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HIRE POWER

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Did you know that the laws governing a business with 20 employees are vastly different from the ones that apply to a 50-employee venture? What you don't know can do more than hurt you...it can bring a thriving company to its knees.

As countless American companies tiptoe toward recovery in a treacherous economy, it pays to be cautious. Of course, if you're considering adding employees to your team, then you're doing something right. Safeguard that success with the strategic use of human resources. It's your most valuable tool in navigating re-growth, one careful step at a time.

READING THE SIGNS

Like any key area of your business, human resources can work as a huge asset as long as you manage things properly and comply with the rules and regulations that apply. Laws vary based primarily on company size and location.

Those rules and regulations fall into four broad categories: wage and hour; time off; benefits; and training. Here's a brief rundown of the kinds of things you must include in your plans for company growth if you are located in California. Each state demands its own compliance with labor laws.

Wage and Hour

Anything and everything that relates to payroll, from how you pay to when you pay and how much you pay your employees, must comply with state and federal employment laws. There are laws that govern how quickly you must pay a terminated employee (voluntary v. involuntary termination) and how to handle paycheck errors. Cutting corners in the payroll department can cost you a lot more than it saves. It's absolutely vital that the management of these important aspects of your business are handled by someone who knows the laws in your industry and locale.

Time Off

Any time off that you grant employees, including leaves of absence, vacation and sick days (and whether and how much you pay them), can be affected by a number of regulations. A variety of statutes designed to protect employees' rights apply differently based on how many employees you have.

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Legal compliance is more and more complicated each year in all states. New laws make tracking requirements essential.

It should go without saying that sick days, vacation time, leaves of absence and other time off must comply with the law and should be granted fairly to all eligible employees, regardless of gender, race, age or other protected group category.

Benefits

Every perk you provide is governed by some regulation. You can't avoid the law by eliminating benefits altogether; some benefits are statutory...things like disability coverage and workers' compensation insurance. Employee health insurance coverage and company vehicle privileges can open you up to serious liability if they're managed carelessly. Ensure that every resource you allocate is handled thoughtfully (and legally).

Training

Your company must meet applicable laws such as safety, sexual harassment, OSHA standards and other training required for your industry and in your state of operation. Requirements fluctuate with your employee count.

Downsizing

Just as there are compliance issues related to growth, there are regulations that go along with downsizing. Plant closures and layoffs can require 60 days' notice. If you have large layoffs on the horizon, be sure to review the regulations to ensure that your plans meet all related legal requirements.

PLAYING THE NUMBERS GAME

Most employers know they must comply with the laws in their industries and locales. Many are surprised to learn that the laws are different based on the size of your company. So if you've been cruising along with 24 employees for several years and decide to hire an additional administrative assistant to support your sales team, you'd better know that the rules of the game will change. Adding one more employee will have bumped you out of the smallest category and into the next level of compliance requirements.

Very Small Business (Fewer than 25 employees)

When you have fewer than 25 employees, you work like crazy-but chances are, you're not spending much of that time worrying about employer compliance issues. Even then you must comply with more than 20 different laws. But when you hire a 25th worker, you may notice a few more changes.

Moderately Small Business (25 to 49 employees)

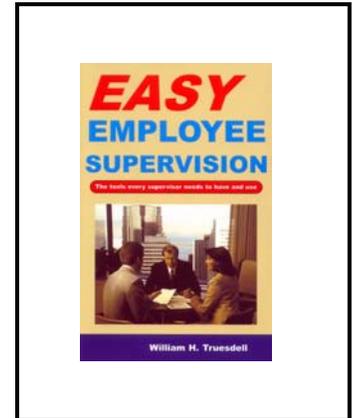
When your company expands to this level, there are a few more issues to be concerned with. Employees with addictions are entitled to certain rehabilitation rights. Abused spouses are entitled to domestic violence leave to relocate, seek counseling and the like. Employees with children are entitled to 40 hours per school year to attend their children's school activities. These are just a few examples; other family and military leave statutes and illiteracy programs also apply at this level.

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Easy Employee Supervision

Whether you are seeking help with employee motivation issues, performance management, or disciplinary questions, this book can help you quickly. It is the one desk-top reference you should have handy every day.

http://www.management-advantage.com/products/easy_book.htm



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Small Business (50 to 74 employees)

Hiring your 50th employee is a big moment for any entrepreneur. The upside: You've achieved a level of success that few businesses realize. The downside: Steering clear of regulatory mishaps can become a full-time job. You may have to maintain annual Equal Employment Opportunity (EEO) tracking and reporting compliance; provide mandatory sexual harassment training (SB1825); participate in affirmative action, grant *Family & Medical Leave Act (FMLA)*, *California Family Rights Act (CFRA)* leaves; and provide voluntary firefighters' leave.

There's more. You're also subject to the *Worker Adjustment and Retraining (WARN) Act*, a schedule of rules and regulations that pertain to providing advance notice of plant closures and layoffs. But just remember, the grass is always greener on your side of the fence...at least it is to the folks with even more employees!

Medium-Sized Business (75 to 99 employees)

California WARN compliance becomes more critical at this stage, and the numbers alone can sometimes make regulatory compliance a bit more difficult. Things step up again, of course, when you reach the triple digits in employee headcount.

Large Business (100 or more employees)

When you hire your hundredth employee, you can certainly say you've made it. Everything is on a larger scale, from sales to liability. Your numbers expose you to greater risk, as the workplace provides more opportunities for employees to become injured or disgruntled. It's easier to make costly clerical errors relating to payroll, or management oversight that fails to notice a missed lunch break. Doing what you've always done may no longer be effective. Keeping your eyes on the big picture requires a watchful eye on detail and depth as it relates to sound business practices.

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Large or small, employers need to be aware of the constantly shifting regulatory and legal demands placed on them. Be sure you understand your state requirements and have a way of staying current about their impact on your business operations. It's a mistake to believe that human resources is just another cog in the business wheel. Imbue your human resources team, whether that's one person or a specialized company you've engaged, with a sincere vision of who you are and where you want to go.

About CanopyHR Solutions: Based in Irvine, California, CanopyHR Solutions is a progressive payroll and human resources company dedicated to helping its customers maximize the power of their people, increase business efficiencies, lower costs and focus on what they do best. For more information, visit www.canopyhr.com.

For more detailed information about state and federal laws and regulations regarding employee management see our FREE report "U.S. and California Laws and Regulations Concerning Employee Management" at <http://www.management-advantage.com/products/free-laws.htm>. And, don't forget that your management attorney is your best friend when it comes to questions about legal compliance. Talk often with your expert(s) so you can make informed decisions that bring you the lowest possible legal risk.

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