



# **The Human Resources Assessment**

*Your Guide to Understanding the State of Your HR Function*

Presented by

**Personnel Management Systems, Inc.**  
*Your Outsourced HR Department*

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## THE HUMAN RESOURCES ASSESSMENT

Many small businesses face the daunting task of administering their human resources function. Often, these duties are spread among several people within the organization. Following the legal requirements and maintaining compliance with various rules and regulations can be costly. However, the cost of not complying can be great; either in the form of fines and penalties, or legal settlements. The purpose of this checklist is to help you to assess the current state of your human resources function.

### EMPLOYMENT

Job Descriptions	Do you have job descriptions?	Y N
<i>If yes:</i>	Do they meet ADA requirements?	Y N
Employment Application	Do you use an employment application?	Y N
<i>If yes:</i>	Has it been reviewed to ensure it is in compliance with the law?	Y N
Written Recruitment Procedures	Do you have written recruitment procedures including standards for reference checking and offer letters?	Y N
Interview Training	Do you conduct interview skills training for your hiring managers?	Y N
New Employee Orientations	Are you conducting new employee orientations on a regular basis?	Y N

### ADMINISTRATION

Employee Handbook	Do you have an employee handbook?	Y N
<i>If yes:</i>	Has it been updated in the last 3 years?	Y N
	Has it been reviewed for compliance with required legal language?	Y N
Personnel Policies	Have you developed policies on the following subjects:	
	Employment-At-Will	Y N
	Pregnancy/Maternity Leave	Y N
	Family Medical Leave Act (> 50 ee's)	Y N
	Sick Leave Policy (includes children)	Y N
	Voting Time and Jury Duty	Y N
	Anti-Harassment	Y N
	Smoke Free Workplace	Y N
	Drug Free Workplace (Fed. Contracts)	Y N
	Non-Discrimination	Y N
Personnel Files	Do your personnel files contain only appropriate information?	Y N
I-9 Forms	Do you have I-9 forms for all employees?	Y N
<i>If yes:</i>	Are you completing them within 3 days of an employee's start date?	Y N
Unemployment Administration	Are you auditing and appealing unemployment insurance claims?	Y N
Workers' Compensation	Are you auditing statements and employee classifications?	Y N
Return to Work	Do you have a RTW policy?	Y N
Required Posters Displayed	Are the required federal and state posters displayed in all locations?	Y N
EEO-1 Report	Do you complete the required EEO-1 Report? (100+ employees)	Y N
Affirmative Action Plan	Are you required to have an Affirmative Action Plan? (50+ employees and federal government contracts (or subcontracts) in excess of \$50,000 per year)	Y N
<i>If yes:</i>	Do you have a current plan in place?	Y N
Performance Appraisals	Do you have a performance review program?	Y N
<i>If yes:</i>	Are you satisfied with this program?	Y N
	Is it consistently administered?	Y N

### BENEFITS

Benefits Coverage	Are you satisfied that your current benefits offerings are meeting the needs of your employees and your corporate objectives?	Y N
Summary Plan Descriptions	Are you providing SPD's to all Eligible Employees for:	
	Health Benefits	Y N
	Section 125	Y N
	401(k)/Retirement Plan	Y N
COBRA Administration	Are you properly administering COBRA? (20+ employees)	Y N
Insurance Broker	Are you satisfied with the service you are receiving from your broker?	Y N
Benefit Rates	Are you satisfied that the rates you are paying are competitive?	Y N

### COMPENSATION

Exempt or Non-Exempt Classification	Do you know the difference between exempt and non-exempt employees and the classification requirements?	Y N
<i>If yes:</i>	Are you following the required classifications for all positions?	Y N
	Do you keep the required records for non-exempt employees?	Y N
	Are you calculating overtime correctly and paying appropriately for non-exempt employees?	Y N
Minimum Wage	Are you paying all of your employees according to the federal and state minimum wage laws?	Y N
"Comp" Time	Have you evaluated "comp" time policies with FLSA standards?	Y N
<i>If no:</i>	Do you follow proper procedures for administering "comp" time?	Y N
"Off the Clock" Policies	Do you have a policy to manage non-exempt employees working "off the clock"?	Y N
Work Breaks	Are work breaks correctly provided for non-exempt employees?	Y N
Compensation Program	Do you have a written compensation program?	Y N
<i>If yes:</i>	Does the program coordinate with your job descriptions and performance review programs?	Y N

***Personnel Management Systems, Inc. takes responsibility for the HR function and allows you time to focus on your core business.***

## TRAINING

Training Programs	Do you provide regular training for managers in the areas of:	
	Basic Employment Law	Y N
	Interviewing Skills	Y N
	Conducting Performance Reviews	Y N
	How to Avoid Sexual Harassment	Y N
	Supervisory Skills	Y N
	Leadership training	Y N

## SAFETY AND HEALTH

State Safety Regulations	Are you aware of your state's safety requirements?	Y N
<i>If yes:</i>	Do you have a written Accident Prevention Program?	Y N
	Do you have a first aid kit?	Y N
	Is your safety bulletin board maintained?	Y N
	Do you have a Safety Committee that meets regularly?	Y N
OSHA 200 Log	Is your OSHA 200 log properly maintained and posted annually?	Y N
Hazard Communication	Do you have a written Hazard Communication Program?	Y N
MSDS	Do you maintain MSDS correctly?	Y N
Hazardous Substances	Do you provide hazardous substances training to employees annually?	Y N
Safety Inspections	Do you have a policy/procedure for inspections?	Y N
Safety Equipment	Do you enforce the use of required and necessary safety equipment?	Y N

## WHAT DOES YOUR HR FUNCTION COST?

Take a moment to review the amount you are spending on your HR function. Keep in mind that these costs may not just be "hard costs," but also time that is being taken by your staff to complete each function. Take time to quantify these hidden costs.

### ANNUAL COST

Recruitment	Agencies/search firms	\$
	Time for recruiting	\$
	Preparation time for new employees	\$
	Time to conduct new employee orientations	\$
	Other	\$
Policies & procedures	Time spent administering company policies	\$
	Attorney's fees to draft policies and update handbook	\$
	Time lost due to unclear or lack of company policies	\$
	Other	\$
Benefits	Cost associated with administering COBRA	\$
	Time reviewing benefit plans	\$
	Time spent on employee education of benefits	\$
	Time spent answering questions regarding benefits	\$
Employee Turnover	Cost of training new employees due to turnover	\$
Misc.	Fines, penalties, etc.	\$
<b>ESTIMATED ANNUAL COST TO ADMINISTER HR FUNCTION</b>		<b>\$</b>

## GRIEVANCE, DISCIPLINE, AND TERMINATION

Employee Complaints	Do you have a procedure for complaints and resolution?	Y N
Disciplinary Policies	Do you have a progressive disciplinary procedure?	Y N
	<i>If yes:</i> Is it used consistently?	Y N
Termination Policy	Do you have a written termination policy?	Y N
	<i>If yes:</i> Is it enforced consistently?	Y N
Final Paychecks	Are final paychecks administered appropriately?	Y N
Exit Interviews	Do you conduct exit interviews?	Y N

## RATE YOUR HR FUNCTION

How many of the questions did you answer "yes" to:

<b>65-73</b>	<b>Great!</b> Your company has a good handle on managing the HR function. Review the areas in which you answered "no" to see where improvement is still needed.
<b>55-65</b>	<b>Good.</b> Your company is in relatively good shape but has several areas that require more attention to the HR function.
<b>Less than 55</b>	<b>HELP!</b> Your company needs to review the HR function and to determine a better way to manage this process. Your current function has many holes which can prove costly to the company if not addressed and managed.

## SUMMARY

Does the cost and scope of the HR function surprise you? Maintaining a fully compliant, efficient HR department can be expensive. As you have seen, Human Resources is more than just employee relations. Today, Human Resources is very technical, focusing on compliance issues and reducing liability. Outsourcing the HR function makes good business sense by affording a greater level of expertise and efficiency, at a lower cost, than creating an in-house HR department. If outsourcing makes sense to you, we'd like to help. Personnel Management Systems, Inc. is the premier outsourced HR department for small to medium sized companies.



## Personnel Management Systems, Inc.

### Outsourcing Makes Sense

Tour the offices of Personnel Management Systems, Inc. and you will see that we resemble a Human Resources Department in any large company. The difference is that we work with many different companies over a wide variety of industries. We do not simply consult, we are the outsourced Human Resources Department.

Our HR professionals combine years of experience with continuous training to focus on your human resources needs. As a result, we provide better quality service than is possible with an in-house function and, in most cases, at a much lower cost.

### Our Services

Personnel Management Systems, Inc. is a key component of our clients' businesses. We address all the traditional HR functions to meet our clients' needs in the areas of:

- ◆ **Employment**
- ◆ **Personnel Policies & Procedures**
- ◆ **Group Benefits**
- ◆ **Human Resource Administration**
- ◆ **Payroll Processing**
- ◆ **Training & Development**
- ◆ **Wage & Salary Administration**
- ◆ **Employee Relations**
- ◆ **Employee Safety/Drug Programs**

### Our Clients

Read what our clients say about PMSI:

#### **"The best thing that PMSI does for my company is..."**

"Gives me confidence that our human resources is being done correctly and on time."  
*Vice President, Engineering firm*

"Provides a needed service in a professional manner. PMSI representatives are well versed in their fields, courteous and responsive. My observation is that PMSI has more than met our expectations across the board."  
*Chairman, Food Manufacturing company*

"Provides consistency in all aspects of their service to our company. They have excellent communication skills!"  
*Operations Manager, Software company*

"Brings professional ideas to our personnel area of where none existed before. They receive high marks for training."  
*Controller, Manufacturing company*

### HR=PMSI

Personnel Management Systems, Inc. has become the leader in outsourced human resources services by helping businesses manage their Human Resources function. As a full service, outsourced HR department, we work with business owners to increase compliance with government regulations, reduce the overhead traditionally associated with the Human Resources function, and allow managers to focus on their core business responsibilities. Our clients rely on Personnel Management Systems to handle all their Human Resources issues. For our clients, HR equals PMSI.

If you would like to learn more about how outsourcing can work for your company, please give us a call, or visit us on the web at [www.hrpsmsi.com](http://www.hrpsmsi.com).

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