When Informal HR Breaks

How growing businesses can add structure without becoming overly corporate

Informal HR often works until the business outgrows it.

The problem is not that the company started informally. The problem is continuing to rely on memory, personal judgment, and owner involvement after the workforce and risk have become more complex.

Common signs the informal approach is breaking

- Employee questions and problems repeatedly land on the owner or a senior leader.
- Managers handle similar situations differently or avoid difficult conversations altogether.
- An administrative employee handles paperwork but is not equipped for complex employee relations or strategic HR decisions.
- Policies, job descriptions, pay practices, onboarding, or documentation no longer match how the business operates.
- Hiring is reactive, new employees receive inconsistent onboarding, or good people leave because expectations are unclear.
- Benefits, leave, payroll, compliance, and employee questions bounce between the owner, broker, payroll provider, and managers.
- The business is adding locations, states, managers, acquisitions, or new layers of leadership.

What should replace informal HR?

1	**Clear ownership:** Define what managers handle, what the internal administrator handles, what Workwise or another HR resource handles, and what stays with the owner.
2	**Repeatable processes:** Create simple, usable steps for hiring, onboarding, employee questions, performance, complaints, leave, benefits, and terminations.
3	**Consistent decisions:** Use shared expectations, documentation standards, and escalation rules so outcomes do not depend on who is involved.
4	**Accessible expertise:** Give owners, leaders, managers, and employees a reliable HR resource before an issue becomes a crisis.

5	**Practical compliance:** Prioritize the requirements that matter most for the company's size, locations, workforce, and risk instead of adding unnecessary bureaucracy.

A practical order for adding structure

1	**Stabilize urgent issues:** Address open complaints, risky terminations, missing payroll or benefits actions, leave questions, and immediate compliance gaps.
2	**Clarify roles and escalation:** Create a simple map showing where employees and managers should go for routine questions, complex issues, and final decisions.
3	**Standardize the employee lifecycle:** Put consistent steps around recruiting, offers, onboarding, performance, development, pay changes, leave, and separation.
4	**Equip managers:** Give leaders scripts, tools, expectations, and coaching so they can manage rather than escalate everything.
5	**Build for growth:** Align policies, systems, compensation, benefits, leadership practices, and HR support with the next stage of the business.

Where an internal administrator fits

Administrative support and senior HR guidance can work together.
Many businesses already have someone who coordinates paperwork, payroll inputs, onboarding tasks, or employee records. That role can remain valuable. Workwise can work alongside the administrator while supporting the owner with complex employee relations, compliance, manager coaching, recruiting, benefits, and strategic HR decisions.

30-day starting checklist

- ☐ List the people issues currently consuming owner or leadership time.
- ☐ Identify unresolved employee relations, compliance, pay, leave, or benefits risks.
- ☐ Define who owns routine administration and who handles complex HR matters.
- ☐ Create clear escalation rules for managers and employees.
- ☐ Choose the three processes that need consistency first.
- ☐ Set a regular HR review cadence with the owner or leadership team.
- ☐ Tell employees where to go for policy, benefits, leave, and workplace questions.

The goal is not more HR for the sake of HR. The goal is a business where managers can manage, employees know where to go, decisions are consistent, and the owner can focus more time on clients, operations, and growth.