Are You In The 2%?

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98% of Large Employers Outsource Poster Compliance

Outsourcing any service should lead to greater efficiencies, more effective outcomes, or cost savings. Is your company ready to outsource its labor law posting compliance program? Or is it better to manage it internally? Here are some things to consider when contemplating converting your in-house posting compliance program to an outsourced solution.

Who Outsources Their Poster Compliance Program?

A recent posting compliance survey of 2,200 of North America's largest employers revealed that 98 percent of large businesses outsource their programs to poster compliance vendors. These companies represent one million employment locations and more than 15 million employees – about 10 percent of the total labor force in the U.S.

Why Manage a Poster Compliance Program Internally?

Of the surveyed employers, two percent rely on internal resources to research and administer their labor law poster programs. The top three reasons for managing the program in-house:

Each year, more than 200 state and federal labor law postings change in the U.S. alone.

- **Existing print operations and distribution in place.** Many companies already print circulars or other promotional materials that allow them to take advantage of internal printing and distribution services or an existing print-vendor relationship.

- **No direct budget assigned for labor law poster compliance.** One of the most common responses of "in-houser" companies is that they download posters for free from government websites, or they send links to their locations to download required postings.

- **Too busy with other projects to change.** Even after doing their homework on outsourced poster compliance, many in-houser companies say they don't have time go through a potentially lengthy approval and procurement process – and then to oversee the transition during implementation.

The Cons of "In-Housing" Labor Law Posting Compliance

- **Dedicated resource required.** Each year, more than 200 state and federal labor law postings change in the U.S. alone. More than two dozen U.S. cities require workplace postings. And don't forget about those Canadian posting requirements. Employers need at least one full-time employee to track all the changes, verify with government agencies whether the changes are mandatory, and then coordinate the printing and distribution of the most current versions of labor law posters. This dedicated resource is an actual cost to the company, even if the posters are "free" from government websites.

- **Compliance uncertainty.** Some in-housers rely on their company locations to click electronic links to government websites and print their own labor law posters. But this introduces a lot of weak links in the compliance chain; will locations actually take action? Will they select the correct posting from a sometimes dizzying list of options on government websites? How do they know when it's time to replace old postings? How do they know if they're missing a required posting?

- **Company liability.** If your company were to be fined for posting violations, how quickly would leadership look for "process improvements"? And who would catch the brunt of accountability for a poor-performing in-house poster compliance program? With reputable poster vendors, not only do you have the peace of mind that they manage all facets of the program, they also guarantee their services. If something goes wrong, it's the vendor who catches the heat – not the internal compliance team.

> **More than two dozen U.S. cities require workplace postings.**

Who Should Outsource Labor Law Posting Compliance?

Outsourcing may not be right for every company, but for the 98 percent of large employers who choose an outsourced labor law poster compliance solution, there are some common denominators that may help you decide if your company should consider outsourcing. Companies who outsource have at least three of the following characteristics:

- High level of concern for labor law compliance
- High level of concern for employer-employee relations
- Forty or more physical locations

Who Should Outsource? (continued)

- Locations across multiple states
- Presence in U.S. and Canada
- Employees working in a variety of environments (virtual workers, mall workers, traditional workers)
- Use other outsourced solutions in the compliance or human resources space
- Visually disabled or blind workers and applicants requiring reasonable accommodation under the ADA
- Workers whose primary language is not English

If your company matches three or more of these criteria, you may be ready to consider an outsourced solution for your workplace poster program.

In Summary

Your labor law posting compliance program represents a significant investment to your company. If you're anything like GovDocs' Fortune 1000 clients, you expect 100% compliance, 100% of the time.

But how do you measure your levels of posting compliance? And how do you give your workplace locations and audit teams tools that make compliance audits easier?

Since 1999, GovDocs has been raising the bar by developing ongoing poster compliance solutions for large companies. We listen to our clients' compliance challenges and then innovate solutions for enterprise compliance, audit tools and ways to reach all employees – all while making the posting compliance program easier for Human Resources and Compliance teams.

GET IN TOUCH

Ready to discuss your business needs? Are you interested in partnering with us?
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