

Dear HR Knowledge, should we conduct an HR Assessment?

A comprehensive HR Assessment is an objective review of your current HR policies and procedures. An assessment gives you the opportunity to protect your company by identifying areas for improvement. The assessment should evaluate specific policies or practices to ensure they comply with the multitude of federal, state, and local laws. An assessment can also help identify best practices.

Deciding what to audit depends on what your company believes to be the weaknesses of the HR function. The Society for Human Resource Management (SHRM) identifies the most vulnerable aspects of HR as follows:

- Hiring and onboarding
- Performance management
- Discipline and termination
- Misclassification of exempt and nonexempt jobs
- Timekeeping practices and procedures
- Personnel files
- Form I-9 compliance

HR assessments can be time consuming and costly, but they benefit your company by protecting against potential litigation for noncompliance. Many small- to mid-size businesses face the daunting task of administering their own HR function, which is often spread among several people within the organization. Staying current with the ever-changing federal, state, and local law requirements can be difficult and confusing, but it's imperative given the risk of hefty fines, penalties, or lawsuits for noncompliance, all of which can significantly affect your bottom line.

Here's a look at some heavy penalties imposed in recent investigations conducted by government agencies.

- In 2016, the Department of Labor's (DOL's) wage and hour division obtained nearly **\$266 million** in back wages for approximately 280,000 workers throughout the US for minimum wage, overtime, and other wage violations.
- The Equal Employment Opportunity Commission (EEOC) secured more than **\$525 million** for victims of discrimination in private, state, and local government, as well as federal workplaces. This included **\$356.6 million** for victims of employment discrimination in private sector and state and local government workplaces through mediation, conciliation, and settlements
- In 2016, the EEOC resolved more than **92,000 charges of discrimination**.

Despite these startling numbers, many businesses choose to risk being audited, rather than take the time to correct noncompliance issues. Damages are harmful to your business, so we recommend taking a proactive approach to HR compliance in order to catch problem areas before a government agency does.



Interested in an HR assessment for your business, but have questions or need additional guidance about the process? [Contact HR Knowledge](#) to learn how we can help you assess the state of your HR function.

About HR Knowledge

Founded in 2001, HR Knowledge, Inc. is a privately funded company providing integrated outsourced HR services tailored to our clients' needs. Our full array of offerings includes managed payroll, employee benefits administration, and HR consulting and support services, such as training, compliance, custom-built software solutions, and Hiring Process Management™, our comprehensive recruitment service that takes you from finding to onboarding new talent. Our major markets are fast-growing small- and medium-sized businesses, many of which are venture-capital-backed; foreign companies expanding into the states; and charter schools. Partnering with HR Knowledge can reduce your administrative costs, minimize your legal risk, help you find and develop talent, and alleviate the HR burden so that you can focus on your core business.

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