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HR that Makes a Difference®

Inc.

LEADERSHIP AND RESILIENCY

The Future of Business is Culture

Strategies to attract and retain talent, improve efficiency, and grow faster



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“What has changed due to the pandemic is business leaders’ appreciation of how vital culture is to their company’s success.”

Paul J. Sarvadi
Chairman and CEO
Insperity

Introduction

Preparing a Foundation for Growth



It's probably not surprising that many leaders of growing businesses are losing sleep lately.

The current business landscape has challenged their problem-solving, crisis-managing, and talent-seeking skills in myriad ways. As if **supply chain issues, inflation, and economic uncertainty** weren't enough to manage, turnover and job openings have reached record highs since the pandemic, according to the U.S. Bureau of Labor Statistics. The economic picture includes obstacles like employee turnover, a smaller talent pool, and rising inflation diminishing the impact of higher wages and strong markets. For business owners right now, finding the right people is their biggest challenge.

So, it stands to reason that internal factors like attracting and retaining talent, developing leaders, and improving cash flow are among the top issues keeping C-suite leaders up at night.

The strategies that matter now

While the challenges that growth-minded businesses face may vary, they do have several things in common. These companies typically employ nine core strategies—with many of the most successful ones leveraging an additional "bonus" strategy—to help them effectively attract and retain talent, grow faster, and generate revenue. These strategies have never been more relevant, and they're at the core of this e-Book.

What makes these strategies so effective? They create a framework that strengthens three essential attributes of growing businesses: maximizing people, streamlining operations, and managing risks.

CHAPTER 1

Core Strategies for Growth

With the right people, processes, and values in place, your company can realize its full potential. Growing companies have uncovered this combination of strategies that work together to create a framework for growth. Here are the ways successful, growth-minded companies set themselves apart.

1 **Build a strong culture** Think of culture as the character of your company. Virtually everything about how your company operates stems from the culture you build.

2 **Hire, recruit, and retain the best talent** Find the best talent for your team, which is the heart of your company and your greatest competitive advantage.

3 **Recognize, reward, and compensate employees** Show your best talent that they're valued.

4 **Play it safe** Safeguard against liability and implement necessary corporate compliance measures to help manage risks.

5 **Manage performance** Pay attention to the metrics and key performance indicators that matter to your company's—and your employees'—growth.

6 **Embrace administrative and HR technology** Put the evolving power of technology to work for you.

7 **Prepare for a big future** Growth may lead to mergers or acquisitions. Build the systems and processes that prepare your company for opportunities.

8 **Develop effective leaders** Leadership matters, both inside and outside the company. Develop a strong leadership strategy as well as a succession plan for future growth.

9 **Communicate clearly** Ensure that your team understands the priorities and direction of your organization, so they can help you achieve its goals.

BONUS STRATEGY

Have faith in the process: During challenging times, your business may be on the cusp of the next breakthrough. Look back on past successes and lean on the strong foundation you've built to stay the course.



“If you don’t take care of your employees, they will leave. And replacing and training employees takes time and money. By investing in HR, you are investing in your company, and it will pay off tenfold if you do it right.”

Matthew Mugar
Co-founder, Boa Logistics
Inc. 5000 Honoree

CHAPTER 2

Maximizing People

Whatever your industry, the people in your organization make the difference. The right people help your team innovate, transform ideas into action, and achieve your goals and objectives.

When you find the right people, keeping them engaged can help prevent turnover, which can be enormously expensive in many ways. The cost of replacing each lost employee may include:

- **Recruitment costs such as advertising, search consultants, staffing agencies, and HR staff time**
- **Onboarding and training expenses**
- **Loss of institutional knowledge and productivity**
- **Opportunities lost or not possible due to inadequate staffing and experience**
- **Negative effect on morale**

The core strategies create an environment where employees thrive. First, building a culture that values and develops employees can help attract and retain them. Compensation, recognition, and the right benefits and rewards can also contribute to longevity with your company. A good place to start is to develop a thorough compensation strategy that includes:

- **Pay ranges for each role**
- **Base pay for each employee and how it's determined**
- **Bonuses, rewards, benefits, and other compensation**
- **Pay equity standards to ensure fairness and compliance with the law**

> "Culture is the story that others tell about your organization."
>
> Pete Hinojosa
> Director of Thought Leadership
> Insperity

By paying employees fairly, recognizing and rewarding the behavior you wish to cultivate and reinforce, and ensuring that the company complies with applicable laws and regulations, you create an atmosphere of fairness. Transparency is essential. Communicate these priorities to employees as part of your company values.

In addition, help employees identify their own strengths and growth goals. Support the learning and development (L&D) necessary to achieve those goals. Give employees a path forward within the company—so they don't look elsewhere to advance their careers.

Do you see how the strategies interlock to create a stronger company overall? Each piece of the puzzle reinforces the others to help your people—and your company—realize their greatest potential.





"The worst thing you can do is shy away from uncomfortable issues. You must face them head-on to create a productive, positive work environment for your employees, and to protect your business from unnecessary liabilities."

David Yount
Founder and CEO, LicenseLogix LLC
Inc. 5000 Honoree

CHAPTER 3

Managing Risks

THREE DECISION MAKING QUESTIONS

Asking three key questions before making decisions can help your team spot the **risks inherent in their decision making processes.**

1

What are we trying to improve, solve or manage?

2

Are we using the right process, or do we need a different one?

3

What risks are there, based on what we decide?

Companies of all sizes face both internal and external risks. Creating policies, systems, and processes that identify, address, and help manage those risks fosters a stronger organization overall.

Often, this starts with guidance from trusted advisors with the specialized knowledge to support you in legal, accounting/finance, operations, technology, HR, and other critical areas of your business.

These professionals can help your leadership team spot and solve for potential liability and risks. Then, leaders can develop sound fundamentals that proactively help avoid challenges and liabilities down the road.

What might these fundamentals look like? Some include:

- Sharing leadership's thoughts on risk management, as well as the importance of safety and compliance
- Encouraging and rewarding risk-mitigation efforts and ideas—everything from being good stewards of the budget and following compliance best practices, to conducting business in a way that reflects positively on the company
- Training managers in proper interviewing and onboarding techniques to help ensure that they will identify the best candidates while also complying with employment laws
- Documenting employee performance with performance management software to support organizational decisions, e.g., why one employee was promoted over another
- Creating an easily accessible portal that empowers the company by giving managers and employees direct access to important information, e.g., policies, pay, benefits, PTO, training, compliance requirements, and more
- Using HR technology to apply a compensation framework and ensure fair pay from the start
- Polling and gathering employee feedback about compensation, benefits, and other issues

As these risk-management initiatives permeate the organization, they communicate clearly to the team that doing things the right way matters. Employees know what is expected of them, and that becomes part of the company's culture.

These practices, when modeled properly, are intertwined and reinforce each other. For example, if a company has a culture problem, they are not maximizing their people. This poses inherent risks to morale and could lead to increased turnover, which needs to be managed. Solutions can often be found through fine-tuning strategy and streamlining operations.

It may be prudent to seek outside expertise that could help improve culture and put the systems in place to support more efficient operations. Ultimately, these solutions strengthen each of the three pillars.





“Being able to offer employee self-service and electronic data interchange (EDI) feeds with our benefit carriers has saved time within the HR department. It also allows our team to quickly see their information whenever they want and update it themselves.”

Mindy Statler
Director of Administrative Services
Fey Industries, Inc.

CHAPTER 4

Streamlining Operations

In addition to ensuring your company has and keeps the right people while effectively managing risks, these strategies also help your company improve the way things get done. The strategies emphasize efficiency and effectiveness, improving communication and breaking down silos to improve information-sharing—which, ultimately, can streamline your team's operations and contribute to improved results.

> "In times of uncertainty, culture can serve as a foundation to guide a company forward and provide stability and purpose for all."
>
> Paul J. Sarvadi
> Chairman and CEO
> Insperity

The power of technology

Think about the role technology plays. For example, HR technology can help your team onboard and manage employees in a streamlined manner, track their progress, identify issues, recognize their achievements, and facilitate communication. At the same time, it can also improve the employee experience by giving your team members access to information and a measure of autonomy in areas like scheduling, benefits management, training, well-being, and many others.

As operations are automated, standardized, and streamlined, the organization becomes stronger. Compliance is easier to monitor. Errors and inefficiencies are likely reduced, because manual tasks and duplication of effort and information are eliminated, resulting in improvements that can help your company scale much faster.

A brighter future for your business

Today's most sophisticated technology tools are accessible to virtually any company. With the right resources readily available, management is more effective, and employees feel like they have the advantage of modern tools to do their jobs.

Consider all the different areas in your organization that would benefit from more effective management and empowered employees. What could that do for your company?

CHAPTER 5

Building a Growth-Minded Company

When these core strategies become part of the fabric of your company, they have the potential to positively impact every area.

Growth-minded organizations realize that this comprehensive approach to managing people, risks, and operations strengthens the entire company. The simplicity of these three pillars allows the business owner to come at a problem or challenge from any of the three directions.

> "Success also requires an unswerving belief in the mission. The people you lead are carefully looking into the eyes and weighing the words of the company's leaders to assess their sincerity and conviction."
>
> Pete Hinojosa
> Director of Thought Leadership
> Insperity

Build beyond today

Beyond the day-to-day operations and employee management, such operational improvements have sweeping implications for growing companies. As overall infrastructure improves and matures, additional benefits may include:

- Reducing the need for micro-management or other leadership inefficiencies through clear and consistent communication of expectations
- Providing the information and metrics necessary to help ensure that each area of the business is prepared to meet compliance challenges
- Improving overall morale and performance within the organization
- Becoming more attractive for potential merger or acquisition opportunities where well-managed companies are valued

Each of the strategies presented throughout this e-Book goes beyond providing the necessary resources and logistical support. That is why the bonus strategy for every leader is faith in the original mission to create a company—and having the steadfast determination to stay the course.

Conclusion

Putting the Pillars into Practice

Pressure and adversity expose your company's culture. It's often too late to create the culture you were striving for when tough times come. You make it through the tough times because of the culture that (hopefully) already existed, so invest in making it a good one.

The three key pillars—maximizing people, managing risks, and streamlining operations—create a strong framework that allows your company to perform at its best and scale. Each pillar provides support to the others, strengthening the entire organization. Employees are engaged and motivated. Risks are continually identified and managed. Efficiency becomes an expectation, leading to greater productivity.

> "Every company has a corporate culture, which is by accident or by design. The culture is either purposefully and strategically developed by the leadership to support the company's mission and values, or it evolves on its own."
>
> Pete Hinojosa
> Director of Thought Leadership
> Insperity

Think about your own company and how these pillars can help strengthen it to weather challenging times. Doing so should not only bring peace of mind, but also present the opportunity for your company to grow.

For a deeper understanding of how these pillars can facilitate growth in your organization, and how scalable HR solutions can scaffold you through every phase, contact Insperity at **(855) 402-7325** | **Insperity.com**

3 Pillars of Success
How They Help Strengthen Businesses

1

MAXIMIZING PEOPLE



Training opportunities affect recruiting and retention

83%
of HR managers believe training helps attract talent.

86%
of HR managers believe training helps retain talent.

48%
of employees say training opportunities were a factor in choosing their current employer.

76%
of employees say they're more likely to stay with an employer that offers continuous training.

2

MANAGING RISKS

How engaged employees help manage risks

64% fewer safety incidents

28% less shrinkage (loss, theft)

41% fewer defects (quality)

3

STREAMLINING OPERATIONS

What jobseekers are looking for

- Better wages
- Better benefits
- Better remote work options
- Straightforward hiring process

[1] *Source: shrm.org and TalentLMS; 2022 Workplace Learning & Development Trends Research Report.*
[2] *Source: gallup.com; The Relationship Between Engagement at Work and Organizational Outcomes, 2020 Q12® Meta-Analysis: 10th Edition.*
[3] *Source: hbr.org; Is Your Hiring Process Costing You Talent?*

ABOUT INSPERITY

At Insperity, it's not just HR outsourcing, it's HR that makes a difference.® Our comprehensive, scalable HR solutions offer an optimal blend of service and technology to facilitate growth by streamlining processes related to payroll, benefits, talent management and HR compliance. We provide the tools to help you lighten your administrative load, maximize productivity and manage risks – so you can focus on growth. Because that's what it means to have a true HR partner.

YEAR ESTABLISHED
1986

OUR MISSION
To help businesses succeed so communities prosper

We serve businesses with employees from 5-5,000

NSP LISTED NYSE **Publicly traded on NYSE under ticker symbol NSP**

BBB ACCREDITED BUSINESS A+

2021 REVENUES
$5 BILLION

90+ locations across the United States with 3,500+ corporate employees

CPEO

Insperity has been designated a certified professional employer organization (CPEO) by the IRS*

**Insperity PEO Services LP has been designated a certified professional employer organization by the IRS. The IRS does not endorse any particular CPEO. For more information, go to irs.gov.*

Want to learn exactly how your business can benefit with Insperity?

Call **800.465.3800** or visit **insperity.com**

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