



Small Business HR Readiness Guide

A simple, practical tool to help you decide whether it may be time to formalize your HR structure.

Introduction

As your small business grows and your responsibilities expand from daily operations to leading people, your role begins to shift from “builder” to “decision-maker.” With that shift comes greater exposure, greater accountability, and a greater need to ensure that expectations, practices, and employment decisions are thoughtful, consistent, and defensible.

This guide is designed to help you step back and look at your business through a broader lens — one that considers risk, stability, culture, and the long-term protection of the organization you’ve worked hard to create.

How to Use This Guide

For each section statement, choose the option that best describes your situation today:

- **Strongly Agree** — This is true in most or all situations
- **Somewhat Agree** — Usually true, but not always
- **Somewhat Concerned** — We’re starting to feel strain here
- **Needs Attention** — This area feels uncomfortable or at risk

This guide is not intended to tell you what to do or how to structure your workplace. Instead, it will help you recognize whether you’re in a stage where:

- No action is needed yet
- It may be time to prepare, or
- Action may soon be important to protect the business.



SECTION 1: Decision-Making Confidence & Day-to-Day Situations

What used to be a quick judgment call can turn into something that feels risky, emotional, or uncertain, especially when there is nothing written down to reference.

1. When I make decisions about employees, I feel confident I could explain my reasoning if someone questioned it later.

Strongly Agree Somewhat Agree Somewhat Concerned Needs Attention

2. I usually don't stop and think, "I hope this doesn't come back on me later."

Strongly Agree Somewhat Agree Somewhat Concerned Needs Attention

3. When something happens(*i.e. attendance issues, attitude problems, or missed deadlines*) I know how I want to handle it before I'm in the moment.

Strongly Agree Somewhat Agree Somewhat Concerned Needs Attention

4. If a tricky situation happened tomorrow, I would feel prepared instead of worried or unsure.

Strongly Agree Somewhat Agree Somewhat Concerned Needs Attention

SECTION 2: Expectations & Communication

Most problems in small businesses don't start with unruly behavior, they start with misunderstandings. When rules, expectations, or policies only live "in your head," people interpret things differently.

5. Most expectations are written somewhere, not just explained verbally. (Example: attendance, breaks, time-off, call-ins, professionalism)

Strongly Agree Somewhat Agree Somewhat Concerned Needs Attention

6. Different employees would probably describe the rules the same way, not differently.

Strongly Agree Somewhat Agree Somewhat Concerned Needs Attention

7. I don't often find myself saying, "Well... that's not what I meant when I said that."

Strongly Agree Somewhat Agree Somewhat Concerned Needs Attention

8. We don't rely on "common sense" or guesswork when it comes to workplace expectations.

Strongly Agree Somewhat Agree Somewhat Concerned Needs Attention

This guide is provided for general informational purposes and is not intended to serve as legal or tax advice. It should not be relied upon to interpret or resolve any current or potential legal matter involving your business or your employees. If you are facing a situation that may involve legal risk or require a formal determination, please consult qualified legal counsel who can review the specific facts of your case.



SECTION 3: Performance, Behavior & Correcting Problems

Correcting behavior or addressing performance can be uncomfortable and that's usually where risk shows up first. If you ever hesitate because you're not sure what to say or how to handle it, that's a sign structure may be needed.

9. When someone isn't meeting expectations, I know what conversation needs to happen and how to approach it.

Strongly Agree Somewhat Agree Somewhat Concerned Needs Attention

10. Similar issues usually get addressed the same way every time, not handled differently person-to-person.

Strongly Agree Somewhat Agree Somewhat Concerned Needs Attention

11. If someone challenged a past decision, I'd feel comfortable with what I documented or explained at the time.

Strongly Agree Somewhat Agree Somewhat Concerned Needs Attention

SECTION 4: Stability, Consistency & Growth

What works for 2–3 employees doesn't always work for 8–10 employees, or for your *next* hire. Growth exposes gaps that weren't problems before. Think about where your business is heading, not just today.

12. The way we handle employees today would still work if the team got larger.

Strongly Agree Somewhat Agree Somewhat Concerned Needs Attention

13. Our approach feels steady, not "we'll deal with it when something happens."

Strongly Agree Somewhat Agree Somewhat Concerned Needs Attention

14. If emotions run high in a situation, our structure would help stabilize the decision and not complicate it.

Strongly Agree Somewhat Agree Somewhat Concerned Needs Attention

15. I feel confident that, over time, our decisions would look consistent and reasonable to someone outside the business.

Strongly Agree Somewhat Agree Somewhat Concerned Needs Attention

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What Your Responses May Suggest

This guide does not assign scores or outcomes. Instead, use these indicators as a directional gauge. Consider the pattern of your selections:

Mostly “Strongly Agree”

Your structure appears to be supporting your current stage of growth. Continue monitoring as the organization expands.

Mix of “Somewhat Agree” + “Somewhat Concerned”

Your business may be entering a transition point where additional structure could be beneficial. Planning ahead may prevent future strain.

Multiple “Needs Attention” or hesitation-based responses

Your organization may be operating at a level where stronger HR structure could provide stability, consistency, and protection sooner rather than later.

None of these outcomes imply failure. They simply indicate where your business currently sits along the growth-to-structure curve. Awareness today helps prevent reaction-based decisions later.

If your responses suggest that structure may soon become necessary, or already feels overdue, we can help you review your current environment and discuss practical, right-sized options for your stage of growth.