of $845 per year for late or incorrect filings. Get rid of this extra payment and put this money elsewhere for the company.

- **Allow direct deposit** -- Employees prefer an easy way to receive their money, and with the technology utilized today, direct deposit allows employers to do away with physical paychecks and deposit directly into the employee’s account.

- **Outsource the headaches** – Employers who are manually computing payroll will likely deal with software headaches and added stress. Outsourcing to an expert company who only works with payroll will alleviate this extra pain.

- **Regulation changes** – Compensation and benefits regulations constantly change; by outsourcing, the expert company has more knowledge and understanding of the changing regulations since that is their main line of work.

- **Support** – by outsourcing payroll, there are more support options available through the payroll company that is chosen. This gives the company more resources when employees have questions about their pay. (8 Benefits of Outsourcing Payroll)

### Incentive Pay

Part of compensation is incentive pay, or extra motivation in the form of monetary value or a prize, to encourage their good working habits, sales figures, and more. Holding contests may be a great way to incentivize employees, but be sure to choose the incentive based on the employees, the industry, and the nature of work. For example, offering a $25 gift card for the server who has the highest sales of steaks at a steakhouse in a night may help improve their service and sales of the night. However, incentives are not always the best option to enhance long-term behavior. Employees may only be willing to enhance their work practices when they know they will receive a benefit or a prize instead of consistently performing well.

### Wage and Common Errors

Small businesses overall seem to see some common wage and hour issues among their employees due to a lack of clear policies within the compensation structure (Smith). According to the Society of Human Resource Management, some employers are rounding work time down, paying employees based on their schedule instead of time actually worked, allow employees to complete “off-the-clock” work and other compliance issues. By specifically outlining wage and work policies in a company handbook and training managers on appropriate actions, compliance will be significantly increased within the company’s pay procedures.

Small businesses need to take the Fair Labor Standards Act (FLSA) and other compensation and work laws into consideration. It can be challenging with this age of technology to instruct employees not to work off the clock through emails and technology, but this can also help increase the compliance within small businesses to avoid work and wage issues.

If lack of overtime payment becomes an issue, fixing it immediately is the best practice according to Jennifer Shaw, an attorney in Sacramento, California (Smith). Paying the employee the amount of overtime due is a good way to quickly handle the situation. This shows the employee that the company does value them and acknowledges that they have made a mistake and hopefully will correct it for the future.

Creating clear payroll and compensation policies and procedures and communication those and
any changes to the workforce will help avoid errors and legal issues. Small businesses need to especially be aware of these issues because even though they have fewer employees, they could still run the risk of running into wage errors.

**How do you choose?**

As a small business owner, how are you to choose the best compensation practices? Research and benchmarking. Utilizing these tools will help you to see what the industries averages and problems look like so they can be avoided. Also, open communication with employees about wages, raises, and other changes help make employees more comfortable about speaking with their supervisors when they are unsure or unhappy with their pay. Strong pay practices will help mitigate small business conflict and internal issues.
EMPLOYEE RELATIONS

Maintaining employee excellence through appraisals, employment law, & discipline
Feedback
Give employees constant feedback, whether it be verbal or written feedback, regarding good and poor performance. Strong performance should be recognized while poor performance should be expressed and should give the employee the chance to change their actions.

Performance Appraisals
Use checklist performance appraisals as they are simple yet effective ways to give feedback. Create a list of traits that employees within each position must possess. Also, create a list of behavioral traits that all employees should possess. Use a checklist of skills and requirements necessary to be successful in a position. Combine all of these to evaluate how an employee has performed in the position.

Biases
Be aware of biases, such as the following, that could occur during a performance appraisal or review. Keep performance appraisals as objective as possible.

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Employment Law
Understand the rights of employees and the rights of employers. Employees have a right to privacy, but employers also have a right to search employee work-related materials with reasonable cause.

A full listing important employment laws are located on the Department of Labor's website at www.dol.gov/compliance/guide.

Discipline & Termination
Use respect, honesty, and consistency in discipline and termination situations. Maintain a paper trail and documentation on all situations that involve discipline, punishment, probation, or termination.
Employee relations, or labor relations, is full of employment law and opportunities to improve the employee experience. Important aspects of labor relations include feedback, discipline, documentation, termination, and compliance and legalities.

**Feedback**

Giving employees feedback helps to affirm their work at the company and give them a better understanding how they are meeting or not meeting expectations. Some different ways to give feedback are through performance reviews and managerial meetings.

Performance reviews offer the chance for employees to hear from their direct managers how their performance has been over a period of time. Typically, these are performed three-six months into an employee’s time at the company to officially evaluate their work. Performance reviews are great opportunities for managers to catch up with their employees, but they are also a time for employees to give feedback to their managers.

Performance reviews are the formal reviews that evaluate the performance of an employee, but employers should be consistently speaking with their employees about their performance besides just on the day of the performance review. Reinforcing the good work they are doing as well as helping correct unfavorable work.

There are many benefits of performance reviews for both the company and the employees under review. Armstrong and Mitchell (63) outline some of the many benefits of performing performance reviews.

### BENEFITS OF PERFORMANCE APPRAISAL

<table>
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<tr>
<th>ORGANIZATION</th>
<th>MANAGER</th>
<th>EMPLOYEE</th>
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<tbody>
<tr>
<td>Communicates corporate goals</td>
<td>Builds management skills</td>
<td>Conveys how well he/she is performing</td>
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<tr>
<td>Helps make staff decisions</td>
<td>Develops rapport with employees</td>
<td>Provides recognition</td>
</tr>
<tr>
<td>Objective basis for promotions, raises, and other actions</td>
<td>Identifies best performers</td>
<td>Allows for goal setting</td>
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<tr>
<td>Strengthens relationships</td>
<td>Identifies employees who need coaching or training</td>
<td>Encouraging responsibility for performance</td>
</tr>
<tr>
<td>Improves productivity</td>
<td>Identifies general training needs</td>
<td>Helps focus efforts</td>
</tr>
<tr>
<td>Provides documentation for inquiries, claims, or actions</td>
<td>Improves group morale</td>
<td>Provides career development and improvement opportunities</td>
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Types of Reviews

- **Checklist.** One of the simplest forms of performance appraisals is an employer choosing from a checklist of behavioral traits that may be weighted to reflect the importance (Armstrong 65). For example, traits such as hard-working, problem-solving, and customer-centered may be included on the checklist as the most important behavioral traits an employee should have according to the company’s culture. This is not the best way to give feedback by itself, but it also is a good evaluation method for the manager to prepare for a more in-depth evaluation.

- **360-Degree Feedback.** This is a common performance appraisal method in which the manager conducting the evaluation interviews everyone the employee works with—managers, supervisor, peers, direct reports, and team members. By interviewing so many people who work with the employee, the manager can gather an overall sense of what that employee brings to the company and what their weaknesses may be. 360-Degree feedback can really help to plan employee development and succession at the company (Henderson).

- **Management by Objectives.** Often abbreviated as MBO, Management by Objectives requires a manager and an employee to create specific and obtainable objectives to be met by a certain deadline (Henderson). By meeting these objectives or goals, the employee has found success; by missing these goals, the employee has either not been successful or needs to reevaluate these objectives. A challenge with this option is setting reasonably obtainable goals while also challenging goals to make the employee even better in their position.

- **Ratings Scale.** A rating scale is used to “grade” employees on their success in different areas, such as technical skills, teamwork, and communication (Henderson). Employers who use ratings scales should create a minimum allowable grade for employees in each area as well as a plan to improve performance if the employee does not meet the minimum grade.

- **Forced-choice.** In a forced-choice appraisal, a manager is given a few options that go along with a statement on the employee’s work habits, performance, and attitude. This may not offer as detailed feedback initially to give to the employee, but it can be a great starting point for a manager to evaluate several areas that are “most like” the employee and “least like” the employee (Armstrong 65).

- **Group order ranking.** Another performance review option is comparing employees to their peers. In this appraisal, managers rank their direct reports and see how their employees stack up against each other (Armstrong 66). There must be criteria added to these ranking to explain why one employee is over another. This may not be the best method for morale purposes, but it could potentially offer some healthy competition among employees for high performance.

- **Paired comparison.** Similar to the group order ranking, paired comparison involves employees being compared with every member of the group. The number of times the employee is chosen over the employee they are compared to helps to show their ranking on the team or in the company. This also may be a good tool for seeing how the team stacks up, but it may not be the best for assessing and improving individual performance.

Managerial Meetings

Meetings with managers should go along with performance reviews. A manager cannot be expected to complete a performance review on paper without also engaging their employees and telling them the results of the review. Performance reviews should be thoroughly conducted by the manager and then the results shared with the employee at a professional meeting. The meeting can be informal, but it is still important to have a professional tone. Some performance reviews will be very simple because they have mostly positive information, but other performance reviews will be
negative for the employee. The important part of conveying information that may be negative for the employee is to tell them the truth—do not tell the employee that they are doing a great job and are in line for a raise if this is not the truth as it will decrease their trust in management (Armstrong 69).

Managers need to tell the employee how important the feedback system is for the company. By showing there is value in this process, they will further understand why it is happening and why they are being evaluated. Performance reviews are mainstream, but that does not mean it is easy for employees to hear what they are doing incorrectly.

Employers should have a written copy of the feedback to give to the employee. Use this to refer to during the meeting, but be sure to make it a conversation. The manager or appraiser does not need to be the only person speaking; by making the appraisal a conversation, the employee will feel more comfortable in receiving feedback as well as giving feedback.

Overall, this process should be encouraging and developmental in nature. Even when the employee is under performing in different aspects, the manager should let the employee know that a plan will be developed to increase their performance in that area. By allowing the employee to help in that plan and give their feedback as to why they may be performing low in a certain area, they will be able to take responsibility for their actions and become accountable to making a change.

PERFORMANCE REVIEW SAMPLE MEETING OUTLINE

1. **Opening.** Shake hands with the employee, sit in a comfortable and non-intimidating area. For example, it may be good to sit across from the employee without a desk in between to show you are engaged in the conversation and open to hearing what they have to say.

2. **Ask the employee** how they have felt about their performance. You may have asked them to give themselves their own performance review to see how they would score themselves. This can be a useful tool to compare to your review to see if there are any disconnects in what the employee thinks they are doing well and what management thinks they need to improve. Be sure to listen and not interrupt.

3. **Start out with positive feedback.** Tell them of something they did that was successful, important, or impressive. Give them the chance to ease into the conversation.

4. **Areas for Improvement.** If there are areas that need improvement, move into those next. Be sure to use specific examples so that the employee understands if their work has not been as exemplary as you are looking for. Remember that you are encouraging improvement, not tearing the employee down. The conversation should not be attacking the employee in any manner.

5. **Plan of Action.** Finally, end with suggestions for improvement, their feedback and comments, and a plan of action. Consider creating SMART (specific, measurable, attainable, relevant, time-based) goals with the employee to reach by their next performance review. End the review on a positive note with an open mind and an encouraging tone for future success.

6. **Follow up.** Follow up with the employee, either formally or informally within the amount of time you specified. It may even be helpful to informally follow up with the employee a few days after the review to see how they are feeling about their performance and if everything still make sense. Definitely follow up with whatever actions were decided upon in the meeting, but don’t be afraid to speak with them on a regular basis about how they are feeling about their performance.
Feedback is essential in strong communication, and employees need to know how well they are doing with their work. If it is necessary, bring the employee back to the mission statement and the values of the company. This is a good starting point for giving the employee feedback on how they are not meeting or how they are exceeding expectations. The format on the previous page can be a useful tool for designing performance review meetings.

Similar to biases found in interviewing, do not forget about the biases that can occur during performance reviews and rating. By keeping personal opinions that do not encompass the work the employee has completed out of the review, biases are much less likely to occur.

**PERFORMANCE APPRAISAL BIASES**

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**Employment Law**

Employees have many rights as well as employers, and it is important for employers to be aware of what laws and regulations apply to their organizations. Employment rights and privacy guarantee fair treatment to workers in return for their services to the organization. For many organizations that are under 50 or 15 employees, certain regulations and laws may not apply. While this section is not intended to provide any legal advice, it can be used for reference in law definitions. It is recommended to seek proper legal council if there is any difficult employment situation in which the law comes into play. The following are brief overviews and definitions of pertinent employment law for small businesses. A full listing important employment laws are located on the Department of Labor's website at [www.dol.gov/compliance/guide](http://www.dol.gov/compliance/guide). Another great resource is the Department of Labor’s FirstStep Employment Law Advisor, which is an online tool that small businesses can use to see what laws specifically apply to them. This tool can be accessed through their website.

**BFOQ**

Bona Fide Occupational Qualifications are quality or characteristic that an employer can consider when hiring employees that would normally be considered discriminatory. Example: A men’s jeans manufacturer may legally advertise for male models and not accept women models for the clothing.

**Negligent Hiring**

Employers must exercise reasonable care in preventing a hostile or dangerous work environment. Example: A day care fails to perform a background check and hires a registered sex offender.
Employment-at-will
Employment-at-will is the right of an employer to terminate an employee without giving a reason, and the right of an employee to quit without giving notice. Some employers require good cause in their employee handbook to fire an employee, but be sure to check the company policies and the state employment laws.

Wrongful discharge
Wrongful discharge encompasses employees who are illegally terminated on the basis of race, gender, ethnicity, religion, disability, or another protected characteristic.

Whistle-blowing
An employee who reports an employer's illegal actions or immoral conduct is considered a whistle-blower. Employees are protected under acts such as the Sarbanes-Oxley Act in 2002, and retaliation against employees who have turned employers in is illegal.

Implied contract
Any time any employer implies a full-time could offer may be made through an explicit contract, it can become binding. Example: If any employer tells the employee, "As long as I have my job, you have your job," this could be a binding implied contract in court.

Explicit contract
With a formally signed contract, the employee cannot be dismissed at will. Typically, these are used for executive, upper management, and senior managers with nondisclosure agreements, intellectual property agreements, and noncompeting agreements.

Constructive discharge
A constructive discharge occurs when an employee leaves the organization because the intentional actions of their employer are intolerable or they have intolerable working conditions. Example: If a supervisor routinely humiliates an employee in company meetings with the hopes they will quit, this could be a case for constructive discharge.

Discharge as a result of retaliation
A frequent EEO complaint is discharge as the result of retaliation. No employee can legally be fired or retaliated against for filing charges. For example, the EEOC states that it is "illegal for an employer to refused to promote an employee because she filed a charge of discrimination with the EEOC, even if the EEOC later determined no discrimination occurred" (Retaliation).

Discharges and the WARN Act
The Worker Adjustment and Retraining Notification Act (WARN) protects workers and families by requiring most employers will 100 or more employees to provide at least 60 days notification when there are large layoffs or plants closing.

FMLA
The Family and Medical Leave Act requires private employers with 50 or more employees or public employers to allow eligible employees to take time off for family and medical reasons, such as birth of a child, adoption, to care for a spouse in a serious medical condition, or if the employee has a serious health condition.
ADA
The Americans with Disabilities Act prohibits discrimination against any person with mental or physical disabilities, and it requires employers to offer reasonable accommodations for employees to perform their job requirements.

Privacy Rights
Employees have many rights regarding privacy. The following are areas to keep in mind when creating policies and procedures that may infringe on employee privacy and rights.

Substance Abuse & Drug testing
Drug testing is not required but private employers have the right to test employees for substances. Impairment testing
As an alternative to drug testing, impairment testing helps to indicate if an employee is too impaired to perform his or her position or work. This is useful as it can test for alcohol or drug impairment as well as sleep deprivation and trouble concentrating.

Electronic Surveillance
Camera surveillance- Employers are allowed to use cameras on company premises; however, they must be put in place for business-related reasons, such as a safety precaution.

Phone/text conversations- Phone and text conversations on company-provided phones can be monitored if the company has good reason. However, the employer cannot directly monitor personal phones and text conversations.

Email, Internet, computer usage- Company emails and computers can also be monitored if the company has good reason. However, personal emails that are not affiliated with the company cannot be monitored.

Internet searches- Internet searches on company computers also can be monitored if the company has good reason.

Access to personal files
All employees have the right to see their personal files and correct any false information on their behalf.

Workplace romance
Many companies have workplace romance policies because relationships are bound to happen within the workplace.

Body art, grooming, and attire.
Companies have the right to create a policy on body art, grooming, and attire for employees.

Right to Privacy Laws
Electronic Communications Privacy Act 1986- Prohibits listening in or recording communications through electronic devices unless it is monitored for legitimate business reasons (i.e. This call may be monitored for customer service purposes)

59
Individuals associated with federal agencies or supplying goods/services to the federal government have the right to examine references and review their personnel records for accuracy.

Family Education Rights and Privacy Act – The Buckley Amendment 1974 - Prohibits educational institutions from supplying student information without previous consent; students can inspect their records. (i.e. A University Office of Admissions)

Fair Credit Reporting Act 1970- Allows job applicants and employees to know if their credit files have been investigated (i.e. employer running a credit check)

Discipline
Discipline is a tool to correct the practices of employees to help them perform better so they conform to acceptable standards. One of the most important yet challenging aspects of labor relations is discipline. Disciplining employees is never a fun or easy task for a manager, but there are situations that warrant some kind of action by the employer, such as when the code of conduct has been broken, federal or state laws have been broken, or the employee has been acting in a way unbecoming of an employee in representation of the organization.

It is important to develop strong policies that are approved by top management or the owners, help to avoid lawsuits, conform to current laws, and prevent the creation of a poisonous atmosphere, such as low morale or a high turnover. Disciplining procedures need to be reasonable and relate to the operations of the organization. They should help promote efficiency and safe operations, and all employees should be aware of the policies. It is useful to have employees sign the policies, indicating that they have read and understand the rules in attempt to keep in line with them. Finally, policies should periodically be reviewed for clarity and any necessary revisions.

Some common problems that require discipline or further action include attendance, dishonesty, work performance, and on-the-job behavior issues.

Disciplinary Action Plans
Different disciplinary options can include informal discussion, verbal warning, written warning, final warning, or termination (Armstrong 112). Before action is taken, an employer or manager must go through the facts and events that make up the situation under review.

As reviewed earlier in performance evaluations, positive and corrective feedback must be administered to employees from their supervisors. The Essential HR Handbook by Sharon Armstrong and Barbara Mitchell (109) provide the following two ways to remember how to give positive and corrective feedback.
Positive feedback needs to be administered to employees frequently, accurately, specifically, and timely to ensure they understand and receive recognition from their managers and supervisors. This encourages employees to continue working well in the future, especially if they are motivated through knowing they are performing well.

Corrective feedback should include the behavior, effect, expectation, and results. By explaining the behavior and how that behavior affects the organization, the employee can better understand the specific behavior that needs to be corrected. Finally, ending with the expectation of performance and what the result or outcome could look like will give the employee the tools to turn their performance around.

After giving employees corrective feedback, if they are still running into discipline issues, the conversation needs to change. Poor performance can affect the company and the department in many ways, such as “decreased productivity and morale, customer dissatisfaction, increased stress, decreased efficiency, and increased cost” (Armstrong 111). It is important if an employee is under performing to address the situation as soon as possible.

Termination
Termination is never an easy topic for employers or employees. However, if termination is completed with consistency, fairness, and procedure, the termination process can be smooth.

- **Consistency.** Termination should be completed consistently. If one employee is terminated due consistent tardiness, this must be the consequence for other employees who have consistent tardiness and similar situations. If there is no consistency in termination processes, the company will lose its credibility and employee trust, creating an ineffective culture.
- **Fairness.** Similar to consistency, fairness must be practiced among terminations.
- **Procedure.** Termination should be completed according to procedure. By creating a common procedure for termination, employees will be treated consistently with fairness and respect. It is important to train employees who may terminate other employees on the proper procedure. This also allows for less error in the process and a smaller chance of retaliation from the terminated employee.
During termination, avoid the following:

- **Don’t make the meeting too long.** Dragging it out will make it more painful for the employee.
- **Don’t go on the defensive.** The employee will likely be upset, but remain calm and respectful as the liaison for the company.
- **Don’t be insensitive.** Termination is a loss of livelihood, so be sure to treat the conversation with respect and sensitivity.
- **Don’t use humor.** Humor will add to the uneasiness of the situation.
- **Don’t make promises you can’t keep.** Do not promise the employee will be back someday if that is not a promise you can keep (Armstrong 120).

Overall, respect is required throughout a termination process. The employer cannot just terminate an employee and forget about them; termination packages, or final wages should be paid on time and if the company offers references for terminated employees, this should be completed correctly.

**Documentation**

With any employment law issue, termination, or disciplinary procedure, documentation is the most important aspect in making it a clear and simple process. By having the procedures and violations in writing, if any actions were to result in court hearings, this would make the process more accessible and easier.

Remember to use professional writing—do not include slang or inappropriate verbiage because documentation can end up in court if there is ever a lawsuit filed. Use clarity and focus on the performance or behavior, not the specific person (Anderson 116).

**BAD:** Employee-focused writing: You are not completing your assignments on time.

**GOOD:** Performance/behavior-based writing: Your lack of attendance and lateness is causing productivity issues for the team.

The most important part of documenting disciplinary issues is to keep it confidential among the small group of people who need to know about it. For example, the employee, the employee’s direct supervisor, and another related manager or supervisor would need to be aware of the documentation. The sales manager who has never worked with the employee though has no need to know, even if they are good friends with the other manager. Keeping confidentiality in times of sensitive issues that are not affecting the safety of employees or customers is essential to maintaining trust in the human resources disciplines.
Organizational & Employee Development

Developing & honing employee skill sets for personal & professional development
Organizational and Employee Development
Investing in employees' future success occurs through organizational and employee development. Development can include periodical training, offering educational opportunities offering professional development, and more.

Talent Management
To manage talent, be sure to
- **Identify business needs** - update job descriptions, and find where the company is lacking in terms of skills and abilities.
- **Develop existing staff** - offer mentoring, coaching, or professional development opportunities for all employees
- **Build bench strength** - create a goal-based performance management program that includes providing feedback to employees.

Orientation and Onboarding
- **Utilize team-building** - Icebreakers, team building exercises, and other group activities help to build camaraderie and social connections among new employees.
- **Personalize** - Make the onboarding process meaningful by making it specific to the employees’ new positions.
- **Reinforce the brand** - Excite new employees by teaching them about the business’s brand and helping them see where they fit into the brand.
- **Create a personal brand** - Help your new employees to figure out who they are and what their role will look like in the organization. This can be done through personality tests, workshops, or giving them a chance to reflect on their personal strengths.
- **Check in** - Onboarding does not have to end. Continually check up with new employees and see how they are progressing. Also, obtain feedback from them on their onboarding process. Assigning mentors for this process is also helpful.

ADDIE - development of training
- **Analyze** - Understand the background of the participants in the program. After analysis is complete, performance and knowledge gaps should be identified.
- **Design** - Create all of the goals, tools, and tests necessary for the program.
- **Develop** - Assemble the material and content that will be used in training.
- **Implement** - Delivery phase. This is show time!
- **Evaluate** - Test the program to see how and when objectives were accomplished.

Transfer of learning
Culture affects the transfer of learning from training to the workplace. Encourage a culture that appreciates knowledge and learning by setting the example from top management to below.
How do you keep employees engaged? What opportunities do you offer your employees to encourage their continually learning? Organizational and employee development helps incentivize employees to better themselves. This section provides information on how to engage employees through development and training.

**Organizational and Employee Development**

Employees are the basis of an organization; without employees, most companies could not function. Keeping employees happy and challenged is important in managing day-to-day functions. Organizational and employee development bring together many objectives and goals of the organization to develop strategies for furthering a culture of success (Anderson). This success can then be measured in the success of their operations, but also the satisfaction of their employees.

**Talent Management**

Most companies have the access or opportunity to use similar technology, equipment facilities, and raw materials for success. However, the most successful companies, especially the most innovative, credit their talent, or people, as the most important advantage. The importance of managing and developing talent, or employees, in an organization is becoming more apparent. Talent management involves “matching the organization’s present and future staffing against its existing competencies and potential,” (Anderson). Successful talent management

In order to create talent management objectives, Charlotte Anderson states the importance of identifying business needs, developing existing staff, and building bench strength.

**Identifying Business Needs**

- Updating job descriptions and keeping track of the competencies required for a position at the company will help identify where the company is lacking in terms of skills and abilities. Comparing skill sets of current employees as well as incoming employees or candidates is useful in picking out any skill deficiencies as well (Anderson). Planning and tracking skills and competencies help the business understand what they should look for in successful candidates and how they should develop their employees.

**Developing Existing Staff**

- Current employees cannot be hired and then forgotten about. Employers must constantly work to develop and further their employees’ and their knowledge to keep the company running smoothly. Offering professional development, keeping in touch with new employees, and offering programs such as mentor or coach programs will help develop employees continually through their time with the company.

**Building Bench Strength**

- Strategic planning in organizational and employee development is necessary to build a strong work force. Creating a performance management program that places importance on goals, performance expectations, performance measurement, and providing feedback on a regular
basis will help keep employees on track for high productivity and performance (Anderson). Promoting the transfer of knowledge through coaching and mentoring will help develop employees, and succession planning will create a pipeline for promotion and moving people into other key positions in the organization.

Orientation and Onboarding
It takes a new employee in a clerical position approximately 8 weeks “to achieve full productivity,” about 20 weeks for professionals, and over 26 weeks for executives” (Lockwood). This learning curve is important for employers to take into account. By preparing employees through organized onboarding and orientation, companies may be able to cut that learning curve time down to maximize employee efficiency.

Introducing new employees to the company is an exciting time after going through the strenuous process of searching, screening, and assessing applicants’ skills, abilities, and potential to succeed at the organization. An important aspect of introducing employees to the company is socialization. To make employees feel at home and comfortable with their new surroundings, employers must help them through the process of socialization and getting to know the people they will work with in teams and alongside for 40 hours a week.

Onboarding is the process of bringing employees on to the company, teaching them about the company’s values, and helping bring about socialization. The following tips from adapted from Meghan Biro may help making the onboarding process easier to create and implement for employees.

• Utilize team-building. Icebreakers, team building exercises, and other group activities help to build camaraderie and social connections among new employees. While everyone will have separate positions, giving them the chance to comfortably get to know one another will be helpful in maintaining a strong culture.

• Personalize. Make the onboarding process meaningful for new employees by personalizing it as much as possible. Focus on the employees’ new positions and introduce them to people who could mentor or provide further guidance to the employees.

• Reinforce the brand. Onboarding is a time to really engage and excite new employees about the company. By reinforcing the company’s brand, it helps enhance the reputation and the employee’s excitement about joining the company.

• Create a personal brand. Help your new employees to figure out who they are and what their role will look like in the organization. By giving them the tools to understand their own brand through personality quizzes or exercises, they may be able to figure out how they can further the company’s brand as well.

• Check in. Though onboarding technically ends after a few days, it is always helpful to continually check up on employees to see how they are progressing in the company. Use check in opportunities to answer any standing questions and to maintain relationships with new works. This is also a great way to get feedback from employees on their onboarding process and see how helped employees adjust to the company. One way to continue the on-boarding process
is to assign mentors or coaches to the new employees. This gives them another resource for questions and a person to check in on the employee’s happiness at the company and within the position.

**Performance and Productivity**

When thinking about training employees, it’s important to take the current work conditions into account. Will the company need new equipment? Will new processes be implemented? What are the goals for employee growth and development, and how might they be measured?

The options for designing training are endless. While it can seem daunting to pick from so many options, think about make or buy. Does the business want to make and offer its own training sessions, or does it way to buy training sessions, such as outsourcing?

### TRAINING: MAKE OR BUY?

**MAKE**

- + Control over information
- + Control over output
- + Cost effective
- + Paying employees, not outside vendors

- - Time consuming
- - Must create all training components
- - Must supply own equipment

**BUY**

- + Professionals create content
- + Employees can focus on normal work duties
- + Vendors likely have more equipment

- - Costly
- - Less direct control over content
- - Less control over content dissemination

Many methods are used to design training and instruction, such as the ADDIE model. The ADDIE model has been used for many years to “design and effectively” track progress throughout a project (Forest).

ADDIE stands for Analysis, Design, Develop, Implement, and Evaluate. This is not a restrictive order within the instructional design process, but it allows for “clear instruction” in each stage that will still “retain its value and be able to provide a sense of structure to the whole program,” (Forest). In utilizing the ADDIE method, take these questions into consideration throughout the process.
**Analysis**
Understand the background of the participants in the program. After analysis is complete, performance and knowledge gaps should be identified.

- What performance or knowledge gaps exist that require training?
- What is important for the participants to accomplish by the end of the program?
- What kinds of skills, knowledge, intelligence, and outlook will be necessary?
- What are the learning outcomes?
- What will the learning environment looking for the participants?
- What kind of delivery will the instruction require?

**Design**
Create all of the goals, tools, and tests necessary for the program.

- What media will be used?
- What resources are necessary to complete the project?
- What kind of activity will take place for participants?
- How long will the activities last?
- What will each task encompass, and what should participants learn from each section?
- What kind of feedback will be used to see the effectiveness?
- How will learning be measured?
- What is the main idea of the project?

**Develop**
Assemble the material and content that will be used in training.

- Create and test learning outcomes.
- Create content and rules that will be taught
- Create graphics, videos, and storyboards.
- Put materials together to create training session(s)
- Test e-learning materials for bugs.
- Use tests for feedback.

**Implement**
Delivery phase. This is show time!

- Are concepts easy to grasp?
- What feedback do teachers, students, give and others involved in the program?
- Evaluate the course material for the highest effectiveness during the delivery
- Evaluate the design during the delivery
- What back-up tool(s) will be used in the event of an issue?
- Do students need constant guidance or is there independent work involved?

**Evaluate**
Test the program to see how and when objectives were accomplished.

- How will the "clarity of instructions" be assessed?
• What kind of data can be collected from the program?
• What issues occurred during the program?
• What are participants not understanding?
• How can you further the participant’s understanding and focus?
• Is constant guidance required?
• How will program effectiveness be determined?
• How will data be collected?
• How will feedback be collected and analyzed?

Finally, training development can be evaluated through the transfer of training. In other words, transfer refers to how well the employees apply the skills they have learned to their work. For more information on implementing ADDIE, EducationalTechnology.net offers a great resource for design and implementation of training.

Creating a Culture of Learning
If an employee walks into a business, the culture is one of the first aspects they will perceive. One of the most essential aspects of training is how it transfers to their work environment. Culture will affect the transfer of learning more than any other aspect because it shows how well the employees or students can apply their knowledge to their positions. A culture that fosters learning by encouraging employees to use their new knowledge in their daily work will promote proactive learning throughout the company.

In order to create a culture of learning, employers must encourage constant learning and development for their employees. This could be offered through training sessions, reimbursement for higher education or certification, or through mentoring programs. Depending on the company, different methods may work better than others. For small businesses, think of how the company works as a whole. It is likely that there are shared aspects of different positions—with fewer employees, one single employee will likely have their hands in many departments. Encourage workers to shadow other employees who work in different areas. Make learning opportunities frequent and easy to access. Be an agent of propelling knowledge, and show others how to be a self-starter in learning something new.

There is no set way to educate and develop employees; however, it is important to walk the walk and be a good representation of the company and brand when training and educating workers.
SAFETY & SECURITY

Provide a safe and secure workspace for employees to comfortably participate
Research OSHA requirements
The Occupational Safety and Health Administration is a government agency dedicated to inspecting places of employment for potential hazards. Visit their website to learn more about their services at [www.osha.gov](http://www.osha.gov). OSHA can help maintain the company's safe atmosphere by inspecting company property and equipment. Typically, businesses reach out to OSHA to inspect their facilities.

Understand safety as it applies to the company
Each business is different in regards to safety depending on the industry and the work completed. Manufacturing companies, chemical companies, or any business that works with dangerous equipment or supplies will need extra policies and precautions to keep employees safe.

If the company works with electric lines, employees must be properly trained on the equipment they must use to climb telephone poles, safety clothing required, and potential risks of the job. If an employee does not complete this training, they cannot be allowed to complete their work due to liability.

Security Measures
Identify any external and internal security risks. For example, a teenage female employee closing an ice cream shop at 2:00 am may pose more security risks than a teenage female employee closing the ice cream shop at 8:00 pm. Try to keep multiple people on the clock at once to create a "buddy system" in case there is ever an emergency. Give employees training on how to use the security system (if one exists), and train employees on what to do in a crisis (i.e. robbery, shooting, state of emergency, etc.).

Create and review effective policies
- Evaluate working conditions and create policies for any potential hazard
- Encourage employees to voice their concerns regarding safety or security
- Try to keep multiple employees working at one time if they are working late into the night or if there is a high risk of a security threat.
- Continually re-review security and safety policies with the introduction of new procedures or new equipment.
- Work with OSHA and external consultants to inquire about safety hazards or security measures.
- Create emergency evacuation or emergency situation plans that detail how employees should react in different situations.
Secretary of Labor Thomas Perez states “No one should have to sacrifice their life for their livelihood, because a nation built on the dignity of work must provide safe working conditions for its people,” (OSHA). The responsibility of safety and security within a workplace is on the employer. The employer must train employees to avoid any potential hazards while also keeping the work environment as safe as possible. In order to maintain a safe environment, the Occupational Safety and Health Administration is a government agency dedicated to inspecting places of employment for potential hazards. Visit their website to learn more about their services at www.osha.gov.

Employees want to be excited to come to work everyday. If a workplace is not a safe environment, the stress can interfere with employee productivity and concentration of work. Safety and security within an organization is essential to maintaining a healthy environment for employees to work with reduced fear of injury or security scares. This area of human resources deals with the “organization’s efforts to prevent and/or mitigate loss, risks to or from personnel, threats to its physical assets, damage to its technology and intellectual property or risks of any other kind arising from all elements surrounding the work environment” (Garber).

Some industries naturally have more risk due to the nature of the jobs being completed. For example, a steel manufacturing company will include a warehouse with heavy, dangerous machinery that could be deadly if it is not used according to its proper use and if the person in charge of the machine is not properly equipped with safety materials. Even though small businesses may not interact with as much heavy machinery as a warehouse or manufacturing company, there are still many risks associated with employee safety that employers must use precautions to mitigate.

**Workplace safety**

In order to keep the workplace as safe as possible, policies and procedures must be put in action and applied to appropriate situations. There is a certain amount of accountability among executives, managers, and even fellow employees as the unsafe actions of one employee could severely impact another employee.

OSHA describes the employer’s responsibility to an employee as the following:

“Employers have the responsibility to provide a safe workplace. Employers MUST provide their workers with a workplace that does not have serious hazards and must follow all OSHA safety and health standards. Employers must find and correct safety and health problems. OSHA further requires that employers must first try to eliminate or reduce hazards by making feasible changes in working conditions rather than relying on personal protective equipment such as masks, gloves, or earplugs. Switching to safer chemicals, enclosing processes to trap harmful fumes, or using ventilation systems to clean the air are examples of effective ways to eliminate or reduce risks.”

More information on the responsibilities can be found on the Employer Responsibilities section of the OSHA website (Employer Responsibilities).

John Garber, a risk management, human resources, and occupational health and safety specialist, encourages using a decision-making process that allows for thorough questioning and reflection...
in the creation of policies and procedures and the elimination or control of potential workplace hazards.

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<th>SAFETY</th>
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<td><strong>SUBSTITUTION</strong></td>
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<tr>
<td>Can the existing process, material or equipment be replaced with a less hazardous process, material or equipment?</td>
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<td><strong>ISOLATION</strong></td>
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<td>Can barriers or limits be placed between people and the hazard? This could be physical barriers, time separation or distance.</td>
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<td><strong>VENTILATION</strong></td>
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<td>Can the potential hazardous airborne substances be ventilated through dilution or capture?</td>
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<td><strong>ADMINISTRATIVE CONTROLS</strong></td>
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<td>Can the hazards be effectively mitigated through specialized operating practices? Examples include restricting access to certain high-hazard areas to authorized personnel only, adjusting work schedules or adopting preventive maintenance programs to address potential equipment breakdown.</td>
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<td><strong>PERSONAL PROTECTIVE EQUIPMENT</strong></td>
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<td>If the preceding methods are not sufficient or feasible, can personal protective equipment be provided (e.g., safety glasses, gloves, hard hats, hearing protection, safety footwear, respirators)?</td>
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**Workplace Security**

Employees typically spend about 20-40 hours a week in the office or on the company premises, resulting in a significant amount of time on property. This means that anything that negatively impacts employees, such as a workplace hazard or security breach, can be a potential liability to employers.

The main purpose of workplace security is to "protect employees from internal and external security risks," (Garber). With advancements in technology and increasing workplace violence, strong security and safety procedures help to keep employees safe and comfortable in their environment. The Bureau of Justice Statistics' National Crime Victimization Survey found that 572,000 nonfatal violent crimes occurred against employees 16 or older on the job in 2009 (Occupational Violence). This number is startling, but employers can help mitigate this violence as much as possible by creating prevention strategies and continually evaluating strategies for effectiveness once they are in place.

The first step in mitigating security risks is to identify them. Analyze the company and its typical working hours. Small business owners may see that they have only one employee working at the store from 8:00 pm until midnight. The times and amount of employees working make a difference in the security and safety precautions that need to be taken.

Organizations must take everything into account when creating security policies, from physical security of the employees to intellectual security of the company. Garber encourages companies to take the following actions into consideration when creating policies and procedures:
• Establish a formal security function
• Establish computer, email, and Internet policies and procedures
• Include noncompete agreements and other clauses in employment contracts to protect intellectual property and proprietary information
• Create crisis management and contingency plans
• Establish theft and fraud prevention procedures
• Install security systems on the premises
• Develop restricted-access policies

After the policies and procedures have been created, implement them by meeting with employees and managers. Managers and supervisors need to be fully briefed on how to understand and explain the policies to their reports. Spending extra time on helping clarify emergency or security plans to employees will prove to be beneficial in the event that an emergency does happen, and it can save the company a significant amount of liability, lawsuits, and employees that could be lost without procedures.

**Safety professionals**
People who enjoy educating others on safety as well as understanding precautions and procedures needed to maintain a safe and healthy work environment may choose a career in safety. Federal organizations, such as OSHA (Occupational Safety and Health Administration) and the Centers for Disease Control and Prevention require these safety professionals to monitor organizations and create new procedures. Other organizations, such as health departments, public safety departments, and medical services are also options for safety professionals to look into, and these organizations can be useful in creating company safety policies.

**Creating Effective Policies**
Policies can be created and established in an organization, but what is the best way to view how effective they are on the workforce? While there is no one way of measuring effectiveness, the baseline understanding of effective safety and security policies is looking at the number of workplace injuries and/or workplace threats that occurred within the last few years.

Effectiveness can be subjective though; for example, Company A may not have any injuries for the fiscal year, while Company B may have seen a 50 percent decrease in employee injuries for the fiscal year (Garber). While both companies could view their workplace safety policies as effective, if Company A had as many injuries as Company B, they may be ineffective. Creating measurements that assign values and weights to injuries and other potential situations and then analyzing a time period with those systems will help to collect data on the safety and security of employees.

Finally, listening to the employees and the managers may be just as important in designing effective policies. If an employee is uncomfortable in their position, such as if they are working alone into late hours of the night or if they are driving a company vehicle late into the night, be sure to evaluate the safety and security risks that the company may be taking on the employee. Maintaining employee trust is essential to running a company smoothly, and listening to employees will help to build a strong rapport among the executives/owners and all of the other stakeholders in the organization.
"We are all different, which is great because we are all unique. Without diversity life would be very boring."
-Catherine Pulsifer
Diversity is both visible and non-visible

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<thead>
<tr>
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<td>Race</td>
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**Establish a Diverse Culture**
From top management down, encourage acceptance of all types of diversity and the differences that make employees unique. Diversity will be the underlying foundation of the culture.

**Aging Workforce**
Create programs to facilitate aging employees' leaving and the passing on of their knowledge to other employees. Allow aging employees to transition into retirement or a flexible schedule to avoid an abrupt loss of knowledge.

**Diversity Committees and Councils**
Diversity committees and councils can be created with a group of employees who are committed to enhancing their coworkers' understanding of different holidays, lifestyles, and cultural awareness.

These committees can provide literature, discussions, and assistance in creating diversity initiatives to further diversify the workforce and employee understanding of differences.

**Diversity Resources**
Many websites and groups are available to learn more about diversity, culture, and differences in the workplace. The [Society of Human Resource Management](https://www.shrm.org) offers a great resource on diversity as well as many more special interest group websites.
Sara Ellison, an MIT economist says that “Having a more diverse set of employees means you have a more diverse set of skills, which could result in an office that functions better.”

The best workplaces offer a variety of employees the opportunity to work in a collaborative environment, bringing many people of different backgrounds, experiences, and knowledge together for success. The study of diversity in the workforce is constantly changing, as different generations enter the workforce and globalization increases. A 2004 survey conducted by Hewitt Associates called “Preparing for the Workforce of Tomorrow” came up with the following statistics on workplace diversity:

By 2010, 34% of the U.S. workforce will identify as non-Caucasian

By 2008, women and minorities represent 70% of new entrants into the labor market

By 2014, 75% of new employees will likely be from Asia, with North America and Europe contributing only 3%.

These projections offer evidence that employers need to think forward in their employment decisions and understand that a variety of workers will need to be accommodated as the company progresses.

Diversity encompasses race and gender, but it also looks at age, ethnicity, physical ability, disability, sexual orientation, religion, and national origin and culture as its visible components (Armstrong 139). Diversity extends into the non-visible attributes as well, such as education, experience, knowledge, skills, and more.

Establishing a Diverse Culture
A diverse culture starts at the top and works its way down. Owners, executives, and employees high on the managerial chain must embrace diversity to create a diverse culture with an emphasis on inclusion. Inclusion is simply including or making others feel welcome within a group or structure.

Joining and supporting a variety of causes in the community can help to establish a diverse culture. Participating in industry-related events, such as case competitions, fund-raisers, and charity races can help build a culture of understanding and acceptance of many facets of diversity.

Offering diversity training and compliance can help bring awareness to employees on what diversity includes and how to be more inclusive (Mayhew). Do a quick survey of employees and see what
diversity means to them. Many of them will likely comment on the physical attributes of a person, such as their gender or race. By providing training, employees will be given the tools to understand the differences in their fellow employees and how that can affect the workplace.

Recruiting a Diverse Workforce
With a competitive job market, it becomes more involved to "attract and hire minority candidates" as well as candidates in general (Armstrong 142). Companies need to position themselves in a place that shows their commitment to diversity as well as developing all of their employees. This can be reflected through the job description, policies, mission statement, values, and other information that candidates may see when seeking a position.

Businesses must also look at where they primary recruit employees. If a business is trying to diversity their employees but they recruit in the same 30-mile radius, they may find it challenging to reach people outside of their normal recruiting base. Expanding that base, recruiting through new websites, attending diverse community meetings, and specifically targeting new regions will help with recruiting and attaining a diverse workforce. Be sure to use inclusive language, and be sensitive to the beliefs and values of all candidates and potential employees. Inclusive language refers to conscious language that avoids words that could exclude groups of people. An example of using inclusive language is saying "humankind" instead of "mankind," as mankind could be considered an exclusion of women.

Aging Employees
With the improvements in health and technology, people are living longer than they ever have before. In turn, this requires that people make enough money to retire and live on their funds and savings. Many people have chosen to continue working up to the typical retirement age (65), but even more employees are choosing to stay in the workforce past that age to ensure they can provide for the rest of their families lives.

When employees leave the company, they may take information and processes with them that are valuable to the company. All businesses should create programs to facilitate aging employees’ leaving and the passing on of their knowledge to other employees. By allowing aging employees to slowly move into retirement or a flexible schedule, the transfer of knowledge may be less abrupt than the employee simply leaving (Armstrong 143).

Diversity Committees and Councils
People specifically dedicated to helping further diversity initiatives and understanding of differences among employees can be very useful in establishing the importance of differences within an organization. Diversity committees and councils should be made up of employees who are committed to enhancing their coworkers’ understanding of different holidays, lifestyles, and cultural awareness. These committees can provide literature, discussions, and assistance in creating diversity initiatives to further diversify the workforce and employee understanding of differences. Some examples of diversity committee and council responsibilities can include:

- Communicating information on affirmative action, cultural differences, and equal opportunity employment to other employees
- Creating diversity policies and guidelines
- Educating other employees on diversity-related issues and inclusion
• Acting as a liaison to management on diversity-related issues and concerns from employees (Armstrong 145).

Understanding and embracing diversity is essential to an evolving workplace. Small businesses can use these suggestions to create policies for diversity within the organization, no matter how many workers are employed. Providing a safe space for employees to be proud of their differences will help create a cohesive and progressive company culture.

### Diversity Resources

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<tr>
<th>Magazine/Website</th>
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*Adapted from Armstrong 146-147*
ETHICS & CORPORATE SOCIAL RESPONSIBILITY

Choosing the best actions for the company, community, and employee
What are ethics?

Ethics encompass rules of conduct or moral principles that guide individual or group behavior (Eide). In businesses, ethics relate to the organizational values, codes, and policies that govern the company’s practices.

Code of Ethics

All companies should offer a code of ethics for employees to refer to in times of ethical uncertainty. This can help avoid confusion as to the company’s values and how employees’ values should line up. Create a code of ethics that is clear, and ensure that management understands the code so they can act accordingly.

Training

Provide training to employees so they understand the code of ethics and how they are expected to act. Remind employees that they legally cannot be penalized for turning another employee or even a manager in for unethical behavior to the Securities and Exchange Commission (SEC). For more information, visit www.sec.gov.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) includes giving back to the community, maintaining sustainable business practices, and leaving the community better off than it was before instead of harming it.

CSR has become more important with Millennials and new entrants in the workforce. Employees want to know their company is profitable, sustainable, and responsible for the community around them. Small businesses are no exception.

CSR Initiative Examples

- Create socially responsible initiatives and goals for the company
- Participate in a community charity event or hold a charity event (i.e. 5k or food drive)
- Recycle and reduce waste
- Give back to the community by working with other organizations
- Provide some pro bono (free-of-charge) services
- Dispose of hazardous materials or chemicals properly
Ethics are commonly referred to in business, but before beginning a conversation about them, it is important to review the meaning. **Ethics** encompass rules of conduct or moral principles that guide individual or group behavior (Eide). In businesses, ethics relate to the organizational values, codes, and policies that govern the company’s practices.

**Code of Ethics**
Organizations lay out the values they live by through a code of ethics. These are not government mandated in any sense, but it gives the company a strong set of principles to conduct business as well as something for customers to refer to when looking into using the company’s services or buying their products. Employees can also refer to the code of ethics when they are making decisions to ensure they are not going against their company’s values. A code of ethics that encompasses compliance and laws, confidential information, conflicts of interest, use of company assets, and gifts, gratuities, and entertainment helps to cover a wide variety of subjects (Eide).

The regulation of companies became a necessary issue with the public downfall of notable companies whose employees made unethical decisions by squandering millions of dollars. Some of these companies include **WorldCom** and **Enron**. Public companies are subject to the **Sarbanes-Oxley Act of 2002**, also shortened as SOX, to govern a code of ethics to promote integrity and avoid fraud, especially in financial areas. The Sarbanes-Oxley Act also protects employees from retaliation for reporting any violations of the code of ethics or fraud, violations of the SEC (Securities and Exchange Commission), or other federal laws. This ensures that employees will not receive unfair treatment for reporting a company that is breaking the law.

The Society of Human Resource Management website offers **tools** to create policies and ethical codes for companies. Small businesses should utilize these resources as well as other online tools as guidelines for creating codes of ethics if they need further assistance in determining what is important to cover.

**Training**
Giving employees the tools to understand the company’s code of ethics is important to having a workforce act ethically. Giving employees examples of ethical decisions that might need to be made during the workday can be a good way to reinforce that decisions must be thought through if they could negatively impact the company or go against the code of ethics.

Using hypothetical situations are a good tool to reflect what could occur in the working environment. Giving situations like these to employees and then offering a best practice or a way to best handle the situation is a great way to train employees on making ethical decisions. In situation 1, the company may not believe this is an ethical issue; if the company encourages employees to take extra food home after work, this may not be an issue. However, if the company does not allow employees or does not have a policy allowing them to take food from work, this could be considered stealing. Take these everyday situations into account when creating and evaluating codes of ethics.
ETHICAL DILEMMAS

**Situation 1:** Your company offers free healthy snacks, such as granola, fresh fruit, and vegetables in the breakroom every day. You notice that your co-worker, Donna, regularly takes 3-4 bananas home at the end of the day. One day, you confront Donna about her taking extra fruit, and Donna shrugs it off saying, "The janitors would just throw the food away anyway. What is the harm in me taking a few fruits home that would end up in the trash anyway?"

**Situation 2:** Your good friend at work constantly arrives late to work to take his kids to school, and he usually leaves a few minutes before the other employees to pick his kids up. Today, he sent you a text message asking if you would clock him in, stating that he would be at work in no less than 10 minutes. You and your friend work for an hourly wage. How do you respond?

**Situation 3:** Your company is caught in the middle of a scandalous situation; a manager has been accused of sexually harassing a customer. A large online media provider has contacted you, offering $5,000 for your insider information. You have not been on good terms with the manager in the middle of the scandal because she passed you over for a promotion you believe you deserved. What do you do?
Corporate Social Responsibility (CSR) is a recent trend in companies to offer sustainability plans and commitment to giving back to the local, national, and global communities they serve. Millennials and other new entrants into the workforce are looking to see that companies are giving back—profits are not the only important thing to a job-searcher.

Partnering with community events, such as philanthropic or volunteer activities will help to maintain a good relationship in the community. Other ways to demonstrate corporate social responsibility include donating money and services, providing a sustainable business plan, and offering information on how the company is sustaining the environment and reducing its waste improves a company’s reputation and CSR. While sustainability is not solely focused on the environment, “going green” is one of the most popular sustainability options for companies. Reducing paper usage, disposing of chemicals properly, and using recyclable materials are easy ways for companies to reduce their carbon footprints and reduce wreckage to the environment. Companies, such as Starbucks, publicize their reduction in negative environmental impact as part of their strategic plan. They claim to reduce energy and water consumption, develop recycling solutions, and encourage customers to fill up drinks in reusable tumblers.

Making a commitment to the community the business serves is a great way to connect outside of the work environment. Creating socially responsible initiatives and goals for the company will help toward the greater goal of corporate social responsibility. Consider creating a task force of employees to publicize community events to other workers and to disseminate information about recycling, water usage, and the overall impact a person has on the environment to bring awareness to the workforce.
New electronic trends and evolving forms of communication in the workplace
Social Media
Social media is often used to gauge the interest of new entrants into the workforce while also marketing the company and the brand. Companies need to be aware of information that is put out on social media and any of the potential repercussions they may have to deal with.

Pro-actively create policies that spell out exactly how employees can use social media. Use the following questions to help create a social media policy:
- Can employees use the company name in their social media posts?
- Can employees mention their work and/or projects they complete if they are associated with the company?
- What information is considered proprietary and must be kept safe and off of social media?
- How will social media activity be monitored or managed?
- Will employees be allowed to use social media while working/on the clock?
- How will social media policies be communicated to employees?

These questions are not the full extent of what a social media policy may look like, but this is a good starting point for companies to begin thinking about what a social media policy or technology policy should entail.

Human Resources Information System (HRIS)
Keeping track of applications, employee information such as skills and knowledge, and maintaining a stream of information about employees and applicants are just a few of the tasks an HRIS can complete.

- Do your research
- Evaluate the business needs
- Create a budget
- Seek approval from executives
- Evaluate a few HRIS’s
- Use demos
- Ask other employees to demo
- Make the decision

E-Learning
Training and other learning opportunities can be done through online learning or e-learning websites. Many free resources are available for learning. Check out the top 50 free e-learning courses online.
Human Resources is constantly adapting to new technology and social media trends to make the process of attracting and retaining employees easier. While human resources may not be the front-runner in using the latest technology, there has recently been an increase in HR technology trends, especially in tracking applicants and employee information.

**Social Media**
Print advertising has gotten increasingly less popular as social media has ramped up around the world. Ninety-two percent of businesses use social media as a recruitment tool, with most of them utilizing Twitter to advertise positions (Tracy). However, a study from iCIMS, a web-based employment software company, shows that only 1 percent of candidates search for jobs on Twitter, and they expect to see more on Linked In (Tracy).

Social Media is important to companies now, especially for marketing purposes. It can also be a great way to make the company’s brand more accessible to potential candidates, share internship experiences, and share customer reactions to the products and/or services the company offers. Companies need to figure out what their larger goal is with social media and recruiting—is it a main recruitment method to “engage as many candidates as possible,” or is it a tool to build the brand and reputation of the company (Tracy)? For whatever reason it is used, social media can be a strong tool to network with potential candidates and extend the opportunities offered by the company. It can also engage people in the organization and help promote the company culture.

When recruiting employees through social media, it is recommended that companies be aware of what information they are advertising through social media. Avoid looking through candidate’s social media sites; this could lead to potential biases against protected classes (women, minorities, older employees etc.). Utilize several kinds of social media, but be sure to maintain a consistent, branded message across the websites. Also, understand that social media is not used for all generations. For companies looking to diversify their employees, using social media as the sole recruitment option is not a good idea because older generations may not have as strong of a presence on these sites.

**Employees + Social Media**
Engaging current employees through social media can be effective in keeping a strong and cohesive culture alive. However, stories are made in the news every day about employees abusing social media and making a bad name for the company.

Employees who use social media during the workday can potentially cause productivity issues. Typically, people spend several minutes on their social media sites every day, cutting into the wages the employees receive as well as the work that is completed. For example, if a company employs 50 people, and the average time an employee spends on social media during the workday is 30 minutes, that adds up to a loss of 6,500 productive hours a year (Kelleher). Not only is this a loss in hours, but it is offering payment to employees who are not necessarily advancing the company through their work.

On the other hand, some companies encourage employees to use social media during the day, as long as they are getting their work finished in a timely manner and as long as they are not using
inappropriate or explicit websites. For example, ExactTarget, a Software-as-a-Service company that was acquired by salesforce.com in 2013, often engaged employees in Twitter tech conversations through the hashtag #etcafe, offering a Starbucks giftcard drawing to those who participated by tweeting. This promotion helped bring the tech community together, especially since it could reach employees and consumers all over the world.

The best way to combat potential issues with social media is to create solid policies and communicate them to the employees.

**Human Resources Information Systems**

Human Resources Information Systems (HRIS) are software programs used to collect information for planning and tracking employee and candidate information. HRIS can be used for the following information:

- Benefits
- Payroll administration
- Salary administration
- Employee data
- Recruiting and orientation
- Time off, vacation time, work hours, etc.
- Disciplinary actions
- Performance appraisals
- Succession planning
- Skills inventories (Armstrong 153).

**Determining the Best HRIS**

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Do your Research</strong></td>
<td>Look into different systems that are used by others in your industry.</td>
</tr>
<tr>
<td><strong>Evaluate your Needs</strong></td>
<td>What do you need to track? What would the ideal system offer?</td>
</tr>
<tr>
<td><strong>Create a Budget</strong></td>
<td>How much can the company afford to spend on an HRIS?</td>
</tr>
<tr>
<td><strong>Seek Approval</strong></td>
<td>Propose the budget to executives who can approve an HRIS.</td>
</tr>
<tr>
<td><strong>Evaluate a Few</strong></td>
<td>From your research, evaluate a few systems that may work well.</td>
</tr>
<tr>
<td><strong>Use the Demos</strong></td>
<td>Utilize the demos offered through the companies that offer HRIS.</td>
</tr>
<tr>
<td><strong>Ask Others to Demo</strong></td>
<td>Ask other employees to test/demo the software for more opinions</td>
</tr>
<tr>
<td><strong>Make the Decision</strong></td>
<td>Make the decision and begin plans to train and implement!</td>
</tr>
</tbody>
</table>

In choosing an HRIS, keep in mind what the company is looking to gain from the HRIS. (Content adapted from Bruce, Stephen)
**E-learning**
Technology is becoming more popular for training and recertification for employees as it offers an opportunity for training to be completed on the employee’s own time. This lessens the time that a trainer has to be in front of a class teaching, and it helps employees work it into their schedules.

**Technology Policies**
Technology can enhance and advance companies, but it can also set them back if they do not have proper policies set in place to protect themselves from legal repercussions as well as to keep their employees safe and productive.

Social media policies help to protect the entire business. If an employee is using social media to bash their company, they can severely damage the company’s reputation. Similarly, if a company has to take legal action to intervene due to an employee’s online actions, it can be expensive to pay legal fees and difficult to avoid negative press.

**Excerpts from Social Media Policies**
Below are excerpts of how large companies’ social media policies. These can help guide how small companies may want to incorporate different information into their policies.

<table>
<thead>
<tr>
<th>Company</th>
<th>Function</th>
<th>Social Media Policy Excerpts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adidas</td>
<td>Sports Apparel manufacturing</td>
<td>Employees may associate with the company on social media, but they must clearly indicate their online posts as personal. The company is not to be held liable for anything the employees’ content may bring about.</td>
</tr>
<tr>
<td>HP</td>
<td>Information technology corporation</td>
<td>HP reserves the right to edit or amend any misleading or inaccurate content in HP website blog posts. The company also reserves the right to delete blog posts that go against their code of conduct. HP respects the intellectual property rights of their bloggers.</td>
</tr>
<tr>
<td>GAP</td>
<td>Fashion brand</td>
<td>The job comes first. Social media should not affect an employee’s job performance. If you make a mistake, correct it immediately. Do not release any information, be it personal or company confidential information. Be careful discussing highly emotional topics, such as politics and religion.</td>
</tr>
</tbody>
</table>

(Adapted from Luga, HireRabbit)

Technology has improved business processes and has made it easier to connect with people around the world. Using technology is unavoidable, but setting proper policies and training employees on how to use technology positively will help the productivity and brand management of the company.
Quick Start: Trends in HR

Outsourcing
While many companies enjoy the luxury of having a human resources department, not all companies can afford to hire the qualified employees. Outsourcing is a great option for small businesses who cannot perform all functions of HR. For example, payroll/compensation and benefits are often outsourced to a smaller company because it frees up more time for employees to focus on other business.

New working options
- Working remotely. There are more opportunities for employees to work from home, work as a virtual employee, or telecommute if they are not living near the headquarters or a business location
- Job Sharing. Allows two people to share the responsibilities of a job, bringing more work-life balance and even more productivity to the bottom line
- Part-time. Many people after retirement age are looking for opportunities to continue working part-time or full-time to stay active and earn an income

Globalization
Globalization accounts for companies moving into different markets after they feel they cannot excel in their current markets. Globalization can include online globalization. For example, some small businesses operate their online selling through websites such as Etsy.com, Amazon.com, or eBay.com.

Wellness Programs
Initiatives to keep employees healthy and happy are showing through wellness programs. These programs are focused on rewarding employees for eating well, giving up smoking, regularly exercising, and more. Providing a wellness program or initiative can help cut those numbers and risks for the company and its employees. Some wellness programs include on-site fitness centers, discounts at fitness facilities, health screenings, monetary rewards for physical activity, and more. Wellness initiatives show employees that the company cares for their health.

Certifications
The Human Resources Certification Institute (HRCI) and Society of Human Resource Management (SHRM) offer HR Certifications for professionals who are interested in becoming certified as a professional or senior professional.

Small Business trends
- Using 3D printing
- Analyzing big data for the customer and market benefit
- Cloud computing for storage
Trends in Human Resources

There are constant changes and upcoming trends in business, and the human resources area is no exception to changes. This section outlines some of the newer trends in human resources and in the workplace as well as how to learn more about human resources and even become certified.

Outsourcing

Outsourcing different areas of human resources can be useful, especially for companies that do not want to spend their precious employee time on tasks that are consuming, such as payroll, benefits, and other forms of compensation. As mentioned in the benefits and compensation sections, there are many organizations that offer services to help companies, like ADP and Kronos, for time keeping and payroll. Fallon explains companies to The following chart offers some companies who provide human resources services to companies who may not have the budget to hire a full-time human resources manager.

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADP</td>
<td>Assists small to multinational companies in payroll, talent, benefits, and other HR comprehensive solutions.</td>
</tr>
<tr>
<td>EverNext HR</td>
<td>Provide trained HR professionals to help with recruiting, assessments, training, and other administrative tasks.</td>
</tr>
<tr>
<td>Insperity</td>
<td>Offers full-service and individual HR solutions for 5-1000 employees in areas like benefits, payroll, insurance, and training.</td>
</tr>
<tr>
<td>Jumpstart:HR</td>
<td>Handles HR administration, compliance, workforce planning, and growth to help talent and planning meet.</td>
</tr>
<tr>
<td>MMC HR</td>
<td>Works with companies to navigate healthcare reform, offer support in compliance, administration, and risk mitigation, and work with managing time and attendance.</td>
</tr>
<tr>
<td>OperationsInc</td>
<td>Specifically created for small to mid-size businesses with little or no HR expertise, OperationsInc offers HR professionals to assist with any HR projects and tasks.</td>
</tr>
<tr>
<td>Oasis Outsourcing</td>
<td>Offers innovative workforce solutions for HR services, employee benefits, payroll, and risk management while helping businesses comply with federal and state employment laws.</td>
</tr>
<tr>
<td>ThinkHR</td>
<td>Designed as a tool to empower HR professionals, ThinkHR works to give a hotline, static content, and advisors through their training solutions.</td>
</tr>
<tr>
<td>TriNet</td>
<td>Provides services to small to mid-sized businesses that are tailored by industry to assist with payroll, benefits, risk &amp; compliance, an HR team, and a cloud platform.</td>
</tr>
</tbody>
</table>

For more information on these companies, check out Fallon’s article on Business News Daily.

The main thing to keep in mind with outsourcing is to do the appropriate research to figure out what the company needs before diving in and using a service. Many of these are costly, but they also tend to provide packages with fewer options for lower cost. Not all companies need a completely outsourced HR option, but they may benefit from payroll and compensation services. Analyze what the company needs most, create a budget, and demo systems to find the best service for the
company’s needs.

New Working Options
With new challenges entering the work-life continuum, employers are looking for new ways to accommodate employees in other states, cities, and even countries. Some of these accommodations include working remotely, job sharing, and other part-time opportunities.

Working Remotely
Employees, especially in tech companies, are seeing more opportunities to work from home, work as a virtual employee, or telecommute if they are not living near the headquarters or a location from which they could work. While small businesses may not have as much luxury to allow employees to work from home or work remotely, it is good to understand and keep in mind that this is an option for employment and it could help to spread the company to different areas of the city, state, or country for future expansion. While working remotely is not appropriate for every person, employees must be able to know their own motivations to complete the work. As companies begin to globalize and work with people around the world, this trend will continue to grow and potentially reduce office overhead costs as people complete their work from the comforts of home.

Job Sharing
Job sharing allows two people to share the responsibilities of a job, bringing more work-life balance and even more productivity to the bottom line. This is not a part-time responsibility for the two employees, but it is two employees sharing one job description, and essentially one identity fulfilled by two people (Weinreb). This can be a great opportunity for two people who are looking to lead a more balanced life style and may not be able to commit to completing all of the job responsibilities as the sole worker. This allows employees who can communicate well with each other and who are willing to invest the time into the situation to become “hyper-productive” while still being able to spend time with their families and other affairs (Weinreb). This trend has been popularized particularly with mothers in the work place as well as other caregivers.

Part-time
Part-time work is not a new concept, but many people after retirement age are looking for other opportunities to work part-time or full-time to stay active and still earn an income. If a company has a significant amount of full-time workers, it may be worth it to consider some part-time employees for the gaps in employment as well as to improve productivity with fresh mindsets. Keep in mind that part-time workers need to still be treated properly in that they should be given plenty of notice for when they are expected to work. Collaborating with employees to create a standardized schedule for part-time workers can help avoid extreme hour fluctuation and maintain consistency across the workforce.

Globalization
The world is becoming smaller with the introductions of new technologies, allowing employees to communicate across culture lines. Globalization accounts for companies moving into different markets after they feel they cannot excel in their current markets. This also provides opportunities to stimulate economic conditions of other countries that may not have as much opportunity for technology or even electricity. Keep globalization in mind in creating products and services; while small businesses may run predominantly in their communities, some small businesses operate solely online through their own websites or places like Etsy.com, where people can sell their hand-made
creations. With online operations, businesses may be interacting with customers from all over the world. Educating oneself in global practices, cultures, and market trends can help increase a business’s online traffic all over the world.

**Wellness Programs**
Healthcare is expensive, so wellness programs in the workplace have taken a strong hold to try to incentivize employees to live healthy and fit lives. Behavioral changes are the best way to promote healthy lifestyles, and the workplace can promote these changes through smoking and alcohol reduction, eating healthy, working out, and other programs to help the mental and physical states of employees.

Aon Consulting created a report on wellness and risk-management for companies that states, "60 percent of Americans don’t engage in enough physical activity, and chronic disease accounts for 75 percent of United States healthcare costs (Armstrong 175). Providing a wellness program or initiative can help cut those numbers and risks for the company and its employees. Some wellness programs include on-site fitness centers, discounts at fitness facilities, health screenings, monetary rewards for physical activity, and more. Some sort of wellness initiative, no matter how small, can impact the employees and their wellbeing as well as the bottom line of the company.

**Furthering Your HR Knowledge**
Human resources is a constantly evolving discipline and it offers many ways to stay up-to-date with the latest news and techniques in working with employees. Certifications help to show expertise in the subject, as well as keeping tabs on new recruiting methods, training opportunities, and employment laws. Simply creating a news alert on a search engine for specific key words or following LinkedIn Influencers in HR topics can help to gain and retain more knowledge.

**Certifications**
Becoming a certified human resources professional is a great option for any person in business because it gives employees the recognition to emphasize their knowledge and understanding of HR practices. Historically, the main certifications have been offered through the Human Resources Certification Institute (HRCI). As of 2015, the Society of Human Resource Management (SHRM) has created another certification process.

All of the HRCI Certification tests are taken on computers now through Computer-Based testing, or CBT. All of the certifications are valid for 3 years and require some sort of recertification, whether that is through earning credit hours or retaking the exam.

**SHRM CERTIFICATIONS**

<table>
<thead>
<tr>
<th>Certification</th>
<th>Experience</th>
<th>Format</th>
<th>Price</th>
<th>Recertification</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHRM Certified Professional (SHRM-CP)</td>
<td>1-4 years depending on degree in HR Role</td>
<td>Computer-based 160 questions Up to 4 hours</td>
<td>SHRM Member: $300 Nonmember: $400</td>
<td>Earn 60 Professional Development Credits every 3 years or retake the certification exam. Application fee is $100 for SHRM members, $150 for nonmembers</td>
</tr>
<tr>
<td>SHRM Senior Certified Professional (SHRM-SCP)</td>
<td>3-7 years depending on degree in HR Role</td>
<td>Computer-based 180 questions Up to 4 hours</td>
<td>SHRM Member: $300 Nonmember: $400</td>
<td></td>
</tr>
</tbody>
</table>
HRCI CERTIFICATIONS

<table>
<thead>
<tr>
<th>Certification</th>
<th>Experience</th>
<th>Location</th>
<th>Focus</th>
<th>Format</th>
<th>Price</th>
<th>Recertification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional in Human Resources (PHR)</td>
<td>1-4 years, depends on education</td>
<td>United States</td>
<td>HR Operations</td>
<td>CBT</td>
<td>$400</td>
<td>Recertification is required through professional development (60 recertification credits or retake exam).</td>
</tr>
<tr>
<td>Senior Professional in Human Resources (SPHR)</td>
<td>4-7 years, depends on education</td>
<td>United States</td>
<td>HR Strategy Development</td>
<td>CBT</td>
<td>$525</td>
<td>Earn 60 recertification credits, of which 15 credit hours are in Business Management and Strategy or retake exam.</td>
</tr>
<tr>
<td>Global Professional in Human Resources (GPHR)</td>
<td>2-4 years, depends on education; minimum 2 years</td>
<td>Global</td>
<td>Global HR professional</td>
<td>CBT</td>
<td>$525</td>
<td>Earn 60 recertification credits, of which 15 credit hours are in International HR or retake exam.</td>
</tr>
<tr>
<td>Human Resource Management Professional (HRMP)</td>
<td>4-7 years, depends on education; must demonstrate knowledge of</td>
<td>Outside of US</td>
<td>HR Strategy Development</td>
<td>CBT</td>
<td>$375</td>
<td>Earn 60 recertification credits, of which 15 credit hours are in Business Management and Strategy or retake exam.</td>
</tr>
<tr>
<td>Human Resource Business Professional (HRBP)</td>
<td>1-4 years, depends on education</td>
<td>Outside of US</td>
<td>HR Operations</td>
<td>CBT</td>
<td>$275</td>
<td>Earn 60 recertification credit hours or retake the exam.</td>
</tr>
<tr>
<td>California Certification (PHR-CA and SPHR-CA)</td>
<td>Must hold a current PHR or SPHR</td>
<td>HR Professional with operations in California</td>
<td>CBT</td>
<td>$325</td>
<td>Earn 60 hours of HR-related activities, of which 15 hours are California-specific or retake exam.</td>
<td></td>
</tr>
</tbody>
</table>

*Prices as of March 2015

Why should someone take the time to sit for a certification? The Society of Human Resource Management has developed some key benefits in earning certification. It can help to show the employee’s full breadth of knowledge with human resource practices, and the exams deal with knowledge and competency-based application. The certifications, whether from HRCI or SHRM, are globally recognized, and they cover the real-world challenges that human resource managers work through every day. It is a great way to show an employee’s mastery in the profession in addition to giving an employee more expert knowledge.

**Trends in Small Businesses**

Of the 10.9 million jobs added since the Great Recession, 7 million of those jobs were created through small enterprises or startups (Bagley). Small businesses greatly impact the economy, and the upward trends seen for these ventures make starting small business a valuable and exciting venture.

With technology such as 3D printing, small businesses may see an increase in small batch manufacturing (Bagley). As 3D printing becomes more mainstream, it will be easier for small businesses and entrepreneurs to utilize this for manufacturing processes.

Small businesses can also expect to see increased benefit in analyzing big data and manipulating it to benefit the customers and the market the company serves. This will help them to understand...
their customers better and predict buying patterns for success in the "internet of things" or creating collaboration among all aspects of a customer’s life and purchasing journey (Bagley).

Cloud computing technology will be a critical component to saving data space for small businesses (Bagley). This technology allows for employees to access information and software nearly anywhere, and it will keep the company processes streamlined and efficient.

While these are potential trends, it is important to keep up with larger business trends as well through websites such as the Wall Street Journal, Business Week, Forbes, and other reputable business media outlets. Keeping an eye on the public stock exchanges can also be useful to see what larger competitors are seeing success and failures in the market. Aligning a small business with a similar larger business, even if they are not competing on the same grounds, can help to mitigate potential issues for the small business by learning from larger business mistakes.
MOVING FORWARD

Continuing Human Resources Success
Small business owners and employees need to have a solid understanding of human resource practices even if they do not have a specific HR department or employee because it affects every aspect of the business from legal to safety. Human resources is needed now more than ever - companies are realizing that proper treatment of employees is just as important as proper treatment of customers because employees enhance and promote the brand of the company. The former CEO of General Electric Jack Welch says “human resources is one of the most important functions in any corporation,” and a human resources professional should have a permanent seat the executive table when important decisions are made (Shedd).

Strong and progressive HR departments are effective, and businesses must invest in their employees if they want to see longevity in their careers and low turnover. If companies are not providing funding for human resources departments to function and develop employees, employee disengagement will increase and more employees are likely to look for a new job, which increases turnover (Shedd). Small businesses should have awareness of human resources practices because even if there is not an established department, they still have employees who need to get paid, be promoted, be evaluated, and be further developed. As companies grow to fifty or more employees, legal regulations and compliance are in effect, and a human resources professional will be able to guide the company through issues safely.

Chris Joseph of Small Business Chronicle maintains that human resources in small businesses helps relieve burden and maintain compliance, but it also requires giving control over to how the business operates and it takes time and money to implement a new department (Joseph). Small businesses should weigh their options in creating or outsourcing a human resources department. Overall, it is essential to take HR into account when the company creates succession plans or strategic growth plans to remain compliant and maintain a healthy and happy workforce.
Works Cited


