



3 Ways to Reduce Your Risk & Liability in HR



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Introduction

Simply put, the performance and skill of individuals can make or break a company's success. This only means one thing – your HR department is one of the most risk-prone areas of your business. Employment laws witness constant changes and the pandemic has brought in brand new challenges for HR managers. As a result, managing risks has become more complicated than ever for HR managers.

Companies across the globe are in search of sustainable growth and their targets' demands are on a sharp rise. Such a rise in consumer power demands companies to transform their talent pools and rethink the way their HR functions juggle risks and liabilities. While no two policies associated with employment risks and liabilities are the same – the ability to pinpoint the exact policy covering a specific liability helps a great deal.

The most common areas of potential risk that are typically responsible for millions in liability in HR include Wage and Hour Claims, Class Actions, Family and Medical Leave Act (FMLA) violations, Data Breaches, Whistle-Blower Actions, Social Media, Gender and Sexual Orientation Claims, Discrimination, and Alternative Work Arrangements. The ever-changing maze of employment laws is nothing short of a labyrinth and a single misstep can cost companies an arm and a leg. In addition, having to navigate these changes and maintain consistency in terms of compliance eats up a massive chunk of HR managers' time.

Considering the many compliance roadblocks, the most logical question that arises is: how to reduce your risk and liability in HR in an ever-changing environment?

The answer? Implementing the 3 most important pillars to hold the monument of compliance together. These include well-planned and consistently updated training programs, result-yielding risk analysis, and the use of reliable compliance software. Read on to understand how these three elements come together to form a fail-proof action plan to help reduce your risk and liability in HR.



1. Implement Proper Training Programs

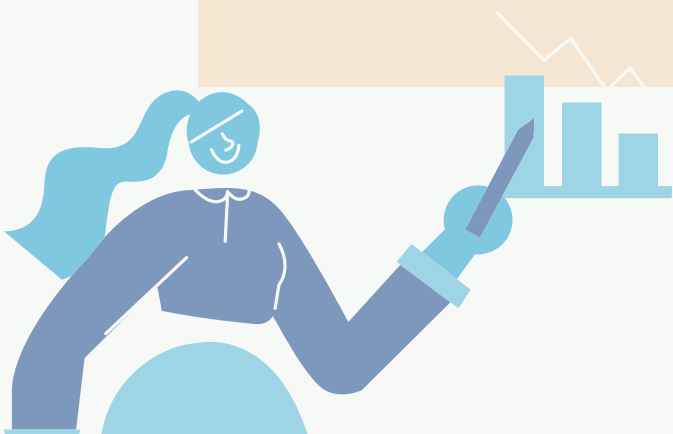
When it comes to hiring and retaining the best employees, companies must ensure more than just attractive salaries. Several dedicated employees are on a constant lookout for expanding their careers. This demands that your company offer them the space to grow and progress. Sadly, however, carving career roads built with an effective communication system is a major Achilles heel of most companies, according to Forbes. This is when your best employees walk out the door. In some cases, employees may also end up taking their issues to social media or the court.

The result? The company's reputation takes a hit and several million flows out in lawsuits.

The risks that trigger this liability can arise due to several reasons – workplace misconduct, not adhering to labor laws, and not taking the right action for employee safety, to name a few – that can typically be avoided with the right understanding.

The most important ingredient that helps reduce your risk and liability in HR includes the combination of robust employee policies and an effective compliance training program. When it comes to training, however, it's critical to understand that it is not a "one-time thing." Your policies need constant revamping with the changing laws and subsequently, your training sessions must be consistent and must reflect your updated policies.

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2. Conduct Risk Analysis

If you work in HR, you've probably journeyed through the complex lanes of laws that govern employment. To stay compliant with your state, federal, and local employment laws and regulations, it's critical to consistently stay updated with the way they change.

HR risk analysis is critical to identify and analyze the risks that employees can pose to the company. It puts the spotlight on risks associated with employees' behavior and employee management. It also dives into the risks that may surface from certain resources or methods HR managers apply to hire or fire employees.

From part-time employees to C-level managers, HR risk management travels across the entire corporate ladder to search, analyze, and mitigate the rise of risks before "it's too late." Here's what to consider when running your HR risk analysis:

01

HR departments must ensure maximum compliance with all the state, federal, and local laws related to employment.

02

When welcoming new hires, it's important to gather feedback regarding the onboarding process.

03

Leaders must become the role-models for other employees when it comes to building a strong culture of ethics and compliance.



3. Use A Compliance Software

HR managers must always be up-to-date with labor regulations and create strategies to remain compliant. To reduce your risk and liability in HR, your HR managers must:

- Realize the state, federal, local, and international labor laws.
- Stay updated with any changes in these laws at all times.
- Incorporate any changes within the employee policy and compliance program.
- Ensure run regular audits to maintain maximum compliance with these laws.

Deploying such a comprehensive compliance strategy poses several difficult challenges for HR managers, including:

- Difficulty tracking and complying with thousands of ever-changing employment laws.
- A lot of time and money is poured into tracking the tricky lanes of compliance requirements.
- A single misstep exposes HR managers to a high amount of risk and liability – ultimately triggering expensive organized labor and legal settlements.

Fortunately, however, using the right software like VirgilHR's SaaS solution for HR teams can substantially reduce your risk and liability in HR by:

- Integrating the (proprietary) database of the most updated employment and labor law requirements into the company's HR tech.
- Making it effortless for the HR department to stay compliant with all decisions covering the employment law – onboarding, leave requests, and offboards, to name a few.
- Offering real-time knowledge and advice within the arenas of federal, state, and local labor and employment laws.
- Supplying 100% accurate information to reduce the possibility of any missteps and thereby wiping out the chances of expensive legal costs.



Conclusion

When the time comes to reduce your risk and liability in HR, here are some key steps to keep in mind:

- Hunt for the existence of the risk
- Gauge the scope that the risk presents
- Hunt for ways to reduce your risk and liability in HR
- Deploy comprehensive strategies to reduce the risk

Such a process demands a thorough understanding of the employment laws (and how they change), a solid knowledge of what ethical behavior comprises, and the willingness and ease of “doing the right thing.”

Ask yourself: Is your HR department struggling to manage the compliance tasks? Do they spend too much time handling, filing, and storing the information manually?

Now imagine: What if all your tasks for complying with labor law are managed in the background with minimum effort from your side? Your HR managers now have all that extra time for strategic decision-making across your business. You omit practically all room for error and your risk for expensive lawsuits now stoops considerably. Gradually, the ethical meter of your workplace shoots up and you now have an efficient and confident HR team, a happy workforce, and a high possibility of growth.

This is exactly what VirgilHR brings to the table. [Reach out to us now](#) to bring the HR compliance revolution to your business and easily reduce your risk and liability in HR!

