HR CHECKLIST FOR GROWING COMPANIES

Namely

CONTENTS

INTRODUCTION

Don't call them growing pains. Being an HR professional at a high-growth company comes with a host of exciting (and challenging) opportunities. Your team's priorities evolve with each headcount milestone, as new business needs arise and compliance obligations have to be met. It takes a structured, phased approach to handling HR from employee number one to 1,000.

Need a helping hand? In this guide, we'll share some of the key areas you need to prioritize with each stage of growth. You'll learn what initiatives are most relevant when, what federal labor laws begin to apply, and how technology can help along the way.

Whether you're handling HR duties "on the side" at fledgling startup or part of a people team at a mid-sized company, we've got you covered.

JUST GETTING STARTED

Headcount: 1-24 Employees
HR Team: 0-1 Employees

BEST PRACTICES

When your headcount is barely in the double digits, there's no shortage of things that need to get done—and chances are, HR is the last thing on leadership's list of priorities. You may not have a dedicated HR professional on staff this early, so it's possible that someone in a completely unrelated department is handling traditional HR duties on the side. That said, here are the items that individual should focus on to ensure your company is set up for success moving forward.

Write (Real) Job Descriptions

While some cross-functional work is inevitable at small companies, give employees some much-needed structure by working with them to draft job descriptions. As a plus, your descriptions will double as templates for future roles!
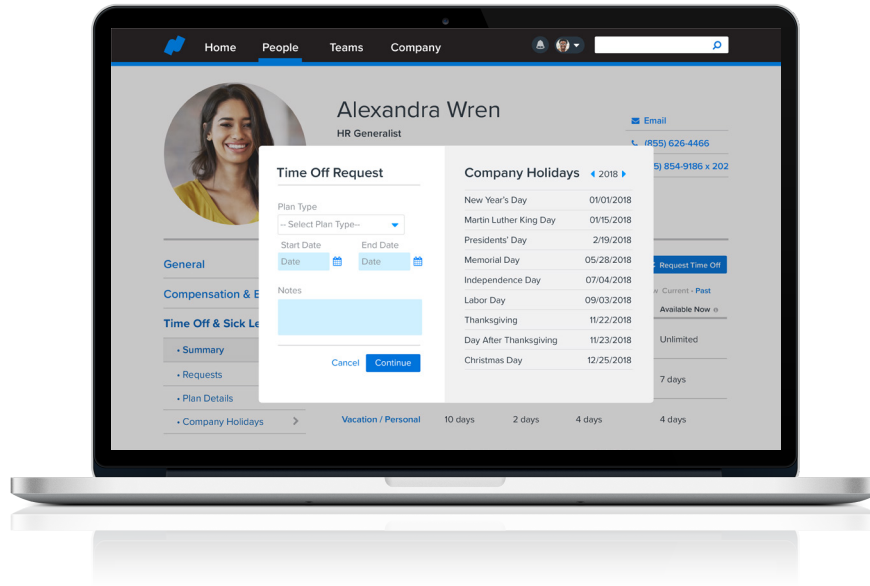
Create a Staffing Plan

Work with your leaders and hiring managers to determine what roles need to be filled and by when. Small teams often have to scale quickly, so getting this plan out of the way now will give you a structured head start.

Build a Handbook

You're small, we get it—but even startups need rules. While it's tempting to make your company policies informal this early, start putting together a handbook (even if it's bare bones to start). By beginning to codify things like your time off policy or dress code this early, you can avoid some of the "whiplash" startup employees experience later when you're larger and policies become more formalized.

TECHNOLOGY

Remember what we said about your HR team being small at this stage, if it exists at all? This is where having the right technology in place can really make a difference. Here are some of the tools that can help you manage HR at a fledgling startup.

Applicant Tracking System

If you're a small but growing startup, you likely need to fill roles quickly. But given that you likely don't have a dedicated recruiting team, using an applicant tracking system can be a great way to source talent, manage candidate resumes, and structure interviews.

Time Off Management Tools

No matter your company's size, employees will need to occasionally request some much-deserved R&R. Unless you want to manage employee time off in a spreadsheet or on paper, start looking at tools that empower employees to request PTO and managers to easily approve (or deny) them.

Expense Tracking Software

Margins can be razor thin at a small company. Don't risk letting employee expenses get out of hand—in conjunction with the policies set in your handbook, use a travel and expense management tool to keep tabs on costs.

COMPLIANCE REQUIREMENTS

Even the smallest businesses are subject to a long list of HR compliance requirements. Below are the federal employment laws that apply to your company. Keep in mind that your state and city may have their own requirements, too. Additionally, remember that some of these laws will require you to hang posters or notices in your workplace.

Cover your bases by downloading every federal poster here.

Fair Labor Standards Act (FLSA)
This is the law that requires employers to pay employees at least the minimum wage. It also sets the rules around overtime and which employees are entitled to it.

Immigration Reform & Control Act (IRCA)
IRCA provides that companies cannot knowingly employ an individual who is in the United States unlawfully. It's the same law that requires companies to gather (and maintain) employee Form I-9s.

Equal Pay Act
The Equal Pay Act requires that men and women be paid equally for the same work within the same company.

Uniformed Services Employment & Reemployment Rights Act (USERRA)
If you have active employees who get called into military service, this law requires that they are entitled to re-employment for at least five years. USERRA also mandates that you reasonably accommodate military veterans with disabilities in your workplace.

COMPLIANCE REQUIREMENTS

National Labor Relations Act (NLRA)

Under the NLRA, businesses can't prohibit or punish workers for organizing (or joining) a union. This law also outlines how union and employer disputes should be handled.

Civil Rights Act and Title VI

This landmark law (and subsection) prohibits businesses from discriminating against employees and potential hires because of their race, color, religion, national origin, or sex.

Employee Polygraph Protection Act (EPPA)

With only a few exceptions, businesses cannot use lie detector tests on prospective or existing employees.

Occupational Safety and Health Act (OSHA)

Companies need to provide a safe and healthy work environment that meets federal standards. This law also includes record keeping rules for workplace injuries.

Health Insurance Portability and Accountability Act (HIPAA)

Employers nor their HR teams can access an individual's health care records without their express consent.

SMALL BUT GROWING

Headcount: 25-49 Employees

Dedicated HR Staff: 1-2 Employees

BEST PRACTICES

Does it feel real yet? Your company has crossed the 15-employee threshold and is poised to soar well beyond it. By now, you've likely hired a full-time employee to handle HR (and maybe a few other things on the side). As a short-term stopgap, you might be using a professional employer organization (PEO) to help out with some of those duties. Below are the key priorities you should be focused on ahead of your next big milestone: 50 employees.

Codify Your Recruiting Process

The days of informal interviews and handshake agreements are over. As your company grows, you need to establish a fair and consistent process around how interviews are organized and who participates. Consider training interviewers to ensure the right (and legal) questions are being asked.
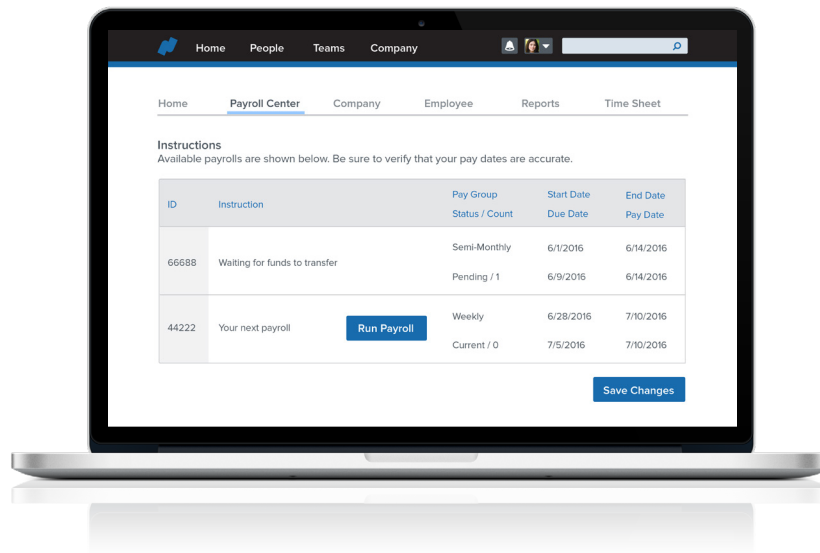
Focus on Culture and Engagement

The grit and drive of your first hires got you this far—but it's going to take a sustained focus on culture and engagement to keep the company exciting for current and prospective employees alike. Organize quarterly employee engagement surveys and experiment with perks that set your company apart.

Do Your HR Tech Homework

As your company grows, the need for more robust HR technology will quickly become apparent (if it hasn't already). By the time your headcount reaches 50, working with your PEO will become too costly—and you'll want software lined up to fill that void when the time comes. Do your research, sit in on product demos, and line up a budget with the help of company leadership.

TECHNOLOGY

Speaking of technology, there are a number of helpful tools that can really make a difference at this stage of your growth. Here are some of the things you should already have in place as you near the fifty employee mark.

Timekeeping

Generally speaking, very small companies tend to rely on salaried and exempt (not overtime-eligible) employees. But as you grow closer to having 50 employees, there's a good chance you're adding hourly and non-exempt workers to payroll. Invest in time management software so these employees can easily clock in and clock out.

Payroll Software

When it comes to managing payroll for a growing company, you can only get by with spreadsheets or outsourcing for so long. Consider using a payroll service provider to ensure employees get paid without incident and that you're compliant with state and federal tax rules. Bonus points if it's all-in-one or integrates with your existing HR software.

Learning Solutions

No matter your company size, employees want to feel like they're valued and that you're invested in their long-term growth. Consider implementing some form of learning and development software to help train employees during onboarding and beyond.

COMPLIANCE REQUIREMENTS

While there aren't many unique compliance requirements that kick in between fifteen and 49 employees, you do need to remember two very important federal rules. At this stage, you should also familiarize yourself with the compliance requirements that go into effect once your headcount crosses 50. Trust us—as you'll soon discover in the next section, there are quite a few.

Age Discrimination in Employment Act (ADEA)

This law forbids employers from discriminating against employees and potential hires on the basis of their age if they're 40 or older.

Consolidated Omnibus Budget Reconciliation Act (COBRA)

Companies are required to offer employees and their families the option to continue their health insurance up to 36 months after termination.

HR GETS 'REAL'

Headcount: 50-99 Employees
Dedicated HR Staff: 2-3 Employees

BEST PRACTICES

Welcome to the big leagues. For most of your journey up until this point, your company's investment in human resources was just best practice. But once your headcount crosses 50 employees, not having an HR team can seriously hold your company back. Here's what you need to focus on when your company reaches this critical milestone.

Craft a Competitive Benefits Package

The Affordable Care Act (ACA) requires companies with 50 or more full-time employees to offer health insurance. You'll need to work with a broker to craft an overall offering that resonates with employees and helps "seal the deal" with prospective hires. Look to partner with a licensed broker that also offers intuitive self-service technology for employees to use.

Get Serious About Performance

While employee performance matters at any stage, there's a good chance your company has handled it informally up until this point. Whether you subscribe to the "ongoing feedback" approach or prefer traditional annual reviews, establish the mechanics and cadence behind your program. How are you tying performance to compensation? Now is the time to codify the process (and maybe even include it in your handbook).

Build and Specialize Your Team

Namely's data shows that HR teams tend to really come into their own at this point. Chances are that you'll be growing your department's headcount by at least one or two employees. Does your company's trajectory mean that your new hire will need to be a full-time recruiter? Do you need someone to manage performance or compliance exclusively? Take the opportunity to give the future of HR at your company serious thought.

TECHNOLOGY

Human Resource Information System (HRIS)

At this point in your company's development, working with a PEO becomes cost prohibitive. Invest in an HRIS to serve as your HR department's "single source of truth." Having personal information, performance, time off, and more on a unified platform makes it simple to manage the entire employee lifecycle without relying on a PEO's call center or needing to work with spreadsheets or disconnected apps.
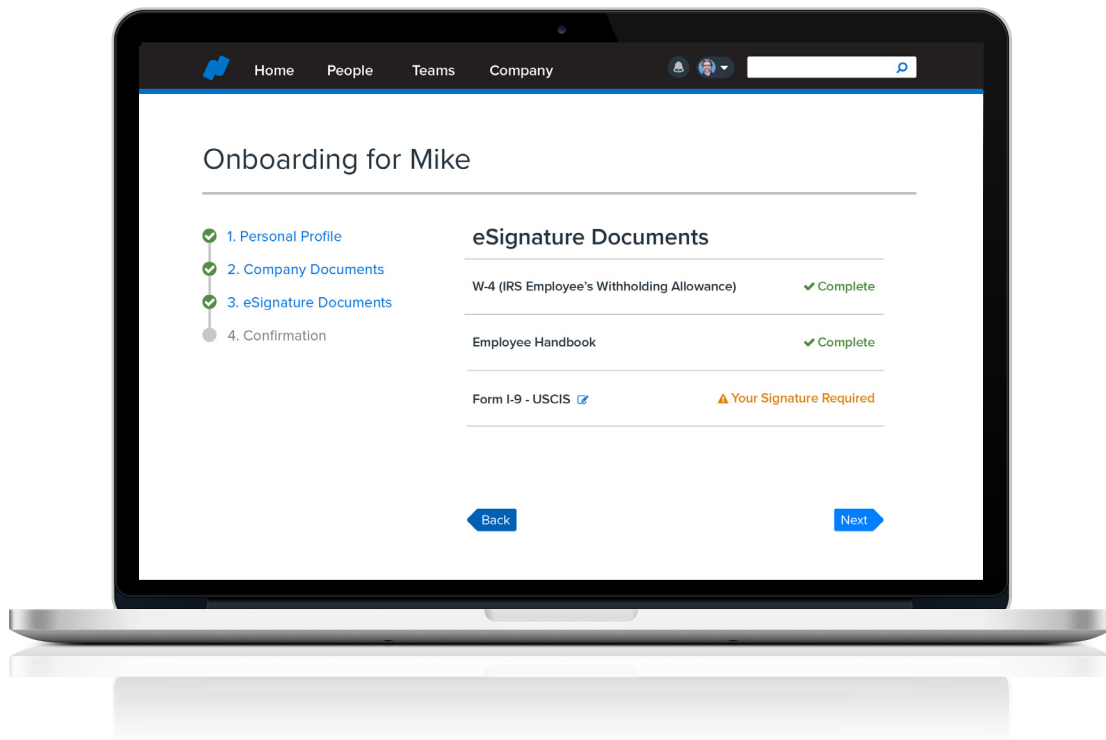
The Value of All-in-One

So you've left your PEO and the training wheels are officially off. Your team has enough on its plate, so why add managing disparate HR, payroll, and benefits systems to the mix?

There's no shortage of examples demonstrating the value of the "all-in-one" approach. When employee hours feed seamlessly into payroll, nonexempt employees get the overtime they're due without double entry. Come open enrollment season, using an integrated HR, payroll, and benefits platform also means employees' elections and their associated deductions get calculated without issue.

In addition to making administration easier, this approach to HR tech also provides employees with a more cohesive experience overall. Whether they need to update their personal address or just download their Form W-2 come tax season, they can do so from just one single login.

TECHNOLOGY

Benefits Administration Software

As mentioned earlier, the ACA requires you to offer benefits to your employees—so you'll need software that empowers you (and employees) to manage them. The best platforms allow employees to easily navigate their options and make changes to elections on their own. You'll need these benefits elections to feed into payroll, so be sure to either use software that integrates well or consider an all-in-one HR, payroll, and benefits platform.

eSignature Technology

Stop chasing people down to sign documents and instead focus on making a new hire's first week a great one. Set up eSignature for all your onboarding documents, including I-9s, W-4s, and your employee handbook. Some HR platforms come with this feature pre-loaded as an onboarding feature, so be sure to ask when evaluating potential solutions.

COMPLIANCE REQUIREMENTS

At this phase of your company's development, you face two new (and critically important) compliance requirements. Each one has its own nuances and complexities. Keep in mind that your local state and city may have their own set of compliance and reporting requirements once you reach this size.

Affordable Care Act (ACA)

Under the ACA, companies with 50 or more full-time employees are considered "applicable large employers" and must offer affordable health insurance. These companies are also subject to annual ACA reporting requirements.

Family and Medical Leave Act (FMLA)

Companies this size must offer employees up to 12 weeks of unpaid, job-protected leave for a serious illness or to care for a child (birth, adoption, or foster placement). Needing to take care of a family member with an illness is also covered under the FMLA.

NEW HEIGHTS, NEW CHALLENGES

Headcount: 100-499 Employees
Dedicated HR Staff: 4-8 Employees

BEST PRACTICES

You've come a long way from those plucky startup days. While you may still be considered a mid-sized company, going beyond a hundred employees can certainly feel like a big change. Here are some of the key things you should be focusing on with this headcount milestone.

Take Your Data Further

HR professionals should always keep a close watch on the data, regardless of what stage of growth the company is at. That said, beyond 100 employees it becomes critical to evolve past traditional metrics like headcount and turnover. Instead, focus on more telling data points like quality of hire and career path ratio. Learn more about cutting-edge metrics like these with our free ebook.

Invest in Self-Service

When you empower employees to find the answers to their questions on their own, that frees up time for your HR team to focus on more impactful initiatives. Invest in easy-to-use technology that makes it straightforward for employees to change their Form W-4 allowances, download the employee handbook, and more.

Implement Retirement Benefits

Namely's survey data shows that 90 percent of job applicants said they'd think twice about joining a company without 401(k) offerings. Take it to the bank—as your headcount nears 500 employees, it becomes an expectation to offer your people retirement benefits. Consider a matching program to stand out from the competition.

TECHNOLOGY

Benchmarking

Comparing your company to itself doesn't always give you the full picture. It's also important to know how you stack up against the competition. By using benchmarking technology, you can compare your HR data with other companies'. Comparative data allows you to gain deeper insight into metrics like employee turnover, internal mobility, diversity and more.
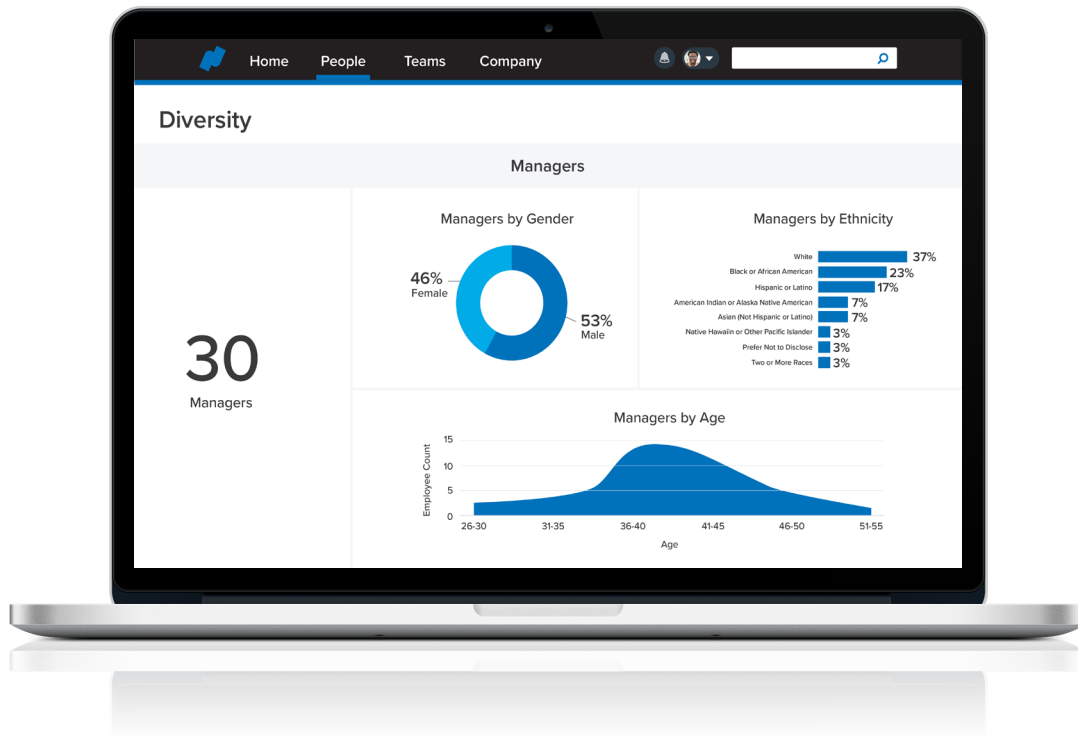
Social Technology

Just because you're big doesn't mean you can't still feel small. The humble HRIS, once just a system of record, now features built-in employee recognition, workplace perks, and even social feeds. The latter feature can serve a variety of purposes: communicating business updates from leadership, registration reminders for the corporate volleyball team, celebrating birthdays and anniversaries, or just to share a few photos from last night's team outing

Single-Sign-On

By securely bringing together all of the tools we need under one login, single-sign-on (SSO) software make our lives easier and our work days more productive. When you integrate an SSO solution with your HRIS, those benefits go further. As employees go through onboarding, they're automatically enrolled in the systems they need to access. Likewise, employees transitioning into new roles or leaving the company will immediately have their access privileges updated or removed.

COMPLIANCE REQUIREMENTS

EEO-1 Survey Filing (Civil Rights Act)

Private businesses with 100 or more employees are required to report on employee demographics and compensation to the Equal Employment Opportunity Commission.

Worker Adjustment Retraining Notification Act (WARN)

This law requires companies to notify staff of any location closings or mass layoffs at least 60 days in advance.

SKY'S THE LIMIT

Headcount: 500-1000 Employees
Dedicated HR Staff: 10-15 Employees

BEST PRACTICES

You've got great people in place—now it's a matter of encouraging them to stay put. At this late stage, you need to prioritize items like employer brand, employee experience, and inclusion.

Build Your Employer Brand

Though employer brand used to be more of a secondary recruiting tool, it has grown into a company-wide initiative for scaling businesses. With the right branding, job seekers will recognize and promote the unique value offered by your company. Revamp your careers page and encourage the entire company to share employee testimonials, refer applicants, and plan culture-building activities.
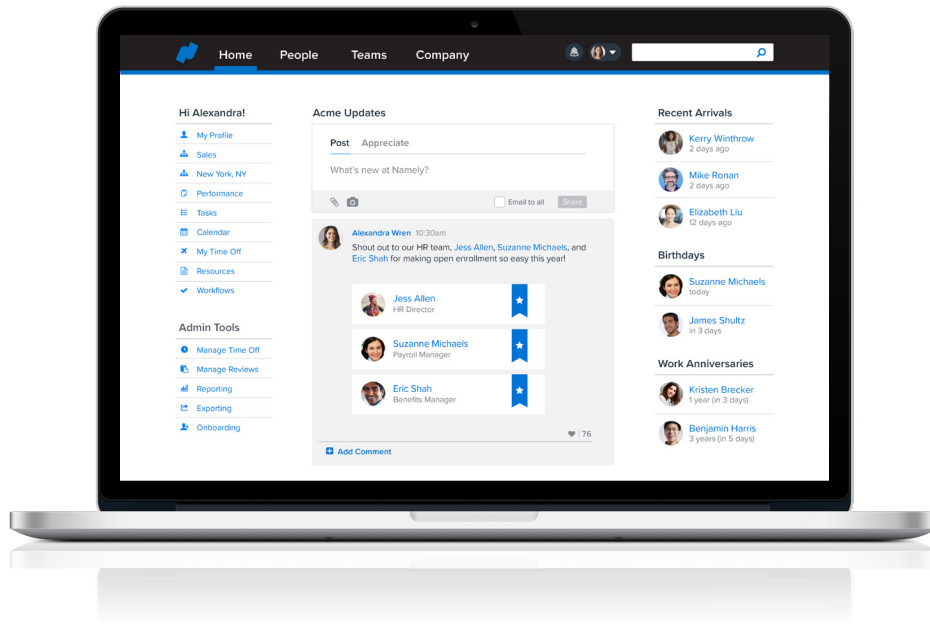
Structure Your Diversity and Inclusion Efforts

Regardless of your size, building a diverse and inclusive workplace should always be a priority. But once you cross the 500-employee mark, your HR team is best-positioned to empower employees to help out. Have a member of your executive team sponsor a new diversity and inclusion committee made up of volunteers from other departments. Encourage employees to start employee resource groups (ERGs) as well.

Make Employee Experience a Full-Time Job

At this size, there's a good chance your company has multiple offices and remote staff scattered across the country (or even around the world!). It's a lot easier today for your employees to feel detached or disengaged than in the past. As your HR team scales, consider hiring or designating someone to employee experience entirely. They'll run point on culture initiatives, perks, and your quarterly engagement surveys.

TECHNOLOGY

Once you reach this size, you should already be leveraging technology to streamline your HR processes. That means having a core, all-in-one HR platform and all the other services discussed earlier. Below are some of the additional tools you might consider adding as part of your overall HR technology stack.

Survey Tools

Chances are that you've already measured engagement one way or another through these past few phases. It might be time to consider a dedicated tool for doing just that. Some of the best options even feature built-in benchmarking, so you can know how your employee Net Promoter Scores compare with similarly sized companies in your industry.

Employee Recognition and Rewards

Feeling valued for one's work is at the core of any employee's decision to stay or leave a company. Sometimes, that "value" comes from something other than dollar signs. Consider implementing a rewards platform that gives employees access to discounted event tickets, gym memberships, and more. If your HR platform has a built-in shout out or recognition feature, you can pair the gift with kind words that the recipient's manager will see, too!

CONCLUSION

At every stage of growth, HR teams face unique challenges that prove their mettle and ultimately drive the business forward. Staffing, performance, compliance, and employee engagement are just a few of the key priorities occupying HR's time.

Feeling pressed for that time? Technology can go a long way in automating core HR functions like payroll, benefits, onboarding, and more. Don't just take our word for it — click here to learn how Namely makes life easier for you, your boss, and your employees.

Namely
HR for Humans

Namely is the first HR platform that employees actually love to use. Namely's award-winning, powerful, easy-to-use technology allows companies to handle all of their HR, payroll, time management, and benefits in one place. Coupled with dedicated account support, every Namely client gets the software and service they need to deliver great HR and a strong, engaged company culture. Namely is used by over 1,300 companies globally.

YOUR HR CHECKLIST

1-24 EMPLOYEES

Best Practices
- [ ] Write Job Descriptions
- [ ] Create a Staffing Plan
- [ ] Build a Handbook

Technology
- [ ] Applicant Tracking System
- [ ] Time Off Management
- [ ] Expense Tracking

Compliance
- [ ] Fair Labor Standards Act (FLSA)
- [ ] Equal Pay Act
- [ ] Uniformed Services Employment & Reemployment Rights Act (USERRA)
- [ ] Immigration Reform & Control Act (IRCA)
- [ ] National Labor Relations Act (NLRA)
- [ ] Civil Rights Act and Title VI
- [ ] Employee Polygraph Protection Act (EPPA)
- [ ] Occupational Safety and Health Act (OSHA)

25-49 EMPLOYEES

Best Practice
- [ ] Codify Your Recruiting Process
- [ ] Focus on Culture and Engagement
- [ ] Do Your HR Tech Homework

Technology
- [ ] Timekeeping Software
- [ ] Payroll Software
- [ ] Learning Solutions

Compliance
- [ ] Age Discrimination in Employment Act (ADEA)
- [ ] Consolidated Omnibus Budget Reconciliation Act (COBRA)

YOUR HR CHECKLIST

50-99 EMPLOYEES

Best Practices
- ☐ Craft a Competitive Benefits Package
- ☐ Get Serious About Performance
- ☐ Build and Specialize Your Team

Technology
- ☐ Human Resource Information System (HRIS)
- ☐ Benefits Administration Software
- ☐ eSignature Technology

Compliance
- ☐ Affordable Care Act (ACA)
- ☐ Family and Medical Leave Act (FMLA)

100-499 EMPLOYEES

Best Practice
- ☐ Take Your Data Further
- ☐ Invest in Self-Service
- ☐ Implement Retirement Benefits

Technology
- ☐ Benchmarking
- ☐ Social Technology
- ☐ Single-Sign-On

Compliance
- ☐ EEO-1 Survey Filing (Civil Rights Act)
- ☐ Worker Adjustment Retraining Notification Act (WARN)

500-1000 EMPLOYEES

Best Practices
- ☐ Build Your Employer Brand
- ☐ Structure Your Diversity and Inclusion Efforts
- ☐ Make Employee Experience a Full-Time Job

Technology
- ☐ Survey Tools
- ☐ Employee Recognition and Rewards