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HR DEPARTMENT CHECKLIST FOR STARTUPS

Introduction

Organizational design for startups

No, you don't need to have an all-encompassing organizational structure in place when you open your business. However, a simple company structure document will assist you with current and future decisions related to workforce planning, outsourcing, and succession plans. HR for startups can be messy and unorganized, but it doesn't have to be. Investing some time now in creating a design for your organization will provide a strong, clear organizational foundation upon which your business can grow.

How Your Startup's Org Chart Changes Your Product

Counterpoint: Why your Startup Org Chart is Pointless: It makes some great, valid points and even explains the processes you should follow if you do decide against a formal organizational chart.

Recruitment and onboarding

You may not be hiring a lot of employees at first, but it's important to have an idea about how you'll post open positions, make hiring decisions, and onboard new employees. Even for the first employee you hire, there are critical elements you need to have in place on your human resource checklist:

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- Offer letter
- I-9 legal employment verification
- Employee data for payroll purposes
- Relevant employment agreements, including non-compete, intellectual property, confidentiality, and non-solicitation agreements.
- Equity paperwork (we recommend eShares to help with this)
- Startup compensation and benefits

Compensation Structure

- A general outline of your salary structure (this should reflect fair and competitive compensation for your industry)
- A system for managing and processing compensation and payroll
- Paid time off policy for vacation, sick, and holidays
- Health and retirement benefits, or a plan to make them available
- Work with your accounting department to clarify potential payroll questions and create documentation.

Employee relations

With all the excitement of launching your business, you may not be able to imagine a day when an employee comes to you with a grievance. Unfortunately, it will happen. Make sure that from the first day, you have:

- A policy outlining the standards of business conduct
- A method in place for gathering feedback or complaints
- A plan for how you'll address issues if they arise

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- Checking these plans off your HR checklist for startups doesn't just make it easier to handle your first grievance, but it also protects the company from liability and protects your employees from toxic workplaces without clear rules.

5 Ways to Evaluate Employee Happiness

- Startup Employee Handbook Template
- Traditional HR: Compliance, health, and safety
- Fair employment practices and a safe, healthy workplace are all critical elements of employee productivity. As an employer, you are subject to federal and local labour regulations related to compliance, health, and safety. Startups are not exempt from record-keeping related to healthcare reform, tax codes, and labour laws. HR for startups need to have processes ready to roll out on day one.

Basic workplace safety requirements include:

- Emergency action plan
- Sufficient exit routes
- Safe walking and working surfaces
- Medical and first aid supplies (as appropriate for the specific workplace)

Employment policies not only help protect a startup in the event of potential litigation, but they also establish a precedent and understanding among your employees about what behaviour won't be accepted. With a small number of

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employees, it may seem unnecessary to create formal policies, but there are at least two standard policies that a startup should have in place:

- Sexual harassment prevention
- Equal employment opportunity.
- Training, development, and performance management

When you're getting your business off the ground, you're not as concerned about training and developing your employees... and you may not think about managing their performance until there is a performance issue. But if you ignore these two important components of an HR plan, you will likely regret it.

Using an HRIS

To effectively manage these HR-related aspects of your business, it's prudent to have a human resource information system (HRIS) that will allow you to recruit employees, track their time, pay them, and manage benefits. HR software can help startups automate administrative tasks, record-keeping, and compliance tracking. Most cloud-based HR technology solutions offer options for mobile access, tools for talent management, and employee self-service access that makes an HRIS a useful tool for all members of the organization.

Putting the right HR policies in place can help your startup grow smoothly. Use this checklist to cover the basics and give your new venture a head start.

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Compliance:

Ethical Behavior:

- Do you have policies for harassment and workplace safety in place?
- Do you have additional conduct guidelines to develop a healthy culture?

Employment at Will:

- What rights to employment do employees have in your state?
- What expectations will employees need to meet to stay employed?

Right to Change Policies:

- Have you informed employees of your right to change policies?
- What mechanisms will you use to inform employees of these changes when they occur?

Document Storage and Audits:

- How will you collect needed signatures?
- Where will you store signed documents?

Compensation:

Pay Ranges:

- Based on labour market trends, what should your organization set as starting pay for each position?
- How much room will employees have to grow in their salary?
- How often will compensation be reviewed?

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Benefits:

- How will you cover the benefits required by federal and state law (unemployment insurance, disability insurance, workers' compensation, etc.)?
- What is your strategy for complying with the Affordable Care Act?
- Which basic benefits will your employees expect?
- What unique benefits or perks will you offer?

Payroll:

Dividing Responsibilities:

- What technology will you use to process your payroll?
- Which employees will be responsible for overseeing payroll?
- Will you outsource your payroll processing?

Recruiting:

Hiring Strategy:

- How will managers in your organization request new hires?
- Who will need to approve new hire requests?

Diversity:

- How will you ensure that your hiring is non-discriminatory?
- How will you screen for candidates that match your organization's values?
- How will you find candidates that represent a diversity of backgrounds and life experiences?

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Onboarding:

Orientation:

- What essentials do you need to cover during orientation?
- What will you do to introduce new hires to your culture?
- Which documents will you have new hires read and sign before their first day?

Training:

- What resources will your managers need to train new hires?
- How will you follow up to ensure new hires are fully utilizing their benefits?

Performance:

Assessing Performance:

- What structure will you provide for managers to assess and report performance?
- How will you record and track employee goals?
- How often will employee compensation be reviewed and updated?