



HR2You Business HR Risk Checklist

Have you looked below the surface?

Too often a company will run along at full steam and assume everything is ok and there is nothing to worry about in terms of risk with their employee management practices. Then suddenly, out of nowhere, they hit that iceberg. At first the iceberg looks small and easy to push aside, but like many businesses they haven't looked below the surface to see what the problems really are. Before they know it, it's all hands on deck and there is a real risk of sinking.

Many business owners see their beloved businesses as an unsinkable Titanic. But like the Titanic it only takes a breakdown in processes and procedures to ensure that collision with an iceberg becomes fatal.

Take the time to read through this checklist and ask yourself if you have covered all the bases. Could your business be doing more to avoid that sinking feeling?

This extensive checklist will cover all aspects of employee management, much like a self audit.

At the end of each question there are two boxes. Here you enter a score to self rate your business on your current activity around that subject and also if that activity is important to your business. There are sub-totals for each section, so add them up at the end to see how you rate.

Sink or sail on, what is the risk to your business?

How to score your checklist.

For "What you're doing" 1=No, not at all; 2=Occasionally; 3=Yes we do this.

For "Is this important to you?" 1=No, not at all; 2=Mildly; 3=Yes, very important.



Hiring:

Activity	What you're doing.	Is this important to you?
Do you have a recruitment process in place?		
Do you have a position description for the role?		
Do you adequately set role expectations for candidates?		
Do you review the skill sets and qualities required in the position?		
Have you profiled the type of candidate you would like to interview?		
Do you have a set list of questions for each candidate interview?		
Do you have technical or scenario questions for skilled positions?		
Do you call referees with a set list of questions?		
Have you checked what you can and can't ask in a job interview?		
Do you use a compliant employee agreement when signing staff up?		
Are you up to date with the latest employment conditions for each position?		
Do you provide a copy of the relevant Award to each new employee?		
Do you provide a copy of the Fairwork Information Statement to each new employee?		
Do you review your employment agreement on a regular basis?		
Do you have an orientation process for new employees?		
Do you induct new employees into the business?		
Do you conduct a probationary performance review?		
Do you review your recruitment process on a regular basis?		
Totals:		

Add your scores up and compare where you are with where you want to be.

How to score your checklist.

For "What you're doing" 1=No, not at all; 2=Occasionally; 3=Yes we do this.

For "Is this important to you?" 1=No, not at all; 2=Mildly; 3=Yes, very important.



Managing:

Activity	What you're doing.	Is this important to you?
Do you have a training schedule in place for employees?		
Do you gather feedback from employees on their training?		
Do you have a performance management process in place ?		
Do you review position descriptions?		
Do you provide management training for managers?		
Do you provide employee performance management training for managers?		
Do you train managers in employment conditions (Awards/NES)?		
Do you have a set of workplace policies and procedures in place?		
Do you have a HR management system to track documents and employee data?		
Do you record and document all performance issue related meetings with employees?		
Do you have a grievance procedure in place?		
Do you have a policy in place for taking annual leave and sick leave?		
Do you annually assess wages against awards for all employees?		
Do you have a Disciplinary Procedure in place?		
Do you provide pay slips?		
Have you checked that your employee records are compliant?		
Do you conduct employee feedback surveys?		
Do you conduct weekly employee meetings?		
Do you have an employee recognition program in place?		
Totals:		

Add your scores up and compare where you are with where you want to be.

How to score your checklist.

For "What you're doing" 1=No, not at all; 2=Occasionally; 3=Yes we do this.

For "Is this important to you?" 1=No, not at all; 2=Mildly; 3=Yes, very important.



Firing:

Activity	What you're doing.	Is this important to you?
Have you updated your redundancy process to comply with relevant awards/NES?		
Are you up to date with redundancy pay periods?		
Are you aware of what constitutes an unfair dismissal?		
Are you aware of what constitutes an unlawful termination?		
Are you up to date with what entitlements are owing upon termination?		
Are you up to date with the notice periods based on length of service?		
Do you have a confidential information policy in place?		
Do you have an Intellectual Property policy in place?		
Do you have a process in place for letting staff go?		
Do you conduct exit interviews with employees that are leaving?		
Do you track the reasons why employees leave?		
Do you have an exit checklist for when employees leave?		
Do you have a Summary Dismissal policy in place?		
Are you up to date with what an 'Adverse Action' is?		
Do you train your managers on any of the above?		
	Totals:	

Add your scores up and compare where you are with where you want to be.



Hiring:

Most employee issues have their beginnings in the hiring phase.

If you have scored lowly on this section then chances are that you are adding risk to your business down the track. Non-compliance with workplace laws and setting unrealistic expectations are the biggest problems in this phase. No employment agreement (or an outdated one) can set up a business for legal, behavioural and performance issues. Give employees an inaccurate expectation of the job and you are setting your business up for the high cost of staff turnover.

A lack of preparation in procedure and process in this phase can cripple a business over time. It doesn't take long to set up a hiring process that can return huge tangible benefits to a small or medium business.

Managing:

So you are through the hiring phase and all the hard work is done, right? No. There is plenty to do and get right in this phase as well. You can hire all the great people you can find, but you still have to manage them properly.

“If you don't performance manage them, don't expect them to perform.”

A lack of performance management is a lack of engagement, and certainly one of the biggest issues for employers. It opens up your business to risks from poor performance to unfair dismissal claims. Many an employer has hired who they thought was the best candidate, only to wonder six months later why that new employee was not living up to expectations.

Many employers also never seek to improve their management skills and in changing times and expectations from employees they fail to learn how to motivate and thus retain good talent. Employees respect and respond to good people management – if they don't, then they aren't a good fit for your business and move them on.

Firing:

The main risk in exiting an employee is an unfair dismissal claim. Even if your business wins the case, there is the time and money spent defending the claim and the flow on effects through the ranks of the employees (and possibly your industry).

Don't get the Management phase right with performance management, documentation and behavioural policies and you are basically putting employees in a position where you *have* to fire them for poor performance or misbehaving. It can then be hard to justify their dismissal in an unfair dismissal claim.

Also if you have a substantial staff turnover many businesses fail to do exit surveys to track why staff are leaving. This is valuable information that could uncover issues in your business that need addressing.

If there's a big gap in the scores between what you are doing and where you want to be in your people management and you can identify with any of the issues and risks above, then contact HR2You today and set up a no-obligation chat about how we can help you reduce risk and maximise your best asset – your people.