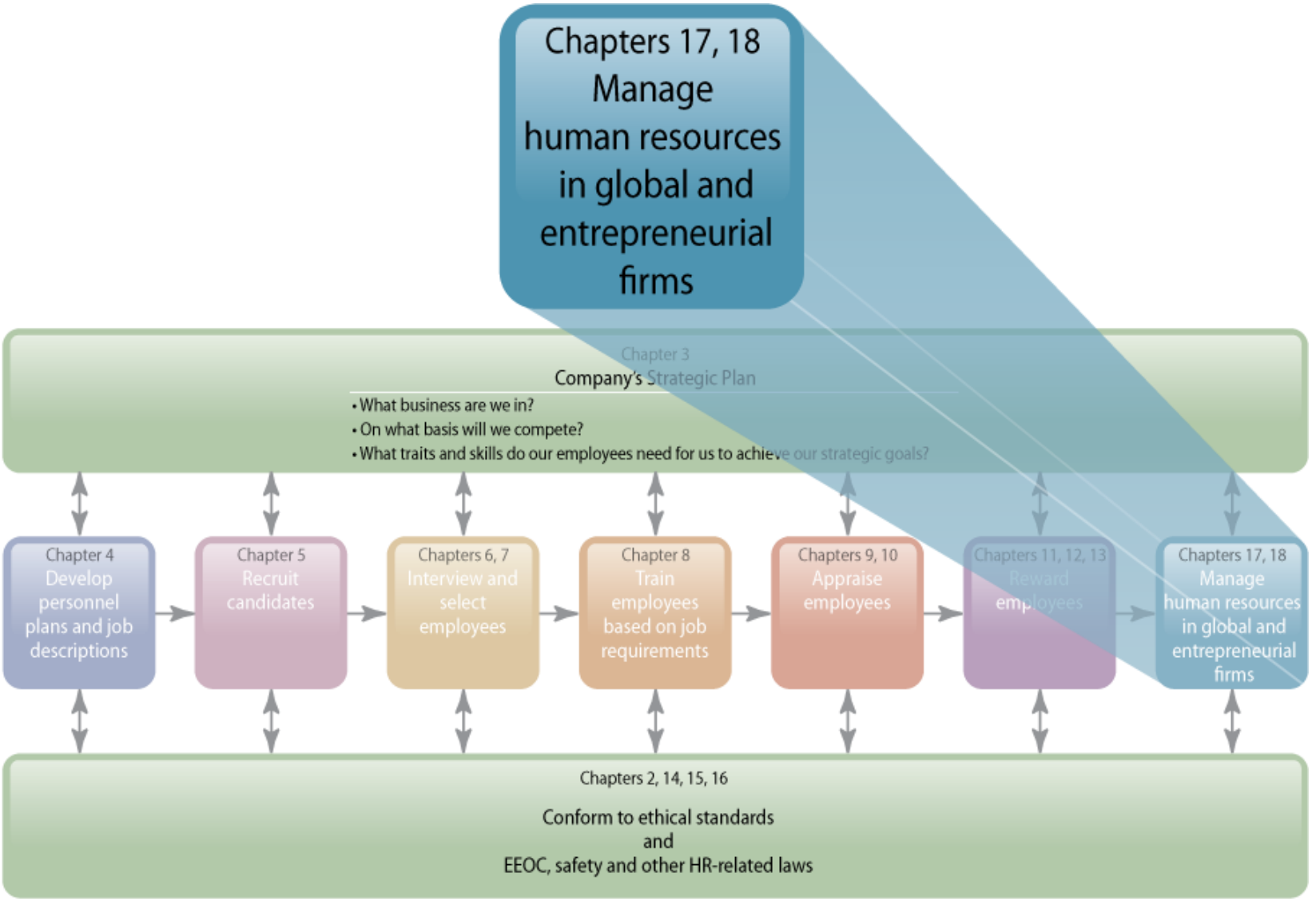
PowerPoint Presentation by Charlie Cook
The University of West Alabama

WHERE WE ARE NOW…



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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.

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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.

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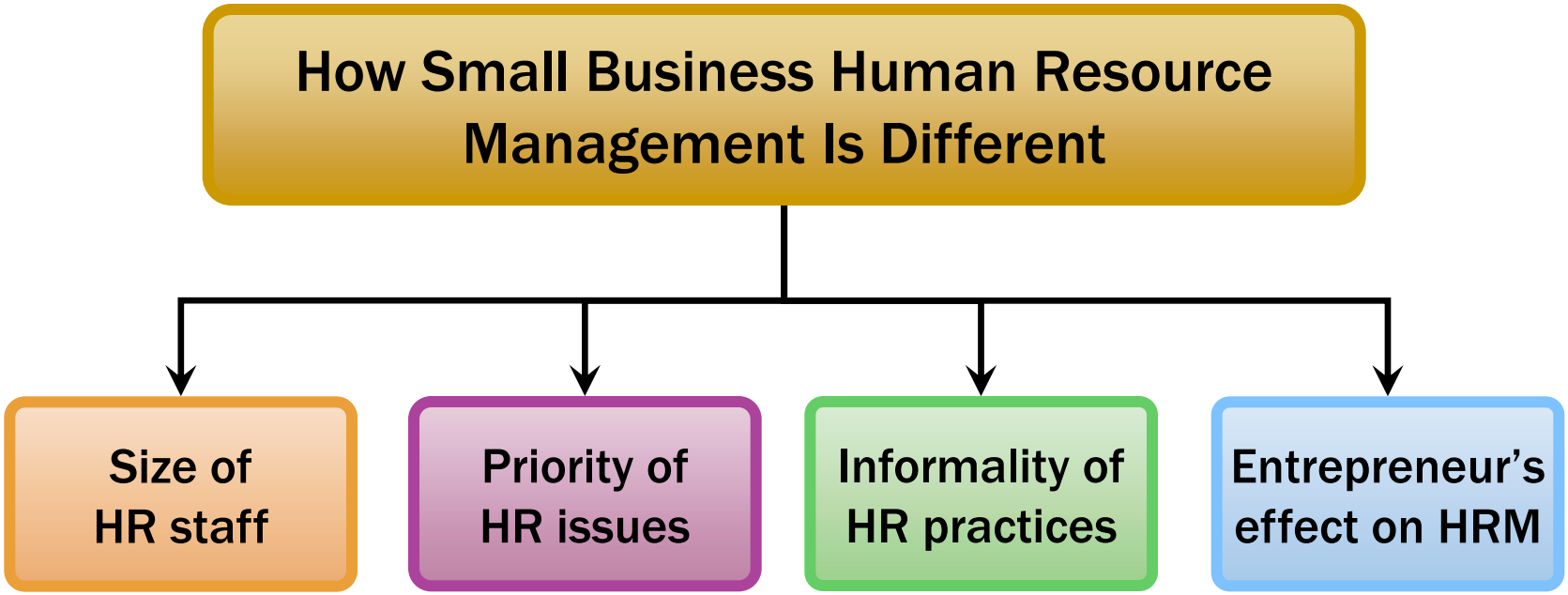

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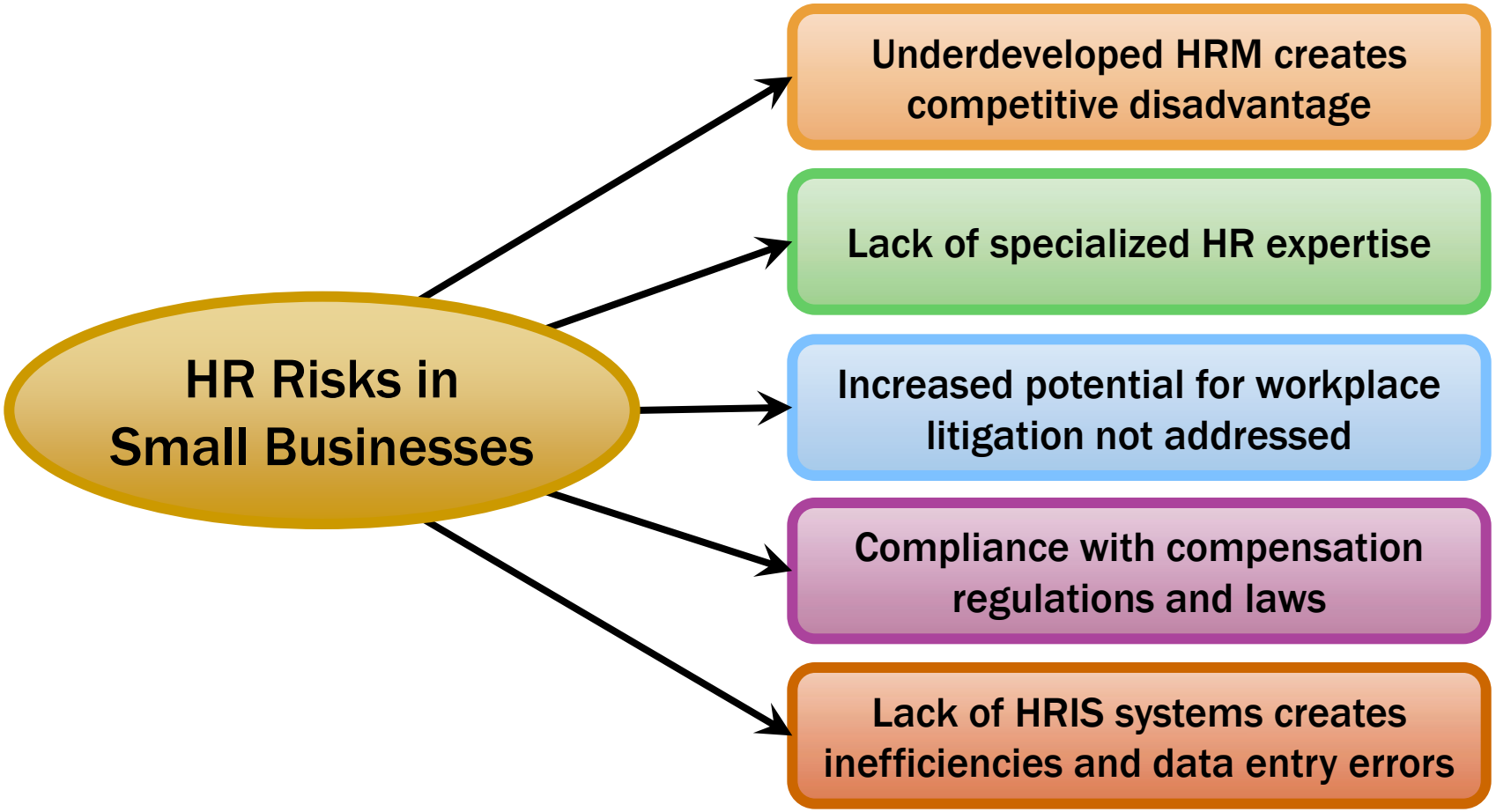
The Entrepreneur's Risky Human Resource Management Situation



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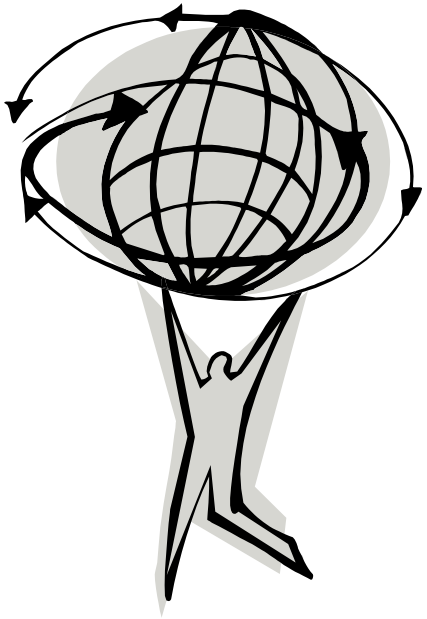
Why HRM Is Important to Small Businesses

- 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.



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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: wwww.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

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FIGURE 18–1 *FirstStep* Employment Law Advisor

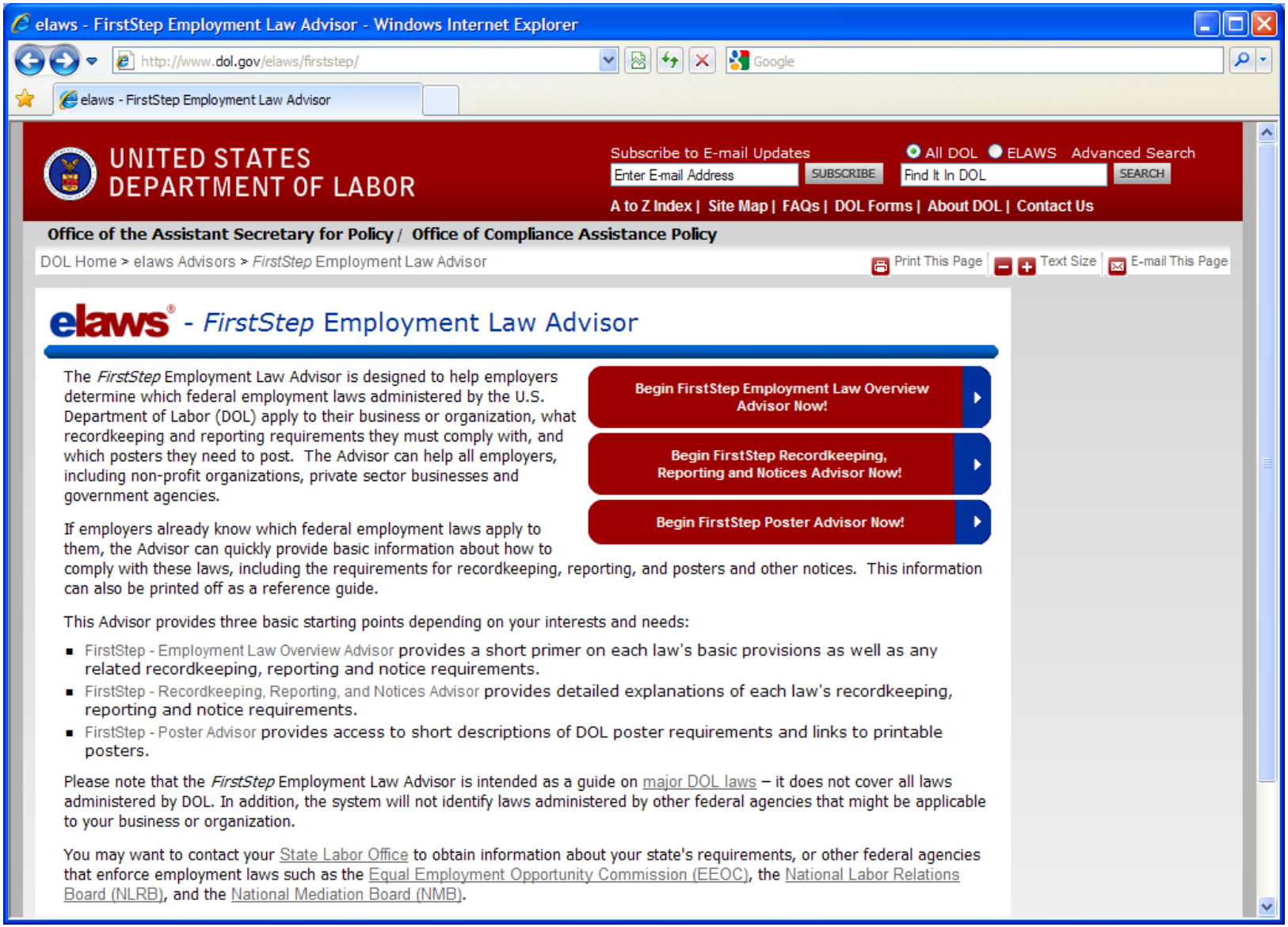

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FIGURE 18–2 Sample DOL elaws Advisors

- 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.

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FIGURE 18–3
OSHA Web Site

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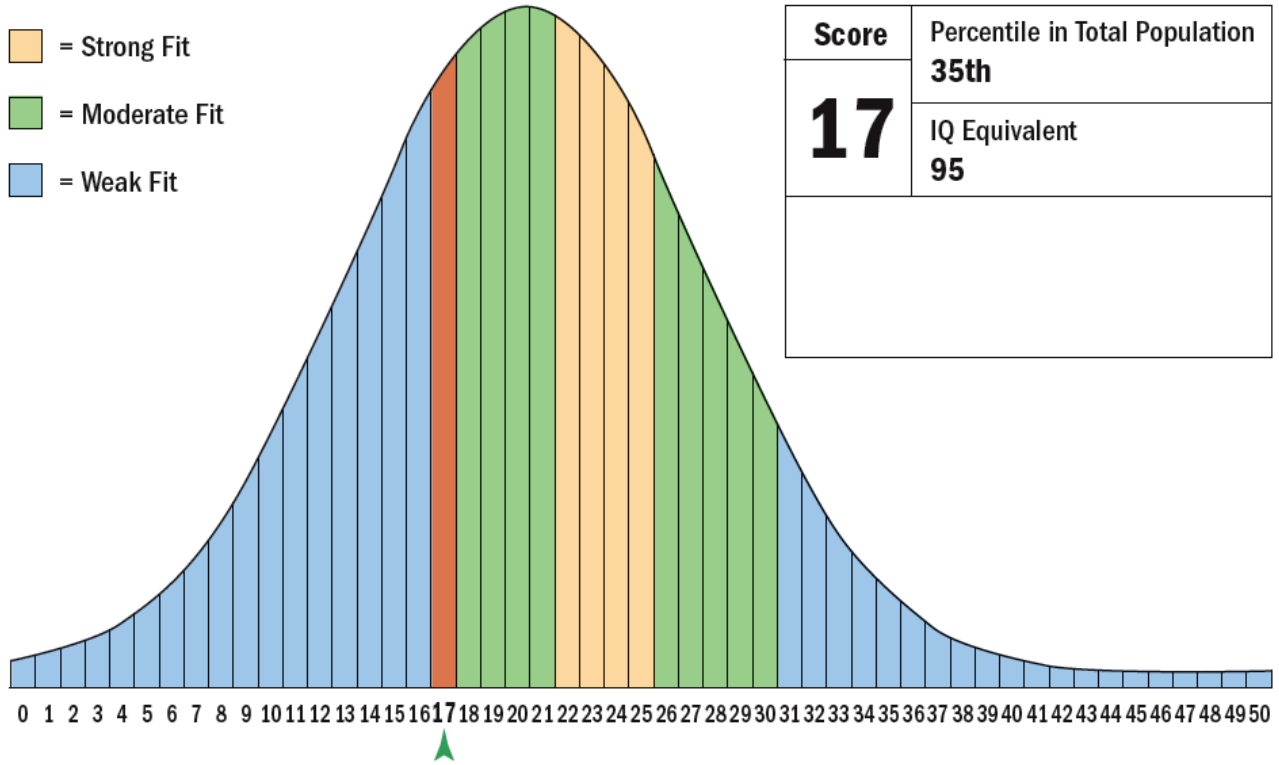
FIGURE 18–4 Wonderlic Personnel Test: Part of a Sample Report



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.

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Employment Training

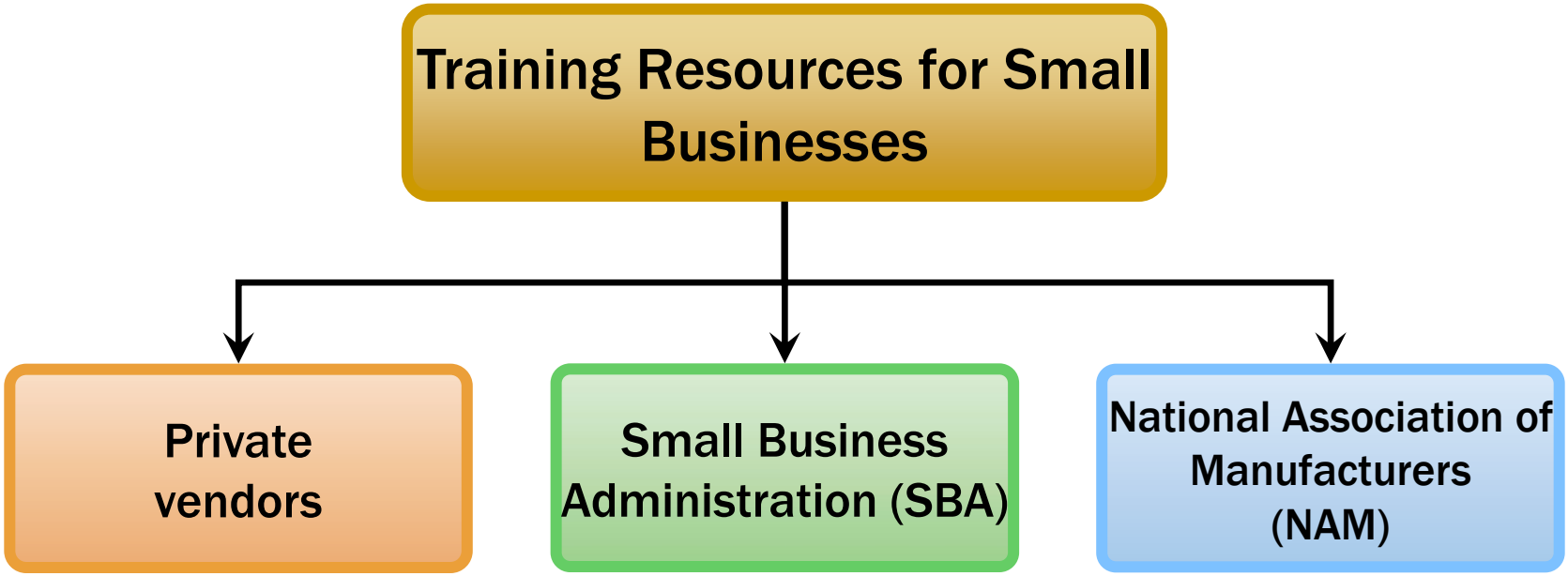

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FIGURE 18–5

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

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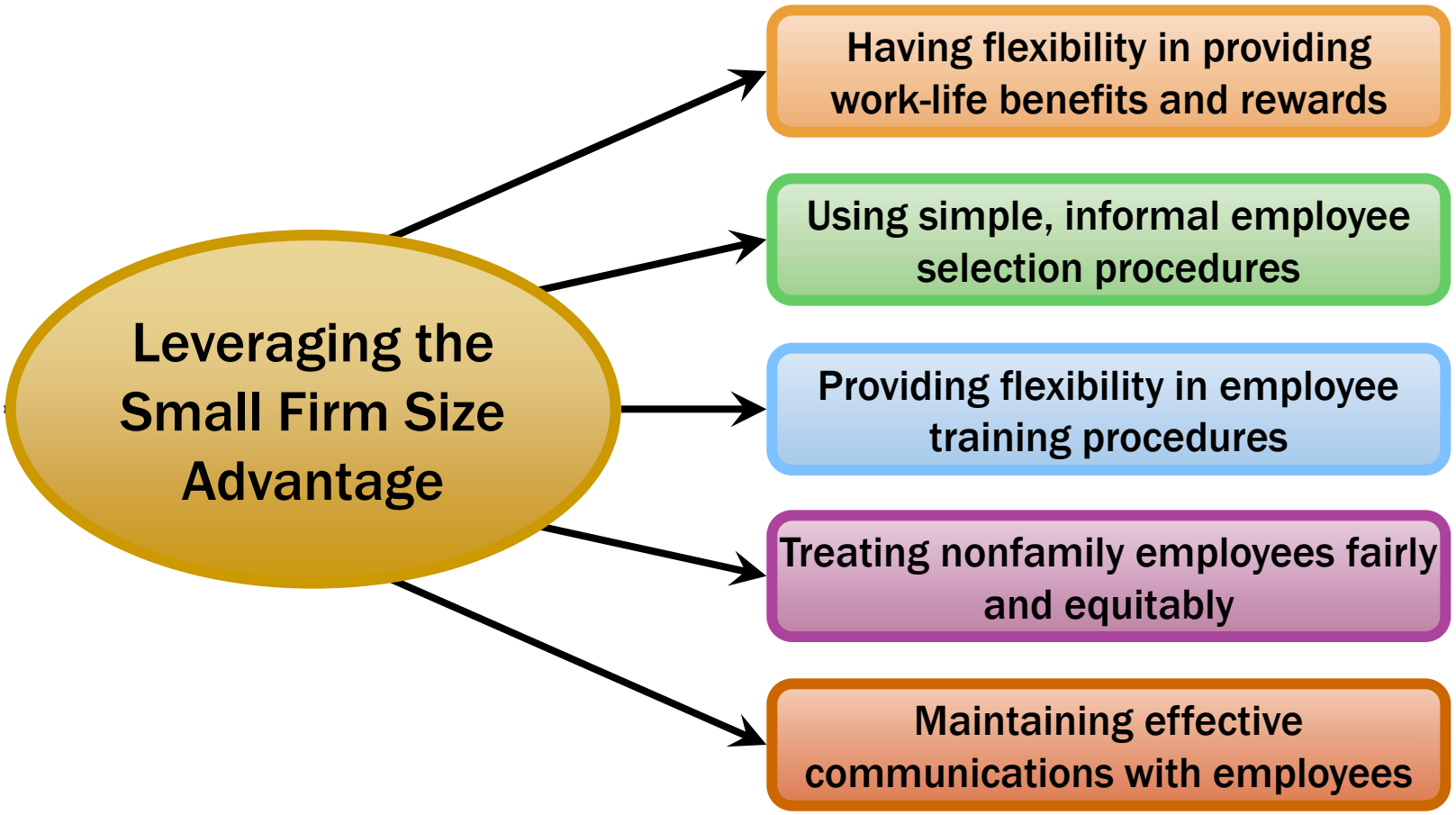

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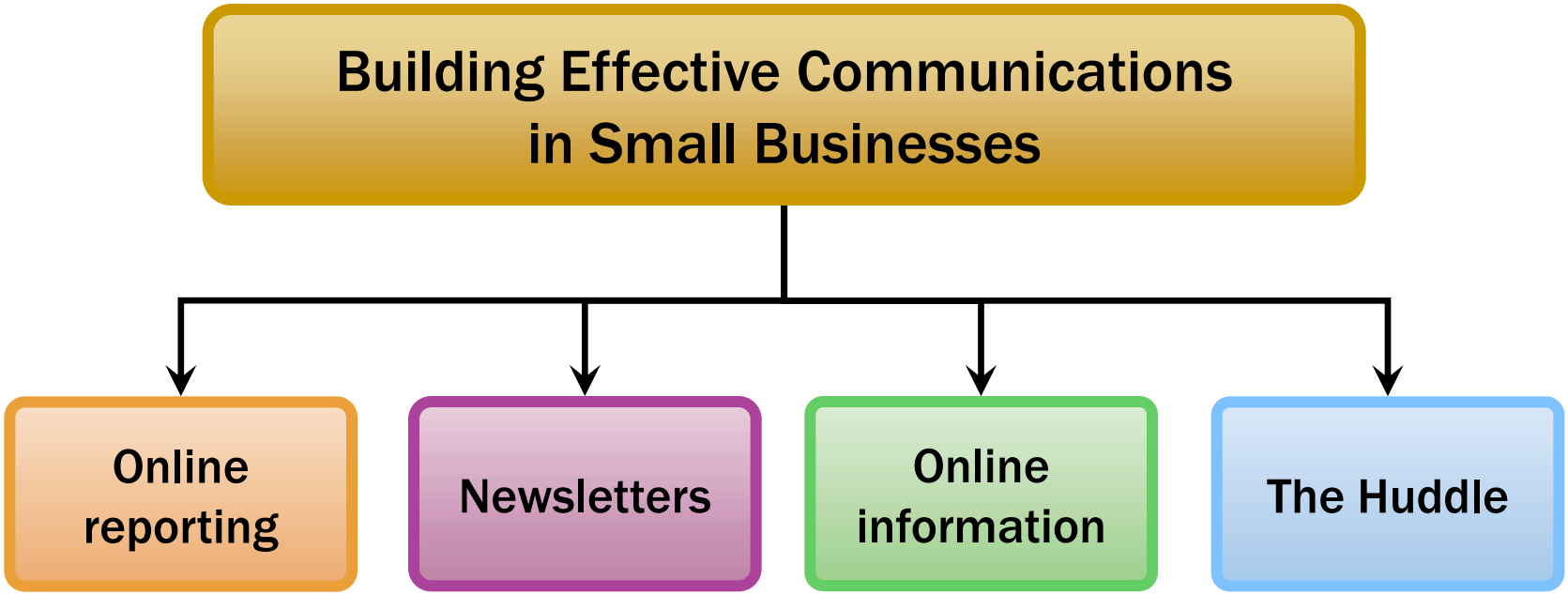
Building Communication



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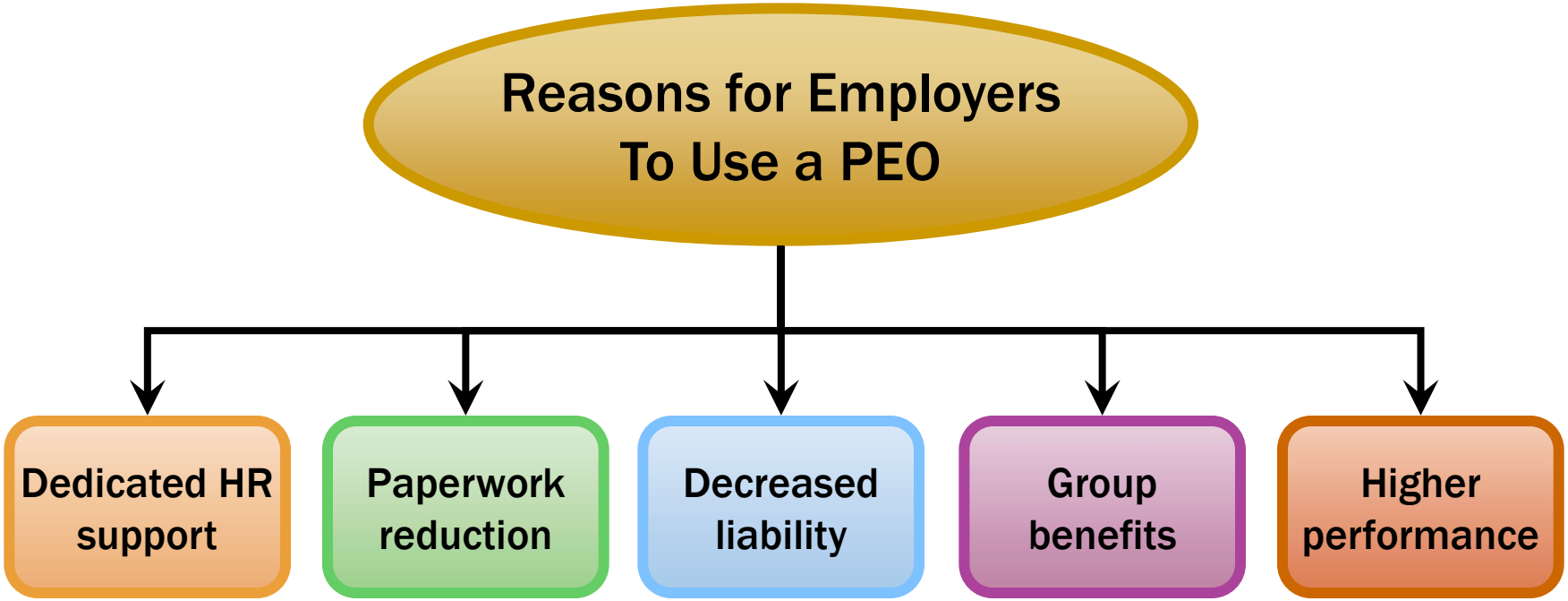
Using Professional Employer Organizations (PEO)



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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.

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Managing HR Systems, Procedures, And Paperwork

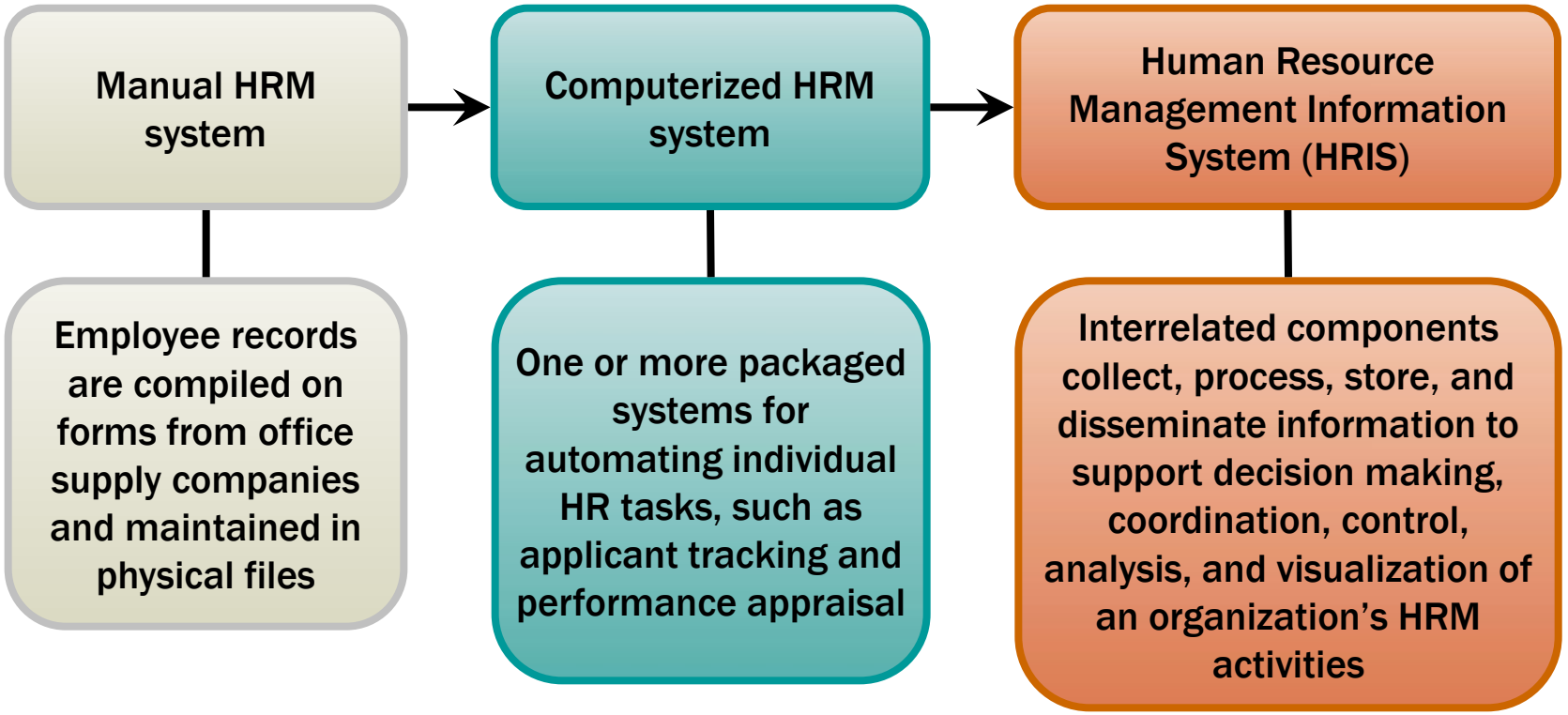

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TABLE 18–1 Some Important Employment Forms

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 Acknowledgement	Probation Notice	
Employment Agreement	Job Description	
Employee Application Disclaimer	Direct Deposit Acknowledgement	
Probationary Evaluation	Absence Report	
	Disciplinary Notice	
	Employee Secrecy Agreement	
	Grievance Form	
	Expense Report	
	401(k) Choices Acknowledgement	
	Injury Report	

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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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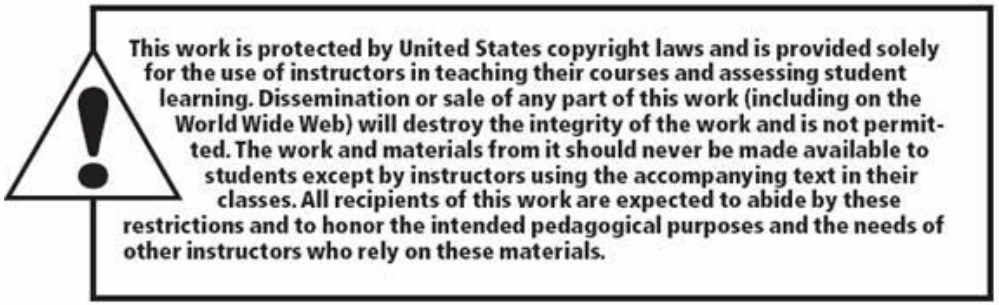

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