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# HR TOOLKIT

## HR Toolkit: Elements of an Effective HR Function

The roles and requirements of Human Resource Professionals continue to evolve. New technologies, employee demographic shifts, and workforce globalization require HR leaders to demonstrate strong business acumen in addition to broadened HR expertise.  Below, we highlight critical components of an effective human resources department. Are all the pieces in place for optimal HR functioning in your organization?

### HR Strategic Management

Human Resources should serve as a business partner and driver of organizational change - guiding and supporting executive management, diagnosing operational inefficiencies, improving processes, researching trends and developing action-oriented solutions that impact the entire business.  Strong HR functions not only excel in traditional transactional services, but operate as thought leaders and value-added strategic planners with focus areas that include:

- Company short- and long-term strategy
- Workforce design, organizational goal alignment
- Workplan Analysis
- HR technology & systems management
- Global HR delivery
- Leadership theories & training
- Measuring results and providing quality feedback
- Implementing performance improvement strategies
- Development of employee involvement programs

### Compliance / Risk Management

HR professionals must also manage liability and minimize risk for their company using employment best practices. This includes ensuring their organization has drafted and published a comprehensive Employee Handbook that is reviewed by legal counsel and audited at least annually.  Related responsibilities include adhering to state and federal mandates, including I-9 regulations, ERISA, COBRA/HIPAA, Workers Compensation, OSHA, FLSA, FMLA and "Employment-At-Will" Doctrine. Other compliance and risk management areas of focus include:

- Health, Medical & Rehabilitation Statutes
- Uniform Guidelines on Employee Selection Procedures
- Compensation Laws and Regulations (FLSA)
- Family, Medical and Military Leave Laws and Regulations (FMLA and USERRA)
- Consumer Credit Protection Act (FCRA)
- Non-Compete/Non-Disclosure Agreements (Intellectual Property Rights)
- Job Analysis, Job Description and Job Specification (Validity & Reliability of Methods)
- Privacy Rights in the Workplace
- Linking Appraisals to Performance Decisions
- Harassment & Discrimination
- Drug and Alcohol Policies; Off Duty Conduct
- Hiring & Exiting Policies and Practices

- Occupational Safety and Health Administration (OSHA)
- Leave and Disability Management
- Employment Eligibility Procedures

## Workforce Planning and Employment (Recruitment, Selection & Retention)

Sourcing the right candidates, making great hires and retaining quality employees is pivotal to business success. Factoring in expenses related to sourcing, training, benefits and lost productivity, replacing an employee costs upwards of twice that employee's annual salary. That's why developing and implementing a strong talent management strategy will not only improve the bottom line, but also support productivity and high employee morale. Developing a competitive program includes:

- Recruiting methods and their effectiveness
- Diversity initiatives
- Onboarding programs
- Professional development and training
- Strong culture and leadership
- Interview training for hiring managers
- Employee feedback (employee surveys, exit interviews)
- Creative "perks"
- Recognition programs
- Budget and internal resource requirements
- Course objectives and content
- Regulatory requirements or new legislation
- Tracking employee training & development
- Offboarding programs

## Employee Engagement

Strong employee engagement fosters higher employee productivity, reduced turnover, higher profits for the company, and increased customer satisfaction. It has been proven time and time again that employees who are highly engaged are personally invested in their work and more enthusiastic about the company they work for. Focal points for carrying out effective employee engagement strategies include:

- Talent Assessment
- Workforce Planning
- Succession Planning
- Employee Surveys
- Implement Continuous Feedback
- Give Employees a Voice Program
- Live Company Core Values

## Performance Management

Shifts in workforce and market characteristics have spurred companies to re-examine their performance management practices. In response, some have added a competitive approach to performance appraisals, which frequently differentiates employees into "top" and "bottom" categories. The goal of this approach is to motivate employees to perform at a higher level, but growing evidence shows that it will not be accepted moving forward and will not foster employee engagement or improved retention. Instead, successful performance management clearly links corporate vision to individual employee performance and focuses on both individual and team accountability. When evaluating your current model, consider:

- Organizational goals and objectives
- Culture of organization (what makes sense for your business)
- Available software that can support a new model
- Manager & Employee training (roles/responsibilities)
- Performance-driven compensation
- Salary structure and levels (matrices)
- Talent challenges and workforce demographics

## Total Rewards (Compensation and Benefits)

Human capital is a key competitive advantage, yet current work pattern studies demonstrate increased turnover, absenteeism and stress-related illnesses. These represent an enormous cost to employers both

in increased healthcare expenses and loss of productivity. Ensuring employees feel valued while maintaining focus on rising healthcare costs and decreasing budgets can be overwhelming. A holistic and thoughtful approach to employee Total Rewards is vital. Programs and concepts that should be examined when establishing or assessing your company's Total Rewards strategy include:

- Employee demographics and needs
- Health and Welfare insurance programs
- Retirement Savings Plans (e.g., 401(k))
- Work-family balance (flextime, job sharing, telecommuting)
- Help & support (Employee Assistance Program)
- Tuition reimbursement programs
- "Health Aware" programs
- Corporate social responsibility practices
- Total compensation philosophy which could help attract top talent
- Salary benchmarks/evaluation of pay practices

### Human Resource Mentoring

HR mentoring programs are designed to identify workplace skills that should be developed or improved upon, especially when employees transition into new roles. Beginning with a baseline assessment, a mentoring program may utilize case studies and

Society for Human Resource Management (SHRM) competency groups to create a high-level strategy, plan, and resources to address needs and achieve objectives. When establishing a HR mentoring program, consider:

- Baseline Assessment
- Action Plan
- Skills and Benchmarking
- HR Structure

### Human Resource Development (Training and Development)

Training departments of old have been replaced with more versatile, less expensive, technology-forward solutions.  While still a crucial component of workforce development, the focus has shifted to individual learning environments and resources that reflect varied learning styles and minimize impact to employee schedules. Online learning, interactive software modules and distance learning are now common and highly popular options. When establishing your company's training and development programs, consider:

- Suitability for all learning types
- Employee demographics, including geographic location

## Want to Strengthen Your Organization's HR Function?

VCFO's deeply experienced and industry-proven HR experts have the knowledge and know-how to address any and all of your organization's human resources needs.  To request an HR Gap Analysis for your company or a consultation on areas reviewed in this Human Resources Toolkit, please **contact the vcfo office nearest you** or **email info@vcfo.com.**

**Austin -** 512.345.9441 ● **Dallas -** 972.312.8236 ● **Denver -** 303.938.8236 ● **Houston -** 713.462.8236

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