



**MOST EFFECTIVE
HR PRACTICES
FOR YOUR
BUSINESS**

HR COMPLIANCE
CHECKLIST

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Organizations have struggled with HR standards compliance for a long time. This is owing to the fact that being in compliance is important not just for the benefit of the company but also for the sake of avoiding potential legal repercussions. This handguide will lead you through a comprehensive list of best HR practices and provide you with a way to develop an **HR compliance** checklist.



HR Compliance: Introduction

HR compliance is the activity of developing policies and procedures to ensure that your workers and work practices demonstrate a thorough understanding of all applicable laws and regulations, as well as the company's broader goals. As more and more laws and guidelines pertain to the workplace, businesses of all sizes are facing a more significant risk of legal action for failing to comply. Business owners should keep the following in mind while drafting HR policies and procedures for any **HRMS system**:

- A company's policies must be in accordance with all local, state, and central labor regulations.
- Audits of enterprises and the imposition of monetary penalties and fines for noncompliance are both under the purview of enforcement agencies.
- You cannot avoid your duties by claiming that you are either unaware of or incapable of understanding them.
- A litigation settlement might wipe out a company's assets.

Every time regulations are updated, there are new obstacles to overcome. Businesses must ensure that their HR departments are up-to-date on all applicable compliances and regulations.

What Does HR Compliance Consist Of?

HR compliance, in its simplest form, is the practice of ensuring that a corporation (or other organization) operates in accordance with all applicable laws, regulations, and internal policies. Corporations operating in the financial sector, for instance, must avoid breaking any laws issued at the federal level. For nonprofits, there is also a substantial amount of work involved in accurately recording all monetary transactions. HR regulations are typically a result of ensuring that a company is following federal and state laws, and they may impose legal obligations on both employers and employees.

HR Plays a Crucial Role in Ensuring Compliance

HR plays an essential role in helping businesses achieve their growth objectives while adhering to regulatory requirements that have an impact on core company functions including hiring, training, and retaining employees. When trying to find a middle ground between strategy and compliance, it can be helpful to start with a clear list of goals.

Understanding the company's long-term goals is essential for evaluating the potential effects of alternative courses of action and taking compliance into account when making business decisions. HR objectives are part of a company's overall strategy and must consider a number of factors, including the law.

HR Compliance Checklist

📌 Hiring Procedures

A professional hiring process is crucial and should include things like offer letters, paperwork for new hires, and contracts. It should be taken care that there is no discrimination in the workplace on the basis of race, belief, religion, gender identity, or nationality.

📌 Recruitment Through Interviews

The current job application and job titles should be reflected in the checklist alongside information on the recruitment and interviewing of new employees. Businesses of all sizes need to follow this regulation. Adherence to the Fair Employment and Housing Act is mandatory. There should be an explanation of how prospective employees' recommendations will be reviewed, as well as how various processes will take place.



📌 The Policies and Procedures

It is quite important to review the company's handbook and any other relevant regulations & procedures. Ensure your company is in compliance with all laws by checking on this periodically and updating them in the **HR automation software**. In order to ensure compliance with all applicable local, state, and central regulations, a reevaluation analysis must be performed on a regular basis. The employment laws include:

- Family and Medical Leave Act (FMLA).
- COBRA and unemployment compensation.
- Medical insurance benefits
- Alcohol and drug-free workplace
- Rehabilitation assistance.
- Fair pay.
- Ergonomics issues.

📌 Employee Handbook

Since it contains all policies relevant to the organization, an employee handbook is essential. It offers in-depth explanations on significant issues, such as benefits, pay, and training options for professionals. The following guidelines should be included in your company's handbook:

- There needs to be a policy in place regarding fair employment practices that abides by all local, state, and central guidelines.
- It is also important to develop a mobile phone policy that outlines the rules for employees to follow when using their phones on the job.
- The establishment of Internet usage guidelines is also recommended. Guidelines for appropriate behavior, language, and level of exposure while using the internet. It could also provide a blacklist of sites individuals should avoid visiting.
- Include a description of acceptable and unacceptable clothing and other accessories.
- Adherence to the Minimum Wage Act of 1948 is essential. This law establishes uniform minimum wage rates for all businesses in India; these rates are set jointly by the central and state governments. Depending on the market, the job, and the location, this pay may become standard. The minimum wage is set by the cost of living.
- The Occupational Safety and Health Administration (OSHA), which regulates health and safety at the workplace, needs to be incorporated.
- If the business is sufficiently sizable, then it must offer its employees some reasonable health care benefits.

📌 Drug Use, Sexual Harassment, and Workplace Aggression

Consistent training and educational events on the topic of sexual misconduct should be organized. Bullying in the workplace is another serious problem that needs to be addressed. As a business expands, bullying tends to become more commonplace. This sort of behavior necessitates reporting to authorities so it can be handled properly.

According to a survey performed by Careerbuilder.in, approximately 55% of Indian employees are bullied at work. Research suggests that 30% of bullied workers end up quitting their jobs as a result of the experience. It's also important to think about enforcing a zero-tolerance policy for drugs in the workplace.

➤ The DiSC System

By incorporating a DiSC program within the organization, the corporation will be able to showcase the most qualified candidates. As a point of reference, a DiSC personality evaluation is a technique that may be used in a non-judgmental way to talk about how people behave differently.

In this way, applicants who aren't a good fit for the role they're seeking or the organization as a whole will be weeded out. Each set of questions and the outcomes should be documented and reported for the benefit of the business.

➤ Working Time And Paid Holidays

"Work time" refers to the hours an employee spends on the company's operations. All time spent working, whether authorized or not, must be compensated for by the employer through payroll software. This includes time spent traveling to and from work, eating lunch while on the go, & any other similar activities.

Even in states like New York, where paid leave is not required except in certain circumstances, the policy for providing paid leave must be formulated and allowed.

➤ Unemployment Benefits

As part of HR compliance, employers must pay out unemployment benefits to workers who are being fired due to poor performance. However, dismissals that occur within the probationary period will not be eligible for this compensation. Individuals who are fired because of their actions are not eligible for rehire under any circumstances.

➤ Corporate Webinars and Training For Managers

The key to a productive workforce is a strong management team. Every year, managers get the training they need to fine-tune their understanding of what they must know to successfully lead their teams. With this assurance, managers will be better able to anticipate and respond to problems that may arise as a result of teamwork and customer interactions.

Managers need training in areas such as conducting performance evaluations, adjusting their own leadership styles to fit the situation, dealing with difficult employees, avoiding discrimination & harassment at all levels, firing employees, and enforcing safety policies. HR professionals should foster a productive atmosphere in the workplace for everyone with the help of HR software.



Human Resources Compliance: Best Practices

› Corporations' Norms and Values

To set the standard for your company, provide a working environment where everyone feels welcome and respected. To enhance relationships among employees, a zero-tolerance policy for harassment in the workplace should be implemented. The ability to maintain a positive outlook can be honed via the practice of giving and receiving respect.

› Policy Handbook

Having rules that aren't clearly communicated will make them tough to enforce. A company's size has no bearing on the importance of an employee handbook. Everything from the company's values to its policies on recruiting, pay, benefits, performance reviews, and even termination should be mentioned well in this document.

Incorporate a statement clarifying that you will not stand for any type of discrimination or harassment. Distribute copies to staff members and keep a record of their signed acknowledgment of receipt.

› Record Keeping

Employers are often compelled by law to maintain record-keeping systems. You must be able to quickly access the necessary files in the case of an inspection or correspondence from a regulatory body. You need to have created these records yourself in order to access them. On the other hand, it's crucial to have a centralized, safe system in place for handling all of your staff's personal information.

› Enhance Your Knowledge

Firms need to regularly examine the state of their compliance environment to ensure that it remains compliant, rather than assuming that compliance will occur automatically. It is necessary to update processes and procedures in light of new and changing legislation and industry best practices. Make the necessary policy changes and see that they are carried out in the right way.

› Technology

Employing technology that streamlines Human Capital Management (HCM), time tracking, and payroll allows you to comply with regulations:

- Companies that develop cloud-based software keep tabs on labor law developments and update their services accordingly. For this reason, if the minimum wage is increased in one state, the software used to process payroll will update itself accordingly.
- A key function of Human Capital Management (HCM) software is to ensure that your HR policies are consistently enforced through automated means, and HR best practices are one way to do just that. With HCM in place, all performance reviews will be created by managers using the same structure and grading method.
- A time and attendance software gathers detailed records of an employee's working time for use in future audits.
- Payroll processing software ensures compliance with central, state, and local tax requirements.

➤ Training

Establish an efficient method of monitoring attendance to ensure that all employees and management are receiving the mandatory training they are obliged to receive on topics like discrimination & harassment. One of the most successful ways to head off compliance issues is to provide managers with training on HR policies, how to give constructive feedback, how to conduct an interview, and how to write a fair performance review.

➤ Reporting By Employees

It's essential for employees to have a standardized way to report problems. Professionals have the option of remaining anonymous but should feel free to provide their names if they want their concerns addressed quickly. Build an automated system that reports customer concerns to the right people in charge.

➤ Investigations and Penalties

Problems with behavior or productivity should be meticulously recorded. If there is a problem, look into it right away and fix it if you can. Don't just go with your instinct; research the situation thoroughly. Before taking any disciplinary action, including termination, it is crucial to finish the investigation.

➤ A Third-Party's Expertise

Consultation with a compliance specialist should be sought out during complaints and inquiries. If you don't want to slow down the expansion of your company to learn the ins and outs of labor laws, benefits, and payout policies, you might want to look into HR outsourcing.

HR Compliance Concerns

➤ Payroll and Leave Policies

Child labor, minimum wage, overtime pay, and meal break requirements are all written in detail in the Hour and Wage Laws. The Fair Labor Standards Act sets the national standard for minimum wage and overtime pay, while many states have their own standards.

Compliance issues arise when businesses fail to record and report employees' time worked. When employees have to manually enter their own payroll data, mistakes are more likely to occur. HR must ensure that all employees are compensated fairly for the hours they put in.

➤ Medical and Family Leave Act

The Medical and Family Leave Act is a federal law that allows employees to request up to 12 weeks of unpaid leave to care for a sick family member or themselves. This law protects employees from being fired if they are required to take an extended leave of absence.

When an employee returns to work after taking 12 weeks of unpaid absence, they should not face retaliation. If you work in HR, it is your duty to make sure that everyone is given the same treatment under the Medical and Family Leave Act.

➤ Upholding a Safe Work Environment

Guaranteeing workers' safety in the workplace is OSHA's top priority. According to the legislation, all employees have the right to work in a safe and healthy environment. Though the Act is presently undergoing adjustments and corrections due to administrative concerns, the HR authorities must keep an eye on documenting duties.

Compliance with human rights laws is fundamental to HR management. When writing a compliance manual, it is critical to bear in mind the importance of employee rights, fair pay, a secure workplace, and appropriate benefits. HR compliance may seem like a formality at first glance, but a closer look reveals that the HR compliance department has an effect on your company's staff and overall success.

