



THE EMPLOYERS' GUIDE TO HR IN THE PROFESSIONAL SERVICES INDUSTRY



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Introduction

Professional services firms face a constellation of unique challenges that distinguish them from other industries. One persistent difficulty is the intangible nature of their offerings: success depends on expertise, reputation, and relationships rather than physical products. This places immense pressure on talent recruitment and retention, as the firm's value is directly tied to the skills and knowledge of its people.



Additionally, firms must navigate shifting client expectations, delivering customized solutions while maintaining efficiency and compliance in an increasingly regulated environment. The rise of digital technologies demands continuous investment—not only in tools that streamline operations, but also in training employees to harness innovation while providing excellent client service.

Amid these complexities, managing human capital stands out as a central concern for professional services firms. Recruiting top talent is fiercely competitive, as firms strive to attract individuals whose expertise and judgment form the backbone of their business. Retention is equally challenging: high performers are courted by competitors, while the pressures of demanding projects and client expectations can erode morale and engagement.

Moreover, firms must foster ongoing professional growth to keep pace with evolving industry standards and client needs. The imperative to offer meaningful career development opportunities collides with client demands and project cycles, often leading to overwork or uneven assignment allocation. Balancing these factors is an ongoing challenge, requiring leadership to cultivate a resilient, adaptable workforce and a forward-looking approach to service delivery.

This guide provides actionable strategies across the employee lifecycle.



Recruiting & Hiring

To successfully recruit and hire, firms should adopt a strategic approach. The most effective practices focus on building a strong brand, enhancing your talent pipeline, creating an excellent candidate experience, and leveraging technology to streamline processes. Here are some of the best practices:

1. Develop a Compelling Employer Brand

A professional services firm's reputation as an employer, or its employer brand, is one of its most valuable recruiting assets. It's what differentiates the firm from competitors and attracts highly sought-after talent.

- ✓ **Define Your Value Proposition:** Clearly articulate what makes your firm a great place to work. This isn't just about salary; it includes things like your company culture, opportunities for professional growth, work-life balance, and your firm's social responsibility initiatives.
- ✓ **Showcase Your Culture:** Use your website, social media, and other marketing channels to showcase the firm's day-to-day life. Highlight employee testimonials, team events, and the interesting work people are doing. Be authentic and transparent. [Benefits of Social Media Marketing for Small and Medium Sized Businesses](#)
- ✓ **Create a Presence on Professional Platforms:** Actively use platforms like LinkedIn to share insights, post job openings, and engage with potential candidates.



According to a September 2025 report from iHire, **nearly 80% of candidates use general job boards, and 54% use industry-or niche-specific ones.** However, job boards may only stay relevant if platforms reinvent themselves to provide more value for both employers and job seekers.

2. Build a Strategic Talent Pipeline

Instead of only recruiting when a position opens up, firms should be in a constant state of talent acquisition. This allows them to fill critical roles with pre-vetted candidates quickly. Go beyond the traditional university pipeline and internship programs to leverage alumni networks. Below are additional options:

- ✓ **Engage With Passive Candidates:** Many top professionals are not actively seeking a new job. Firms can use targeted outreach through professional networks, industry events, and specialized job boards to engage these passive candidates and build long-term relationships.
- ✓ **Partner With Specialized Staffing Agencies:** These agencies have extensive networks and a deep understanding of the industry, allowing them to find highly qualified candidates who may be challenging to reach through other channels.
- ✓ **Leverage Available Referrals:** Implement a formal employee referral program with incentives. Employees are often the best source of high-quality candidates who already have a good understanding of the firm's culture and values. Your firm's clients and business partners can also be referral sources for candidates.
- ✓ **Work With Untapped Talent Pools:** In addition to looking at second-chance hiring, consider older professionals, individuals with disabilities, and military veterans.
- ✓ **Maintain A Robust Database:** Keep a pool of promising past applicants who may work out when another position becomes available. You can also reach out to former employees who left on good terms.

3. Streamline the Hiring Process and Enhance Candidate Experience

A slow, clunky hiring process can deter top candidates. A positive experience can boost your employer brand even for those who don't get the job.

- ✓ **Update Your Process:** Set a clear, structured timeline and align internally with the recruiter, hiring manager, and other decision makers about the role's requirements. Make the application process simple and mobile-friendly. It is best practice to invite the candidate into the office at least once for an in-person interview, but reduce lengthy interview procedures. A complex or time-consuming process can cause qualified candidates to drop off.
- ✓ **Prioritize Communication:** Give the candidate a specific point of contact. Share a realistic hiring timeline, job preview, salary range, benefits information, and other details about company culture. Maintain consistent and timely communication with candidates at every stage. Prompt follow-up is essential, especially for candidates you want to hire.

For higher-level roles, consider a panel interview to decrease the number of interviews.



Monitor Your Metrics

Recruiting metrics to utilize include:

- ✓ **Source of Hire:** Measures the sources that attract workers to your organization, reflecting what channels work and which do not.
- ✓ **Time to Fill:** Measures the recruitment process from when a job requisition is opened to when a candidate accepts an offer, reflecting overall recruiting efficiency.
- ✓ **Offer Acceptance Rate:** Measures the total number of job offers extended and the number accepted, reflecting your competitiveness.
- ✓ **Candidate Net Promoter Score:** Measures willingness to recommend the company, reflecting candidate satisfaction with their experience.
- ✓ **Quality of Hire:** Measures how well a new hire meets job expectations and contributes to business goals, reflecting the new employee's value.
- ✓ **Cost Per Hire:** Measures direct and indirect costs of hiring a new employee, reflecting the effort and financial expense.



Artificial Intelligence (AI) can help streamline and improve recruitment and onboarding by automating tasks, expanding sourcing pools, and using data to make hiring decisions. However, AI should be used as an assistive tool, and organizations should conduct AI bias audits. **AI can:**

- ✓ Craft an employee's ideal first day in the office
- ✓ Create a transition workflow for an employee promoted to supervisor
- ✓ Compile a report on the recruitment process, pull out insights and patterns, and put them into an executive summary for the CEO.



Onboarding and Training

A strong onboarding experience sets the tone for employee success and retention. Key practices include:



Start onboarding early from the candidates' first recruitment experience.



Assign mentors or buddies to the new hire.



Assure managers are actively involved in early coaching and feedback.

Onboarding should begin long before a new hire's first day. This strategic approach is crucial for keeping top talent engaged, reducing no-shows, and ensuring a smooth transition. By starting the process early, firms can build a sense of belonging and set new employees up for success.

Additionally, the time between a candidate accepting an offer and their start date is a critical period. Proactive communication is essential to prevent "candidate ghosting" and to maintain excitement. A personalized welcome kit with company-branded swag (a mug, notebook, t-shirt) is a way to build excitement. A personalized, handwritten note from the hiring manager or a team member can take it further and add a warm, personal touch. Before the start date, send details about the first week, including arrival time, who to ask for, and a general overview of meetings and activities. This simple act reduces first-day anxiety. You can also share information about the company and some essential documents before the candidate's first day.



Ensure technology is set up for their first day and familiarize the new employee with their role. Facilitate early connections by pairing the new hire with a peer who can serve as an informal resource and help them navigate their first few weeks. Organize an informal team meeting or lunch. Check in throughout the day, and at the end of their first day, reaffirm that you are excited that they have joined the company.

When it comes to employee retention, the first 90 days are a crucial time for a new hire. Move beyond basic orientation to have several check-ins and coaching sessions during this introductory period as they get up to speed on their responsibilities and adjust to your team and company (this would also apply to someone promoted into a new role, for instance). These conversations provide an opportunity to answer questions, clearly define performance expectations, offer encouragement or correction, gather feedback on the onboarding and training process, and identify early challenges.

During the first 30 days in a new role, the focus is on learning rather than immediate high-level output. The next 30 days, the focus shifts from learning to more active contribution with support. The following 30 days, the employee should be able to work with greater independence and take ownership of their role. Managers can also have structured 30-day, 60-day, and 90-day performance check-ins and stay interviews.

A structured onboarding process, regular check-ins, and integration into company culture and relationships lead to higher productivity and retention rates.



According to the Work Institute's 2025 Retention Report, first-year turnover represents one of the most significant challenges and expenses for organizations. First-year employees require significant investments before they reach minimum or peak productivity. When these employees leave prematurely, organizations lose the time, effort, and resources invested without realizing any measurable ROI. For example:

Recruitment Costs – Expenses to recruit and sunk costs when a new hire leaves early

Training and Onboarding – New hires require structured onboarding and job-specific training, representing direct costs and lost productivity for managers and trainers.

Operational Disruption – High first-year turnover disrupts team dynamics and continuity, reduces overall operational functionality and productivity, and places additional strain on remaining employees.

Training

New Hire Training

In the beginning, provide a job description and a clear overview of the role, responsibilities, and how the new hire's work contributes to the company's mission. Train the new hire on company policies, mission, vision, and values. Introduce them to the organizational structure and have them meet with key stakeholders across different departments.

During their introductory period, continue with formal, role-specific training sessions. Also, create opportunities for job shadowing or peer-to-peer learning. New hires can bring a fresh perspective to existing processes, so encourage them to observe current workflows and offer suggestions for improvement.



Management Training

While training all employees is essential for your business (such as anti-harassment training, which is strongly recommended), management training is crucial. Your managers are there to lead teams, provide direction and motivation, and bridge the gap between leadership and general employees.

While effective training should cover the day-to-day tasks that managers should be equipped to handle, it should also cover subjects such as:

Conflict Resolution:

How managers can de-escalate conflicts between employees and recognize when the issue should be brought to their manager/Human Resources or, in extreme circumstances, to law enforcement.

Project Management:

How managers can apply tools and techniques to achieve task and activity success.

Change Management:

The pace of change is accelerating, and guiding a team through change is a critical core skill.

General Employment Laws:

How to recognize when an employee may require a reasonable accommodation under the ADA; what constitutes harassment, and their role as a manager; or when an employee requires a protected leave of absence.

Effective Interviewing:

If your managers are involved in interviewing, they should be trained on recognizing red and green flags in candidates and what questions to avoid.

As an employer, building a foundational understanding of HR is important, but it's challenging to find the time. That's why our FrankAdvice team has introduced HR Minute, a series of short videos that provide a quick dose of HR knowledge. [Click here to access HR Minute.](#)



Candidate Red Flags

- 🚩 Speaks negatively about past employers or colleagues
- 🚩 Provides vague or evasive answers
- 🚩 Focuses solely on compensation and benefits



Candidate Green Flags

- 🚩 Asks about team dynamics and company culture
- 🚩 Provides specific and detailed examples
- 🚩 Follows up the interview with a personal thank-you

Client satisfaction is central to professional services' success. Best practices include training employees on empathy, responsiveness, and communication.

Upskilling and Reskilling

As some individuals with certain professional skills become increasingly more challenging to find, employers must find ways to work with what they have, or, more accurately, work with untapped talent already employed at their company. Also, with Artificial Intelligence (AI) transforming the modern workforce, employers can help their workers adapt. This is where upskilling and reskilling can prove helpful to your business.

What are upskilling and reskilling?

Upskilling is learning additional skills or enhancing existing abilities that support and improve an employee's current position. This type of training provides opportunities for upward mobility.

Reskilling is learning an entirely new set of skills or training for a new role. This type of training provides opportunities for lateral moves and new career prospects.

What are the benefits of upskilling and reskilling?

One benefit of upskilling and reskilling is that the individual is already employed. This reduces the costs of hiring a new employee, such as background checks or posting job ads. The employee is also familiar with how the company functions and may have already picked up on some skills for lateral or upward movement, which would be a learning curve for an external hire. As the employer, you also are familiar with the individual yourself, so you would have a better idea of their strengths and weaknesses and what areas to focus on, which you would not know if hiring a fresh recruit. As technology progresses, advances are forcing employers to reskill their workforce, so getting a head start on this would benefit your company and put you ahead of less nimble competitors. Finally, reskilling or upskilling employees can contribute to employee retention; an employee who sees their employer investing in their future and career path can lead to the employee sticking around longer.

How do you start the reskilling/upskilling process?

Reskilling and upskilling can be introduced to your company by creating a career pathing program. Career pathing is the process of aligning opportunities for employee career growth with organizational talent priorities and is driven by the individual's skills, interests, and career objectives. A recent Gartner survey found that **just 46% of employees are satisfied with their career development.**

You can begin by evaluating the specific skills needed for each role and by understanding the type of training required for employees moving into the role. What abilities are needed coming into the role, and what would the training program look like to get someone proficient? You should also conduct a skills gap analysis to compare your current employees' skills to the skills your company will need to remain competitive.

Next, you will need to understand your individual employee's career goals and existing skills. Having your employees assess their own skills can reveal potential that could have gone unnoticed. Talk with your employees about their career goals. Without having these conversations, you may not be aware that the 23-year-old you recently hired to work at reception is getting a master's degree.

With this information in hand, you can develop a clear path for moving your employee from their current position to the role that would best benefit both the employee and the company. Discuss the type of training or mentoring that would be provided, steps the employee should take (including any necessary certification or formal education), and milestones the company will look for. This can also help with your succession planning process to identify future leaders.

Reskilling and upskilling your workforce will take time and planning. However, the payoff will be lower employee turnover, a better-trained workforce, and future-proofing in the face of technological advances.

Business transformation depends on the skills and adaptability of the workforce.



Retention and Engagement

Once you have hired the right talent and they have successfully completed onboarding and training, the real challenge comes: retaining the employee you've invested in.

Turnover

Employee turnover refers to the total number of workers who leave an organization over a certain time period. According to the Department of Labor, turnover rates can vary among companies, industries, and geographic locations.

Employee characteristics, such as age, educational level, and tenure within the organization, can also influence turnover.

Turnover can be involuntary or voluntary.

Involuntary turnover happens when the employer ends the working relationship. For example, if there is a layoff or an employee is fired for poor performance.

Voluntary turnover occurs when the employee ends the working relationship, such as when they retire or quit to work for another organization.

A high turnover rate can be costly, but it also presents opportunities to provide solutions that can help lower those costs by addressing these types of questions.

Exit Interviews and Stay Interviews are tools that can help increase employee retention and mitigate unwanted turnover.

Are employees leaving within the first ninety days of employment?

This may be caused by issues within the hiring process. FrankCrum can provide assistance with improving staffing and onboarding.

Is there a lack of resources or a need for manager training in a specific department where several employees have left?

A learning management system such as FrankCrum's TrainingHub can support professional development.

Is there a lack of commitment to the organization's culture due to employees not finding connection to their work and its impact?

An engagement survey that requests information on these issues can help employees understand what changes are needed and let employees know that there is a process for feedback.

As part of the FrankAdvice HR consulting service, clients can contact their HR consultant for guidance on retaining employees, employment laws, and other HR best practices.

Engagement

Employee engagement measures how committed and invested employees are in their work and the organization's success. It's about more than just job satisfaction; it's the emotional connection an employee feels toward their company's mission, values, and goals. Engaged employees are more enthusiastic, productive, and willing to go the extra mile.

Engaging employees is a continuous process that requires a strategic approach. In addition to investing in employee growth and development, here are some of the most effective ways employers can engage their workforce:



1. Foster a Culture of Trust & Transparency

Communicate with Purpose: Be transparent about company goals, decisions, and challenges. Explain the "why" behind changes and how each employee's role contributes to the bigger picture. Use regular communication channels, like town halls, internal newsletters, and team huddles, to keep everyone informed.

Encourage Open Feedback: Create a safe environment where employees feel comfortable sharing their ideas, concerns, and suggestions without fear of reprisal. Use a variety of feedback methods, such as anonymous surveys, one-on-one meetings, and suggestion boxes. Critically, you must act on the feedback you receive to show that you are listening.

Lead by Example: Managers and senior leadership must embody the company's values and mission. When leaders are visibly committed and engaged, it has a ripple effect on the rest of the team.



2. Provide Meaningful Recognition and Appreciation

Recognize and Reward Contributions: Regularly acknowledge and celebrate employees' hard work. This can be as simple as a verbal thank-you, a public shout-out in a team meeting, or an email to the whole company.

Implement a Peer-to-Peer Recognition Program: Empower employees to recognize their colleagues. This can be done through a formal system or a simple "kudos" channel in a company chat platform.

Offer Meaningful Rewards: Go beyond generic awards. Tailor recognition to the individual's preferences, such as a gift card to their favorite restaurant, extra time off, or a donation to a charity they care about.

[Rewards & Recognition E-book](#)

3. Empower and Involve Employees

Delegate and Trust: Give employees more autonomy and ownership over their work. Instead of micromanaging, provide clear goals and then trust them to decide how to achieve them.

Involve Them in Decision-Making: When appropriate, include employees in the decision-making process. This shows that you value their expertise and gives them a greater sense of purpose and ownership.

Encourage Collaboration: Create opportunities for employees to work together across different departments. This builds relationships and fosters a stronger sense of community.



Burnout

Burnout is an increasingly common concern among employees across all industries, and can be a serious matter.

Some potential job-related causes of burnout include:

Feeling like you have little or no control over your work

Lack of recognition or rewards for good work

Unclear or overly demanding job expectations

Doing work that is monotonous or unchallenging

Working in a high-pressure environment

Employers can help employees with burnout by creating a supportive work culture that prioritizes well-being. This requires a multi-faceted approach that addresses the root causes of burnout, such as excessive workload and a lack of control.

Provide Flexibility: Modern professionals value flexibility, especially those in high-stress environments. Offering options like remote or hybrid work, mental health support, and generous paid time off can make your firm more attractive.

Encourage Disconnecting: Leadership should model and enforce policies that discourage employees from working after hours and on weekends. This could involve "no emails after 6 PM" policies or encouraging employees to fully use their paid time off without guilt.

Evaluate Workloads: Regularly assess workloads to ensure they're reasonable and distributed fairly. Managers should have open conversations with their team members about their capacity and make adjustments as needed.

Offer Comprehensive Benefits: Ensure your health benefits include robust and easily accessible mental health services, such as counseling, therapy, and an Employee Assistance Program (EAP).

Train Managers: Provide training to managers on how to recognize the signs of burnout, have empathetic conversations, and direct employees to available resources. A manager's support is an essential factor in preventing and addressing burnout.

For guidance and resources, you can reach out to your FrankAdvice HR Consultant.



Technology and Security

AI

Faster than previous digital transformations, the integration of Artificial Intelligence (AI) into the workplace is rapidly transforming how businesses operate and how employees perform their jobs. Far from being a futuristic concept, AI is already a tangible force, automating repetitive tasks, enhancing decision-making, and fostering new levels of efficiency. From intelligent chatbots handling customer inquiries to sophisticated algorithms optimizing supply chains, AI tools empower organizations to streamline processes, reduce operational costs, and unlock valuable insights from vast datasets. This widespread adoption is not just about technological advancement; it's about fundamentally reshaping the dynamics of human-computer collaboration in virtually every industry.

However, the introduction of AI also brings significant shifts and challenges, particularly concerning the nature of work itself. While AI excels at routine and analytical tasks, it lacks human creativity, emotional intelligence, and complex problem-solving abilities that require intuition and abstract thought. This necessitates a re-evaluation of job roles, with a growing emphasis on uniquely human skills such as critical thinking, collaboration, empathy, and adaptability. The future workforce will increasingly require individuals who can work alongside AI, leveraging its capabilities while focusing on tasks that demand human ingenuity and interpersonal interaction, leading to a more specialized and often more strategic role for human employees.



According to the Wall Street Journal, the pace of improvement in large language models is slowing, signaling a shift from rapid breakthroughs to more incremental progress. While this may concern some investors, it could benefit the industry by allowing time for better safety, reliability, and real-world integration. The article suggests that this slowdown offers a chance to refine AI systems, reduce risks, and build more sustainable, trustworthy technology.

[Read the full WSJ story here.](#)

A key concern arising from AI's expanding presence in the workplace is the potential for job displacement. As AI systems become more sophisticated, certain roles, especially those involving highly repetitive or data-driven tasks, may see a reduction in human involvement. This highlights the urgent need for robust reskilling and upskilling initiatives to prepare the workforce for the jobs of tomorrow. Even so, human involvement remains vital for the customer experience. [A Verizon study](#) found that 88% of consumers report satisfaction with human-led digital customer service interactions, while that share drops to 60% for interactions driven by AI.

Ultimately, the successful integration of AI into the workplace hinges on a balanced approach that prioritizes both technological advancement and human well-being. When implemented thoughtfully, AI can serve as a powerful augmentative tool, freeing employees from mundane tasks and allowing them to focus on more complex, creative, and fulfilling work. The goal is not to replace humans with machines but to create synergistic relationships where AI enhances human capabilities, leading to increased productivity, innovation, and job satisfaction. By embracing ethical considerations, fostering continuous learning, and designing human-centric AI systems, organizations can harness the full potential of AI to build a more efficient and innovative future for work.

Unlike the European Union's AI Act, the U.S. does not have a single federal law that provides a comprehensive framework for AI regulation. The federal government has primarily addressed AI through executive orders and agency guidance. States have been the most active in regulating AI, creating a diverse and sometimes conflicting set of laws.



TIP – FrankCrum’s TrainingHub has courses for employees on AI adoption.

The role of a modern manager is evolving beyond simply directing human employees. With the rise of AI, organizational charts are now beginning to represent managers overseeing hybrid teams composed of both human workers and agentic agents—AI systems that can act autonomously to achieve specific goals. This new dynamic requires a manager to understand how to motivate and develop people and effectively deploy, monitor, and integrate AI agents into workflows.



TIP – Consider adding an AI policy to the employee handbook.

Employee Monitoring

Employers today often elect to monitor employee activities; however, employers should always consider whether there is a legitimate business interest in monitoring employees that outweighs employee privacy rights. When employers put employees on notice that they may be monitored, employees generally do not have an expectation of privacy in the workplace. An employer should balance both the employer's need for information and the employee's privacy rights.

Employers may generally monitor the use of employer-provided equipment, including telephones, computers, electronic systems, and vehicles. While an employer may monitor employees for legitimate management reasons, such as ensuring productivity and preventing harassment or other activities that could give rise to employer liability, an employer may not engage in monitoring or surveillance for any unlawful purpose.

Employers must be aware of both federal and state laws regarding the employee's right to privacy. New York is one of the states that requires employers to notify employees of monitoring. Some states, including Florida, require all parties to consent to record a phone call. In Idaho, if an employer is monitoring with video cameras, those cameras may record only video, not audio, without prior consent.

While there are benefits, employers must consider the downside of employee monitoring. An employer that records and reviews its employees' every move or communication does not create a high level of trust and appreciation. Also, the cost of monitoring may outweigh any benefit received from it. Monitoring can be expensive, especially for small businesses. It may not be worth installing expensive computer software and hardware or surveillance equipment and hiring qualified workers to maintain these systems if these changes will only result in slight improvements.

Learn about FrankCrum's Cybersecurity Insurance by [clicking here](#).



Security

Professional services firms manage sensitive client data, making them targets for cyberattacks. They are often part of a client's larger supply chain, and by compromising a firm, a bad actor can gain a foothold in their clients' networks, leading to a much larger and more lucrative attack. Protecting this data from breaches and ransomware is a critical concern, requiring continuous investment in robust security measures and employee training.

Despite advanced technology, employees remain a firm's weakest link. Phishing, social engineering, and general human error are the most common entry points for cyberattacks. The widespread adoption of remote and hybrid work models has expanded the attack surface.

- ✓ Employers should provide employees with secure, company-managed devices and require the use of a Virtual Private Network (VPN) for all business-related activities.
- ✓ Establish clear security policies for remote workers, including rules for using public Wi-Fi and handling sensitive data.
- ✓ Use technical controls and security measures, such as multi-factor authentication (MFA), data encryption, and strong network security.
- ✓ Vet all third-party vendors and partners to ensure they meet your firm's security standards.
- ✓ Have an incident response and recovery plan to handle a cyber-attack.

Workplace Safety

Workplace violence is a significant issue in the United States, with thousands of workers reporting incidents each year. While it can occur in any workplace, certain professional services are at a significantly higher risk due to the nature of their work. Types of workplace violence include when a client or customer becomes violent toward an employee where workers interact directly with the public in high-stress or emotional situations; violence between workers stemming from interpersonal conflicts, bullying, or a toxic work environment; the perpetrator has no connection to the workplace and the violence is usually a result of a crime, such as a robbery; the perpetrator has a personal relationship with the victim, such as a domestic partner.



Prevention and mitigation strategies include:

- ✓ Implementing a zero-tolerance policy for violence, harassment, and bullying
- ✓ Regularly assessing the workplace for potential hazards and vulnerabilities, including physical layout
- ✓ Provide training for all employees on recognizing warning signs, de-escalation techniques, and emergency response procedures. This is particularly important for front-line staff.
- ✓ Establish a clear, confidential, non-punitive system for employees to report incidents or threatening behavior.
- ✓ Enhance physical security with measures such as controlled access, surveillance cameras, and security personnel, as deemed appropriate based on the risk assessment.
- ✓ Offer resources like EAPs to support employee mental health and well-being, which can help address underlying issues that may contribute to violence.

Regulatory and Compliance

There are many federal, state, and local laws that an employer must abide by. Firms must also comply with various employment regulations (such as Title VII of the Civil Rights Act), data privacy regulations (like the California Consumer Privacy Act), and industry-specific standards to add another layer of complexity. Below are some hot topics that can get a business in trouble.

Independent Contractor or Employee?

Hiring independent contractors can save an employer from having to provide benefits and provide staffing flexibility to address temporary projects or demands. However, misclassification of workers may result in significant liability to the employer if a federal or state agency audit or a lawsuit challenging workers' status occurs. No one factor determines independent contractor status, but key factors include direction and degree of control. Genuine independent contractors should be able to demonstrate that they operate a business by providing the employer with basic documentation.



There is an option to pursue an IRS ruling on final determination if an employer is unsure of the status. Employers and workers can file Form SS-8 (Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding) to get a determination from the IRS. This form can be found at: <https://www.irs.gov/pub/irs-pdf/fss8.pdf>. The U.S. Department of Labor has also issued guidance on employment relationships: <https://www.dol.gov/agencies/whd/fact-sheets/13-flsa-employment-relationship>. Employers should also follow applicable local law; California employers must follow AB5, for instance.

If an employer is unsure whether a worker can be classified as an independent contractor or should be an employee, the most conservative approach would be to classify the worker as an employee and comply with applicable laws. When in doubt, play it safe.



Exempt or Non-Exempt?

The federal Fair Labor Standards Act (FLSA) and many states' wage and hour laws require that employees be paid a minimum wage and overtime at one and one-half times their regular pay rate for all hours worked beyond 40 in a workweek.

However, there are exemptions to this requirement. To qualify for an exemption, employees generally must meet certain tests regarding their job duties and be paid a salary of at least \$684 per week.

Determining whether an employee qualifies for an exemption is commonly referred to as employee classification.

See the following U.S. Department of Labor guidance on exemptions and remember any applicable state law: <https://www.dol.gov/agencies/whd/fact-sheets/17a-overtime>.

Authorized to work or not authorized to work?

Every employee who works for you must be authorized to work in the United States. The Department of Homeland Security (DHS) is revoking Employment Authorization Documents (EADs) for certain aliens. These revocations may be on a case-by-case basis or for groups, such as aliens paroled through the Processes for Cubans, Haitians, Nicaraguans, and Venezuelans (CHNV).

Keep an eye on EAD expirations (as you always should with your I-9 form work authorization documents with expiration dates). Employers that use E-Verify should regularly generate status change reports. If an employee's authorization document has expired or been revoked, employers must reverify with [Form I-9, Supplement B](#).

Follow regulations regarding your workforce's employment eligibility. Fill out your I-9 forms correctly and document all reverification efforts to demonstrate good-faith compliance. Stay prepared for audits and heightened enforcement.

H-1B Visas

The U.S. Department of Labor (DOL) recently announced [Project Firewall](#), an enforcement initiative through which it will conduct investigations of employers to maximize H-1B program compliance.

Additionally, starting September 21, 2025, employers looking to hire in-demand foreign workers with specialized skills under the [H-1B visa program](#) will need to pony up \$100,000 per worker (with limited exception). Also announced in September 2025, higher-skilled and higher-paid workers would get a leg up for H-1B visas under a new plan proposed from the Department of Homeland Security (DHS).

About 65% of H-1B employees work in computer-related jobs, followed by architecture, engineering and surveying (9%), education (6%), administrative specialization (5%) and others, according to the Pew Research Center.

Why FrankCrum

Although FrankCrum clients appreciate our long and successful track record, financial stability, technology capabilities, and the wide range of services we offer, what we hear most often is that they appreciate being able to speak with a live person who gives them straight answers to what may sometimes be difficult questions.

That's the way we do business - one person at a time, one client at a time. It's literally part of our DNA as the FrankCrum family of businesses: what we call "A Family of Employer Solutions."

Our company history began in 1981, when Frank W. Crum, Jr. and his father started offering temporary staffing services, with a deep commitment to the success of business owners. Because of that commitment, we have expanded our professional offerings over time as clients partnered with us to help them grow.

Today, that family of businesses - still owned and operated by Frank Crum, Jr. and now his son, Matt and daughter, Haley - offer HR services through FrankCrum PEO, workers' compensation and general liability insurance through Frank Winston Crum Insurance and staffing services through FrankCrum Staffing. You'll find the same operational philosophy in all three companies; Frank refers to it as "doing the right things for the right reasons."

It boils down to this: Running a business can be hard. Managing your human resources program shouldn't be. Let us know how we can help.

**To learn how FrankCrum can help your business,
call 800-277-1620 to schedule a consultation.**

