

HUMAN RESOURCES

by Angela Del Corpo



Essential HR Functions

Human Resources, as a task, can sound quite daunting to a business owner. Most are fraught with some past memory of having to deal with HR in some negative way. Others, may have no idea as to what HR even does, discounting their value all together.

Regardless of your thoughts on HR, realize that this area of your business is an essential part of running a well functioning company. If you are not able to financially handle the expense of hiring someone to attend to these functions, be aware that, as a business owner, you are responsible for executing these tasks.

Employee Files

Although keeping employee files sounds like a relatively mundane activity, it needs to be done and, when needed, will help you in a pinch. I am often asked about recordkeeping and the type of information a business should retain. When it comes to employee files, the more information, the better!

Here are some key pieces of information you should keep on file:

- Originals of the employee's resume/application, interview questions and answers, any testing results

from the time of hire as well as their references and their responses.

- A copy of their Social Insurance Number and one other piece of identification.
- At least two persons of contact in case of an emergency.
- If you required background checks at the time of hire, a copy should be kept.
- Keep completed tax forms and taxation information.
- If you provide direct deposit for pay, keep a copy of their void cheque.
- Maintain information on sick time or vacation time used or accrued.
- Track pay increases as well as any commissions or bonus information.
- Keep a copy of all the performance reviews, disciplinary information, warnings (verbal and written) or any information pertaining to the performance of the employee.
- Keep a copy of any awards, courses or training provided internally or externally for the employee.
- Keep a copy of any WSIB/WCB forms that may have been completed for that employee.

Human Resource functions need not be daunting. If you are going at this solo for a while, be sure to think through your decisions and how they will impact your company and your employees.



- If you allow for expenses, keep a copy of any expenses paid.

That all may sound like a lot of information to keep, however, all of the information is important for you to have on hand. A business owner doesn't like to think of all the things that can go wrong with employees but, the reality is, complaints arise and lawsuits may follow. The better prepared you are with information, the better the outcome for your business.

Policy and/or Procedure Manuals

Policy and procedure manuals can be a lot of work to implement. However, the overall statement that is made to your employees when manuals are in place at an organization is one that surpasses an organization without them.

Whether you refer to it as an "employee handbook" or "policy manual," know that you should be specific in your policies. Think about the type of culture and the type of employee relations you would like to build in your organization. For that reason, consider including the following:

- Policy for the use of company equipment (computers, phones, etc.).
- Dress code.
- Attendance policy.
- Vacation policy (include any "blackout" periods if your business experiences a busy time of year).
- Sick or personal time off.
- Expenses (if any are covered by your company).
- Travel policy (if you have employees that travel).
- Respect and courtesy of other employees.
- Theft or vandalism.
- Discount policy (if you offer it).
- Education, training or other professional development tools you offer employees.
- What to do in case of an emergency (include maps out of the building, where to meet in case of evacuation).

If you are presenting this manual to employees already hired and in a "routine," accept that there may not be all positive feedback, especially if implementation is taking place because of some unacceptable behaviour. Be sure to be specific, without being discriminating or derogatory. If you are just starting to build staff, the optimum time to implement such documentation is upon hire, making it part of the orientation process.

Regardless of the time of presentation, I recommend having employees sign a confirmation sheet that he/she has read and understood the policies. This comes in handy in cases of providing disciplinary action if violation of any of the policies occurs. And of course, the

signed confirmation would be something you should keep in their employee file.

Terminating Employees

Terminating employees can be a very difficult task. There are two general reasons for termination.

The first is with just cause. Just cause can encompass many things. For example; continued insubordination, frequent absenteeism, inadequate job performance over an extended period of time, theft or fraud or serious misconduct not condoned by the employer.

Bear in mind that, with just cause, you should be able to produce instances where either (a) corrective action had taken place or (b) a warning had been given. If the reason is performance-related, documentation should be available citing areas in which the employee was made aware of their areas of development and/or non-compliance.

All of the above warnings should be delivered to the employee verbally or in writing.

The second is dismissal. Dismissal is any change by the employer of a major term of employment, such as a unilateral change in job responsibilities, intolerable behaviour on the part of the employee or forced resignation. Note, that as a result of dismissal, an employee may decide to take on legal action.

In Canada, it is illegal to terminate an employee violating any of the protected areas of human rights. All jurisdictions in Canada agree on six prohibited grounds; race or colour; religion or creed; age; sex (including pregnancy); marital status and mental or physical disability.

If you are considering terminating an employee, it is imperative to seek legal advice as well as HR support. Termination is the leading cause of legal action in many companies and can bring a company to closure.

Human Resource functions need not be daunting. If you are going at this solo for a while, be sure to think through your decisions and how they will impact your company and your employees. Human Resources can be incredibly rewarding and ultimately will be the backbone for the type of culture and environment you wish to build for your company. **MP**

Angela Del Corpo is the owner of The Organized Diva, located in Oakville, Ontario. We specialize in outsourced administrative services, including human resource assistance to entrepreneurs and small businesses.
www.theorganizeddiva.com

