

# HR Compliance Checklist for Small Businesses

A quick self-check to help business owners identify common HR compliance gaps before they become expensive problems.



## Growing Complexity

Most growing businesses reach a point where HR responsibilities become more complicated than expected. Hiring, documentation, employee policies, and compliance requirements can quietly create risk if systems are not in place.



## Identify the Gaps

This checklist helps you quickly review the most common HR compliance areas so you can identify potential gaps and strengthen your HR foundation.



## Quick Review

Estimated time to review: 3 - 5 minutes

# HR Compliance Self-Check

Quick questions to identify common HR compliance gaps in your business.

- ❏ For owners of growing field, service, and operations-based businesses that don't have in-house HR but know it's time to tighten things up.

Review each area on the following slides.

# Hiring & Onboarding Documentation

Ask yourself:

Do we maintain clear job descriptions for each role?

Are offer letters or employment agreements documented consistently?

Are I-9 forms completed and stored correctly for every employee?

Do new hires complete all required employment paperwork?

Is onboarding structured rather than informal?

If you hesitated on any of these: Inconsistent onboarding and missing documentation are among the most common compliance gaps, and among the easiest to fix with the right templates.

# Wage & Hour Compliance + Policies & Handbook

## Wage & Hour Compliance

Ask yourself:

Are employee classifications (exempt vs non-exempt) correct?

Are hours, breaks, and overtime tracked accurately?

Do payroll records meet legal recordkeeping requirements?

Are pay policies communicated clearly to employees?

Wage and hour issues are one of the most common sources of employee complaints and regulatory audits.

## Policies & Employee Handbook

Ask yourself:

Do we have an updated employee handbook?

Are key policies documented and communicated?

Are employees acknowledging policies in writing?

Are policies reviewed periodically as laws change?

An outdated or missing handbook leaves you without a clear framework for managing employee issues consistently and legally.

# Employee Documentation & Workplace Complaints

## Employee Documentation

Ask yourself:

Are performance issues documented consistently?

Are employee files organized and stored securely?

Are disciplinary actions documented when necessary?

Could we quickly locate HR records if needed?

Poor documentation is one of the biggest risks in employee disputes. A simple, consistent system makes all the difference.

## Workplace Issues & Complaints

Ask yourself:

Do employees know how to report workplace concerns?

Are complaints documented and addressed promptly?

Do managers know how to escalate HR issues appropriately?

Are investigations handled consistently?

Having a clear, documented process for handling complaints protects both your employees and your business.

# What Your Answers May Indicate

If you answered "No" or "Not Sure" to several questions, that's very common for growing businesses. Many companies build their HR practices informally at first and only later realize that stronger systems are needed.

## Areas that commonly need attention include:



### Employee Documentation

Consistent documentation of performance issues, disciplinary actions, and employee records.



### Hiring & Onboarding

Structured processes and complete paperwork for every new hire.



### Wage & Hour Compliance

Accurate classification, timekeeping, and payroll recordkeeping.



### Policies & Handbooks

Updated, communicated, and acknowledged workplace policies.



### Employee Issues

Clear processes for handling complaints and workplace concerns.

Addressing these areas early can help prevent employee disputes, compliance problems, and operational stress.



# Strengthening Your HR Foundation

Lean In HR helps growing businesses put calm, practical HR systems in place so owners can focus on running their companies instead of navigating employee issues alone.

Founder Kelly Murphy brings more than 18 years of HR leadership experience and holds both PHR and SHRM certifications.

## Lean In HR provides hands-on support with:

- Employee relations
- Compliance and policy development
- Hiring and onboarding systems
- HR structure for growing teams

If this checklist raised questions about your current HR practices, you may benefit from a short HR review conversation.

[Schedule a Consultation](#)

[leaninhr.com](https://leaninhr.com)

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# The 7 Most Common HR Compliance Mistakes Small Businesses Make

Most compliance problems don't come from bad intentions - they come from fast growth and informal processes that were never formalized.



## 1. Misclassifying Employees

Incorrectly classifying workers as exempt or contractors creates significant wage and hour liability.



## 2. Incomplete Hiring Documentation

Missing I-9s, offer letters, or inconsistent paperwork creates serious compliance risk.



## 3. Outdated Employee Handbooks

Policies written years ago often fail to reflect current employment law.



## 4. Poor Documentation of Issues

Verbal-only performance conversations leave you without support for future employment decisions.



## 5. Inconsistent Time Tracking

Gaps in timekeeping and payroll practices can lead to unintentional wage and hour violations.



## 6. No Clear Complaint Process

Without a documented process, workplace issues can escalate into legal or cultural problems.



## 7. HR Systems Dependent on Owner

When HR knowledge lives only in the owner's head, compliance and consistency suffer.



# A Strong HR Foundation Prevents Bigger Problems

Most HR compliance problems are preventable when businesses put simple systems in place early. Clear documentation, consistent policies, and structured processes protect both the company and its employees. Lean In HR helps growing companies build practical HR systems that reduce risk and support healthy team growth.

[Schedule a Consultation](#)