

2024

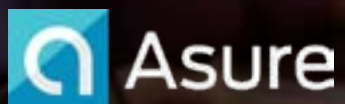
# HR BENCHMARK REPORT

## THE IMPACT OF HR FOR SMALL BUSINESSES GROWTH

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From People Management to  
Paperwork, How Growth-Minded  
SMBs Apply HR Differently

**New Survey Data:** U.S. SMBs weigh in  
on 40 HR Best Practices



[asuresoftware.com](https://asuresoftware.com)

# The Report

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HR isn't a "nice to have," it's a strategic business discipline that encompasses a wide array of strategies, policies, and initiatives to **attract, develop, motivate**, and retain top talent, while also ensuring legal compliance and fostering a positive organizational culture.

**1,000+**  
SMB Respondents

**40**  
Questions

**8**  
HR Categories

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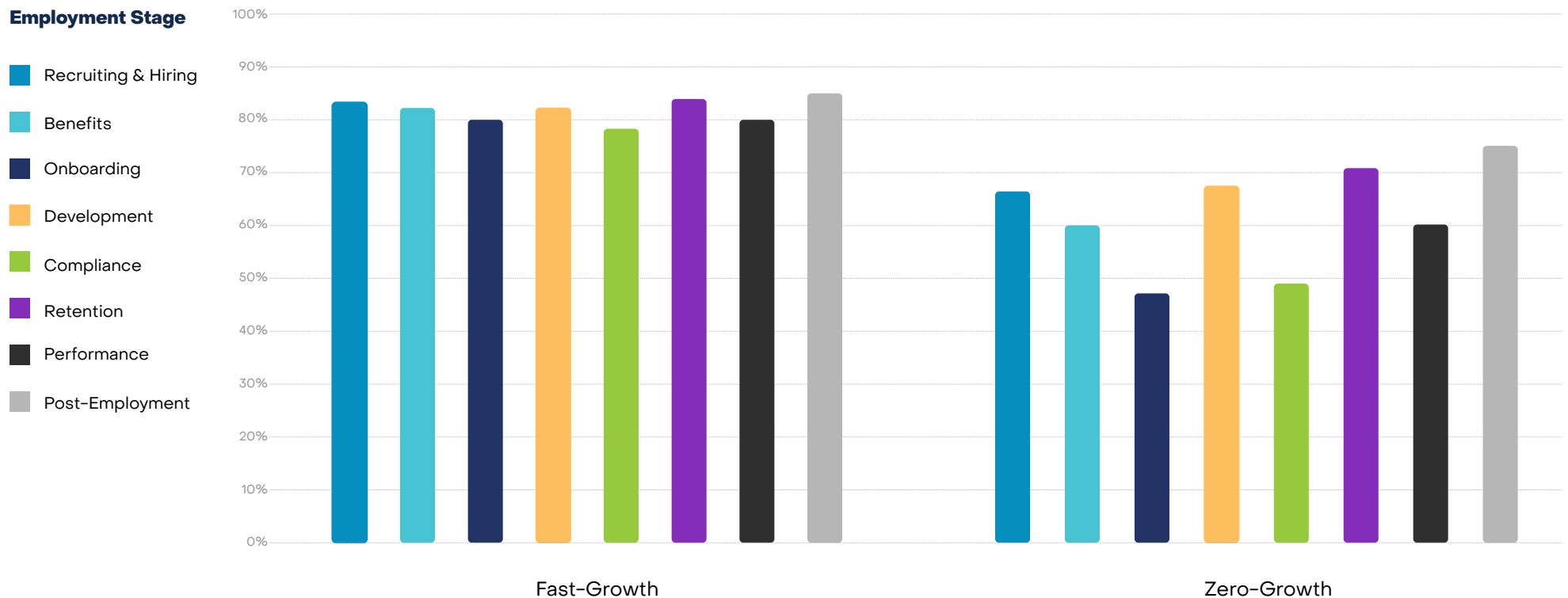
# The Foundation for Growth.

While growth is a shared goal for businesses of all sizes, market factors like fierce competition, complex compliance laws, and a shrinking talent pool can create significant barriers to growth. These challenges, combined with the pressure of scarce resources, can cause small businesses to rank human resources low on their list of priorities.

In reality, embracing HR best practices can serve as the foundation that enables a small business to thrive.

Our 2024 HR Benchmark Survey provides insights into how small businesses are embracing HR across the employee life cycle. The survey asked 40 yes/no questions about their application of a wide range of HR best practices. The survey also asked respondents to self-identify their businesses' growth status for the previous year. Those organizations that experienced Fast-Growth consistently outpaced the Zero-Growth organizations across all eight HR categories, from Recruiting & Hiring to Post-Employment.

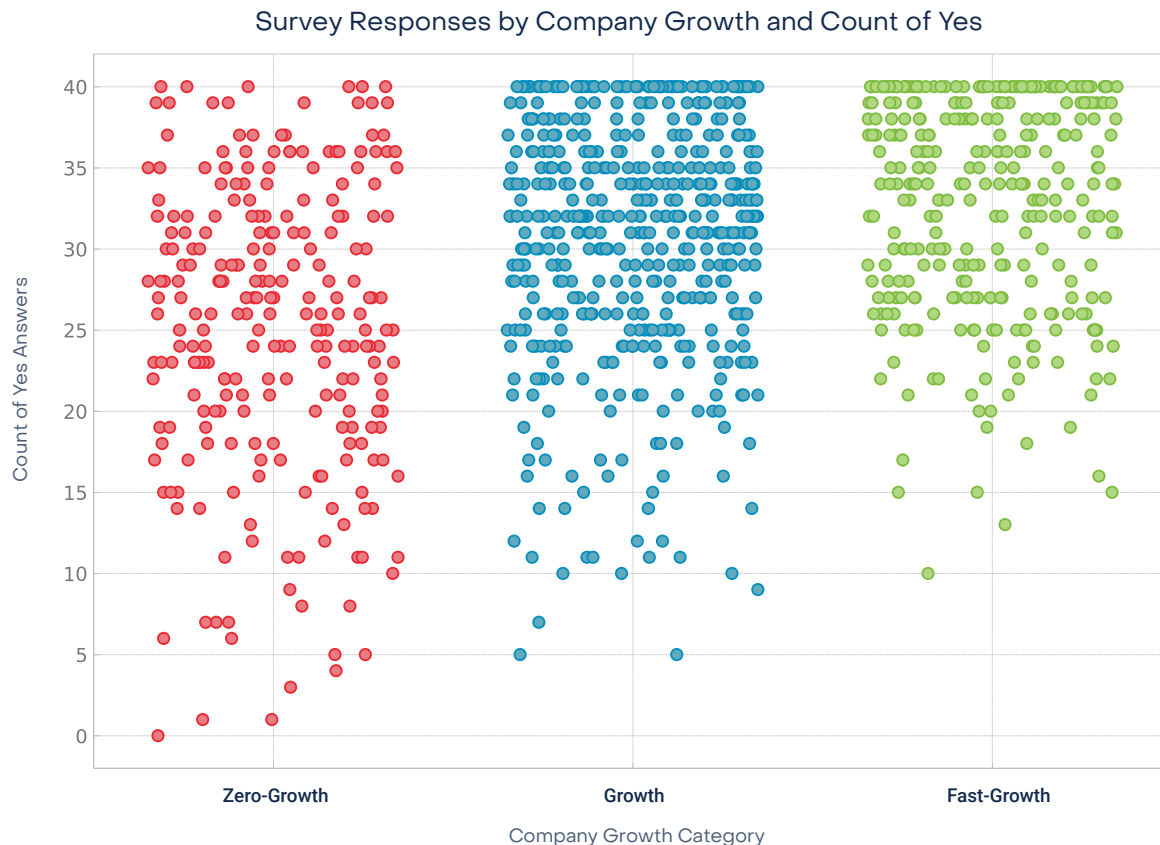
Percent of Small Businesses Who Apply HR Best Practices



# Fast-Growth Companies Prioritize HR.

Prioritizing HR best practices has a direct impact on a business. When we examine the responses of our 2024 HR Benchmark Survey, the aggregate results of applying proven strategies throughout the employee lifecycle are evident. The respondents who experienced Fast-Growth also answered “yes” to applying HR best practices with higher frequency across all eight categories. Those organizations who experienced Zero-Growth answered yes to these questions less frequently across all categories.

Overall, there’s a near 20% delta between the Fast-Growth and Zero-Growth small businesses surveyed. The Fast-Growth companies answered yes to 83% of the HR best practices questions, while Zero-Growth companies confirmed they’re applying an average of just 64% of these strategies.



**20%**

Fast-Growth companies confirmed application of HR best practices is nearly 20% higher than Zero-Growth companies.

# The Benefit of Benefits.

Attracting and retaining top talent is a critical function of HR for any business. One of the ways that small businesses can compete effectively in the market is by offering “big company” benefits.

Employees consistently report that benefit offerings like 401(k) and Wellness programs really move the needle when it comes to their job search. A recent global survey by WTW showed that the importance of health and retirement benefits as attraction and retention tools has reached a 10-year high.

Competitive benefits play a key role in enabling an organization to hire and keep the best employees. With top talent on the team, an organization is inherently better positioned to meet its growth goals.

The good news? Even a cash-constrained small business can make the strategic move to add sought-after retirement and wellness programs that can help attract and retain the best team.

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*The importance of health and retirement benefits as attraction and retention tools has reached a 10-year high.*

WTW, Global Benefits Attitude Survey

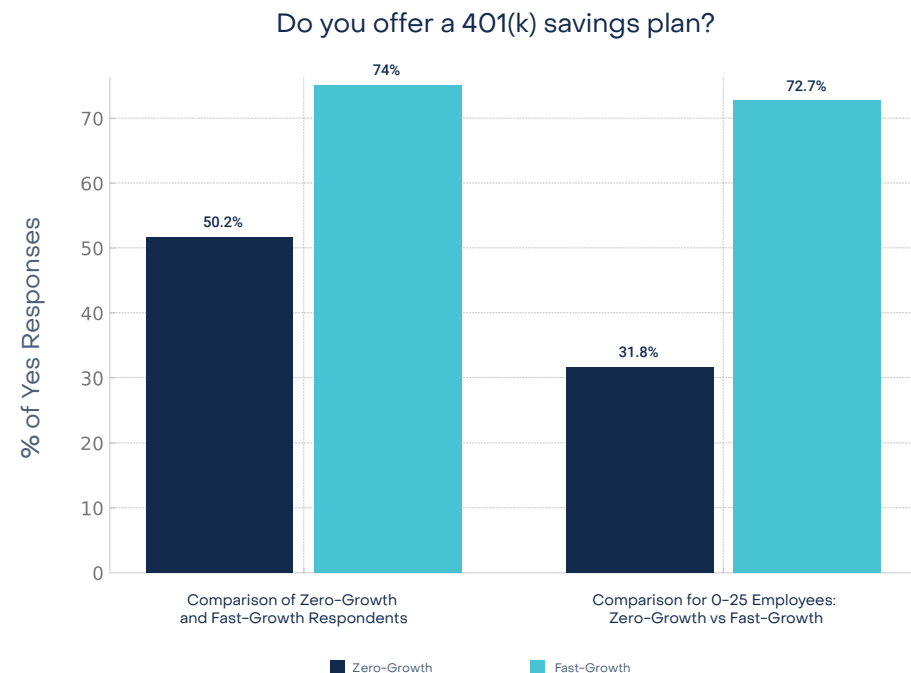




## Retirement Plans

According to a 2023 Charles Schwab Survey, 88% of workers consider 401(k) a “must-have benefit.” In spite of the draw, a significant number of small businesses do not offer any type of retirement savings. Our 2024 HR Benchmark Survey revealed that 50% of Zero-Growth small businesses do not offer a 401(k) plan, while 74% of the Fast-Growth companies do offer 401(k) to their employees. When we look at responses by company size, it drops to 32% of businesses with 25 employees or less offer 401(k), while the Fast-Growth organizations of that same size remain at 73%.

And while 401(k) plans have traditionally been considered cost prohibitive for many small businesses, new legislation makes it more affordable than ever for small businesses to set up this big company benefit.

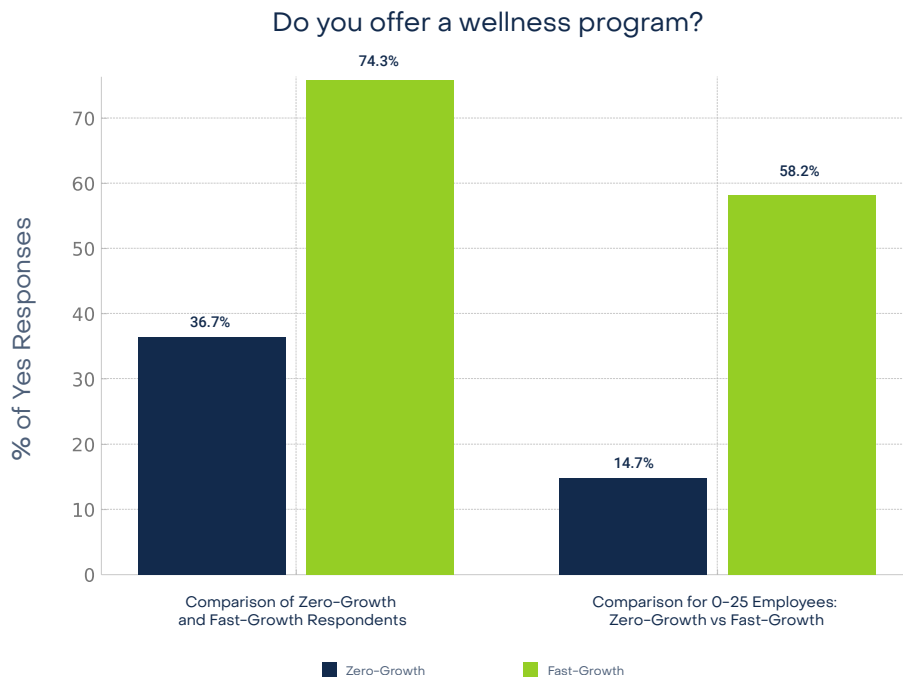


## Wellness Programs

Another big company benefit trend that's getting traction with employees—especially among younger generations—is Wellness Programs.

Today's workforce is more keenly aware of the impact of wellness. And the need for mental and physical health are increasingly recognized as key drivers for employee productivity and engagement. Offering a formal wellness program can have a positive impact in a variety of ways. Fostering good health habits can lessen health-related issues, reduce healthcare costs, and create a more resilient workforce. Wellness programs also demonstrate that the employer cares about and is invested in their employees' wellbeing. And some programs even offer financial advantages in the form of reduced tax liability.

Our 2024 HR Benchmark Survey results reinforce the value of offering a formal wellness program. Overall, more than 74% of Fast-Growth companies offer a wellness program, in contrast to less than 38% of Zero-Growth companies. For small employers with 25 or fewer employees, there's a sharp decline among Zero-Growth companies with less than 15% offering a wellness program, while nearly 60% of Fast-Growth companies of this size do offer a wellness program.



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*When we create a culture of wellness and care for others, we enable our best and brightest to succeed personally and professionally.*

Paul Almeida, dean and William R. Berkley Chair at Georgetown McDonough



# Strategic People Management.

HR is often associated with the box-check necessities of paperwork and compliance. While those are critical components for any business to ensure accuracy (less than half of our Zero-Growth companies are certain they're doing it right), there's tremendous business value in embracing HR best practices beyond the box checks.

People are a company's most valuable asset. And HR best practices form the backbone of an organization's people management efforts, which directly impact its ability to adapt to change, innovate, and achieve sustainable growth.

How do successful small businesses leverage HR strategies for effective people management? Here's some examples from our survey:



## **An Informed Workforce**

90% of Fast-Growth companies conduct company-wide meetings to communicate changes and company initiatives.



## **An Equipped Workforce**

81% of Fast-Growth companies provide leadership training to managers.



## **An Engaged Workforce**

91% of Fast-Growth companies have a formal review process to identify and understand goals.



## **A Recognized Workforce**

84% of Fast-Growth companies implement an employee recognition program to ensure employees feel valued.

By embracing and implementing effective HR best practices, companies can cultivate a skilled and engaged workforce, mitigate risks, enhance productivity, and ultimately, gain a competitive edge in the marketplace.



# Recruiting and Hiring.

When your business is reaching for growth and success, it's imperative to have the right team in place to get you there. That's why recruiting and hiring the best talent that fits with your organizational culture is essential.

But it's also important to remember that the recruiting and hiring process is governed by a set of rules and regulations to ensure fairness and avoid discrimination. Recruiting and hiring shouldn't be a winner-takes-all power grab.

Consider the hot water that the following NCAA football teams have found themselves in by ignoring the rules governing player recruitment in their quest to attract the best talent:

The NCAA levied penalties against Florida State University's football program for NIL recruiting violations. Punishment for the infractions include scholarship reductions and a fine of \$5,000 plus 1% of the athletic department budget.

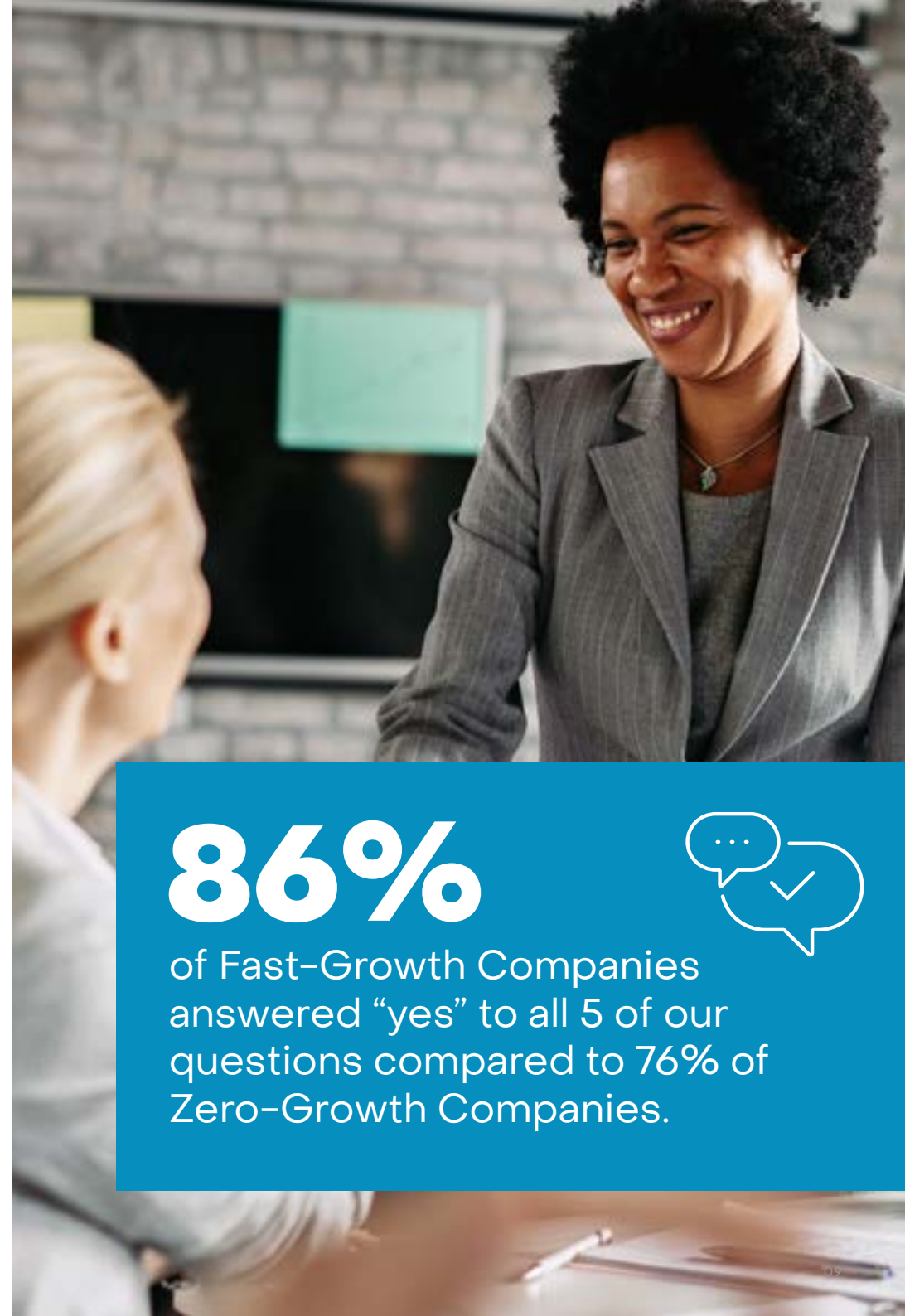
The University of Tennessee was penalized for recruiting violations which included cash payments to recruits' parents. Their penalties included a \$8 million fine plus the removal of scholarships. By cooperating with investigators, the school was able to avoid a harsher penalty.

College football is one thing, and these programs will likely weather this NCAA-enforced period of slow growth. However, what would happen to your business if you were penalized for recruiting violations? Would your brand survive? Could you absorb these costs?

In this year's HR Benchmark Survey, we asked businesses about the effectiveness of their recruiting and hiring processes mainly in terms of compliance.

Our survey data shows that while the majority of businesses are compliant with recruiting and hiring best practices, there is still uncertainty and room for improvement in this category.

## Are your recruiting and hiring processes compliant?

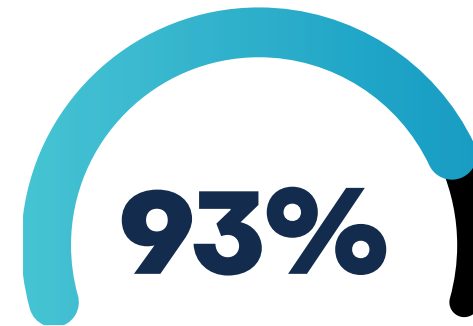


# 86%



of Fast-Growth Companies answered "yes" to all 5 of our questions compared to 76% of Zero-Growth Companies.

# Our 2024 HR Survey Reveals



of Fast-Growth companies are certain their job postings are compliant with Federal, State & Local Laws

When it comes to your recruiting and hiring practices, these best practices shouldn't be left to chance.

To minimize risk, prevent damage to your reputation and avoid costly penalties, every business should be 100% certain of compliance.

76% of Zero-Growth Companies have written job descriptions for each opening compared to 80% of Fast-Growth Companies. Job descriptions not only clarify responsibilities, but can also be a strong defense against many kinds of grievances or claims.

Additionally, there is room for improvement to increase the certainty of compliance with regulations:

8 in 10 of companies that failed to grow last year are certain that their job postings are compliant with Federal, State & Local laws compared to 93% of Fast-Growth Companies.

Are you certain your organization is following fair and nondiscriminatory hiring practices?

Our 2024 HR survey revealed that more than 8 in 10 companies in all categories of growth are certain their applications are free from illegal questions. However, there is work to be done in the following categories:

## **The Interview Process**

1 in 4 companies that failed to grow last year are not certain that their interview process is compliant and effective.

## **Background Checks**

The majority (81%) of Fast-Growth Businesses conduct background checks on candidates before they start work. Just 67% of businesses that failed to grow last year conducted candidate background checks.

# Why compliant background checks are **essential** to best hiring practices

Interviews and background checks are important tools for employers to use when gauging whether a job candidate is qualified and will be a good fit for your company.

Interviews help you dig deeper into a candidate's experiences but it's still applicant-supplied information that may not be accurate or complete. Background checks allow employers to get a complete and verified picture of candidates, which help you:

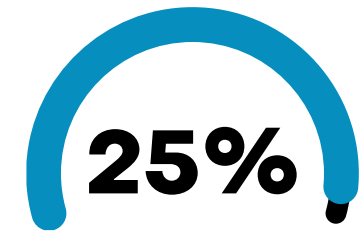
- Hire the most qualified people
- Minimize risk of theft or other criminal behavior
- Avoid workplace harassment and safety issues
- Maintain brand reputation

Like any other hiring practices, interviews and background checks must follow federal, state, and local laws including Fair Credit Reporting Act (FCRA) and EEOC guidelines.

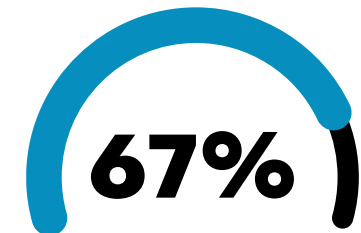
Taken directly from the U.S. Equal Employment Opportunity Commission (EEOC) website:

**Before a job offer has been made, you can't ask questions about an applicant's disability or questions that are likely to reveal whether an applicant has a disability. This is true even if the disability is obvious. You can ask the applicant to describe or demonstrate how she would perform specific job tasks, but you can't ask about her disability.**

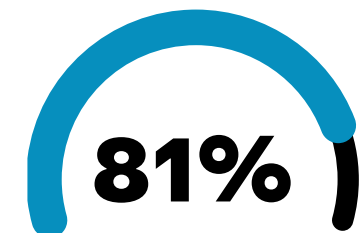
If an employer treats you differently because of your race, national origin, color, sex, religion, disability, genetic information (including family medical history), or older age, or asks you inappropriate questions about your medical status, medical history, or family medical history, contact the EEOC.



companies that failed to grow last year are not certain that their interview process is compliant and effective.



of businesses that failed to grow last year conducted candidate background checks.



of Fast-Growth Businesses conduct background checks on candidates before they start work.

# Benefits.

A comprehensive employee benefits package is an important part of any job offer—and could be the reason why your current employees choose to stay with your company or leave. A 2023 survey conducted by Georgetown University, in partnership with Bank of America, found that more than half of workers ages 24 to 35 would choose one employer over another based on the health insurance package offered.

The survey revealed many other desired employer benefits including paid sick leave, unlimited PTO, mental health assistance, and help with retirement planning.

Make no mistake, there is a direct correlation between what's in your benefits package and your ability to attract and retain top talent. And our survey reveals that Fast-Growth Companies better understand this dynamic than companies that failed to grow last year.

**Our survey data shows:** More than 8 in 10 Fast-Growth Businesses answered “yes” to all 5 of our questions concerning benefit offerings compared to only 6 out of 10 of Zero-Growth Companies. View the chart at right to see how many confirmed they're apply benefits best practices.

Question	Zero-Growth Companies	Fast-Growth Companies
Do you offer health insurance?	65%	90%
<b>Do you offer a 401k savings plan?</b>	<b>49%</b>	<b>74%</b>
<b>Do you offer a wellness program?</b>	<b>35%</b>	<b>74%</b>
Do you offer paid time off?	81%	83%
Are you certain you're compliant with Affordable Care Act requirements?	75%	85%

Health insurance consistently ranks as the most important employer-provided benefit by workers, yet Fast-Growth Companies outperform Zero-Growth Companies by a wide margin: **9 in 10 Fast-Growth Companies offer health insurance compared to about 6 in 10 of Zero-Growth Companies.**



About half of companies that did not experience growth last year offered a 401k retirement savings plan to employees compared to 74% of Fast-Growth Companies.

# 35%

Only 35% of Zero-Growth Companies offer a wellness program compared to 74% of Fast-Growth Companies.

Our 2024 survey results show that Zero-Growth Companies need to step up their benefits package offerings to compete with Fast-Growth Companies. In addition to providing health insurance, Zero-Growth Companies need to add 401k savings plans and wellness programs:

### How and why to offer a 401(k) plan to employees

In addition to showing that your company cares about its people and is committed to helping employees save for retirement, providing an employer-sponsored retirement plan enables you to:

- Take advantage of tax credits for small businesses when starting a 401k and for plans that offer employer matching.
- Reduce federal tax liability through new credits added in the SECURE Act 2.0.
- Comply with new state mandates requiring businesses, regardless of size, to provide retirement plans.

Asure offers a complete 401k solution for small businesses seeking to enhance their benefits package and support employees' financial wellness.

### How and why to add a wellness program to your benefits package

Offering a wellness program adds value to businesses by enhancing the well-being of their employees. Wellness programs improve and promote health and fitness as well as a wide range of health services including:

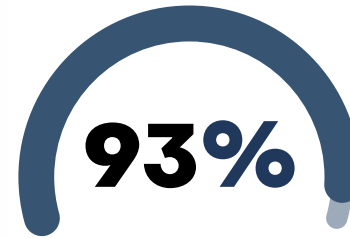
- Telemedicine
- Biometric and DNA screenings
- Health risk assessments
- Nutrition plans
- Wellness coaches to proactively manage employee health

# Onboarding.

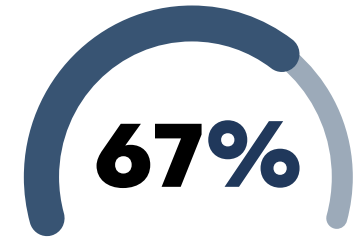
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Fast-Growth Companies get started on the right foot with onboarding processes...  
Zero-Growth Companies are at risk.



93% of Fast-Growing Companies train managers and staff how to complete I-9s compliantly.



Only 67% of Zero-Growth Companies can say the same.

One-Third of Zero-Growth Companies are risking a failed federal audit!

The way your company onboards new employees can leave a lasting impression. Is your process consistent and well-organized? If not, your new hires may be left feeling unsupported and lost in an organizational maze of policies, procedures, and employee introductions.

Studies show that 25% of new hires quit their jobs in the first three months. Fast-Growth Companies recognize that by implementing a good onboarding policy, you can help new hires quickly become more productive and engaged.

Our 2024 HR benchmark report shows:

Between 20-30% of companies that experienced Zero-Growth last year are at risk of losing new hires due to an onboarding program that's missing critical features including an onboarding checklist, new-hire packet, and formal orientation.

## Why are onboarding resources important to company growth?

Onboarding doesn't just happen on Day 1. It's an ongoing process that often lasts several months—and a checklist is vital in ensuring that the necessary paperwork is completed, and new employees acclimate to your culture. Checklists should include:

- New hire forms
- First-day details
- New hire packet that includes a welcome letter, company directory, and other items that will help answer frequently asked questions
- Employee handbook
- Technology access
- Work location and supplies
- Goal-setting
- Training plan

**81%** Fast-Growing Companies have an Employee Handbook updated in the past 12 months.

**31%** Zero-Growth companies do NOT train hiring managers and staff on how to complete I-9s compliantly

**89%** of Fast-Growth companies have an onboarding checklist for new employees

## Why is it important to update my employee handbook every year?

According to the Society of Human Resources Management (SHRM), an employee handbook should be viewed as a valuable communication resource for both the employer and the employee. It's important to keep it up to date with changing employment policies so you stay compliant with federal, state, and local requirements.

Your organization will also benefit from updating these items on a regular basis:

- Compensation and benefits summaries
- Time off policies
- Remote/hybrid work policies
- Standards of conduct
- Procedures for complaints
- Company history, mission, and values
- Signed employee acknowledgment

Don't let time and resource constraints get in the way of creating and maintaining a comprehensive, user-friendly Employee Handbook. If you need help, a highly qualified HR expert can help you develop one that meets your unique requirements.

**Nearly 1 in 4 of all companies do NOT provide a formal orientation for new hires to learn the company's mission vision and values.**



# Development.

Are you familiar with the story about the elephant and the rope? One day, a man comes across an elephant that is tied to a small rope—the elephant could easily escape but doesn't try. The man asks the trainer standing nearby why this is so. The trainer explains that when the elephant was small, it was tied to this small rope and not strong enough to break free.

The elephant became conditioned to think that it could not break the rope and thus, stays put. The lesson? The elephant was held back from achieving its full potential.

Similarly, employees who work at companies that don't focus on development are conditioned into thinking they are unable to achieve their learning and development goals. They either remain stagnant with their skillset—or leave the company for other opportunities to reach their full potential.

According to the American Psychological Association's (APA), 2023 Work in America workforce survey, 91% of respondents say it is somewhat or very important to have a job where they consistently have opportunities to learn. But only 47% say their employer offers educational opportunities.

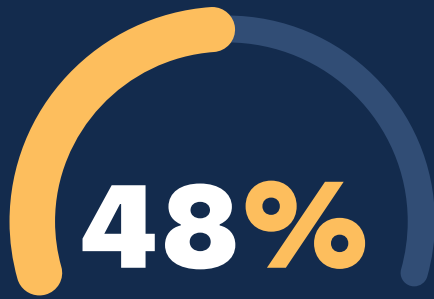
Our survey found:

**8 in 10 Fast-Growth Companies are following best practices in employee development compared to less than half of Zero-Growth Companies.**

Fast-Growing Companies are making investments in employee growth to ensure they have new skills and are ready to meet the challenges of tomorrow. These innovative companies are thinking about training and development in terms of the three "Es." Education, Exposure, Experience.



## According to recent Gallup research:



48% of American workers say they would switch to a new job if it offered them skills training opportunities.

Less than half of employees strongly agree they have the skills they need to be exceptional at their job.

We asked five questions and here's how many companies are using the following best practices:

Question	Which E is it?	Zero-Growth Companies	Fast-Growth Companies
Do you provide regular structured training for employees to be more effective in their jobs?	Education	52%	76%
Do you use technology resources to offer on-demand training for employees?	Education	54%	73%
Do you offer reimbursement for tuition or training expenses?	Education	57%	72%
Do you provide leadership training to managers?	Education and Exposure	51%	69%
Do you frequently assign stretch assignments to your employees?	Experience	35%	58%

### Why should my business focus on employee development?



#### Attracts Talent

Employees want to grow when they're working for your business. You can stand out during the recruitment process by highlighting ongoing skill and career development opportunities your company offers.



#### Engages Employees

When employees feel their work is challenging and driving growth, they are more likely to be motivated and engaged than employees who feel stuck like the elephant.



#### Retains Top Performers

Research shows employees are more likely to leave a job if the company doesn't offer professional development opportunities your company offers.



#### Drives Business Forward

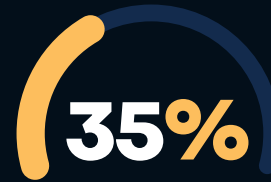
You do better when your employees do better. Development keeps them up to date on new techniques, skills, and processes they can use to drive innovation and deliver better customer experiences.

## WHAT IS A STRETCH ASSIGNMENT?

A stretch assignment is a project or task given to an employee that is beyond their current skill set or expertise. A stretch assignment gives the employee an opportunity to think and act outside their comfort zone.

### Goals of a stretch assignment

- Develop leadership skills in the employee
- Spark discovery of new tasks and roles that may inspire the employee to advance in their career
- Cost-effective development of an employee because the experience also results in a work product
- Greater retention of learning



of Zero-Growth businesses do not offer stretch assignments to their employees



# Compliance.

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Fast Growing Companies are getting out in front of compliance requirements while Zero-Growth Companies are lagging behind

Employment laws often change yearly, from employee classification and documentation requirements to minimum wage increases. That's why it's important for HR professionals to train their leadership team to ensure they are playing by the latest set of rules. Ignorance is not an excuse. Ducking employment laws could lead to conflicts in your workforce and legal complications that result in costly fines and penalties.

Having a documented process for handling HR investigations and inquiries is one way to ensure your team is consistent with questions and treatment of issues. It helps you avoid wandering into discriminatory practices even if they are unintentional.

Another way to make sure your business is compliant is by investing in management training about HR laws. This training is another line of defense against punitive action from the U.S. Department of Labor (DOL) or EEOC.

# 84%

of Fast-Growing Companies have a documented process for handling HR investigations and inquiries.

**Only 59%** of Zero-Growth Companies are using this defensive strategy to mitigate risk.





Are you certain you're compliant with wage and hour requirements according to the FLSA?

**More than 9 in 10 of Fast-Growing Companies are certain of their compliance with FLSA wage and hour requirements. 83% of Zero-Growth Companies are certain they are compliant with these requirements.**

Do you keep a Form I-9 for each person you hire and for one year after their employment ends?

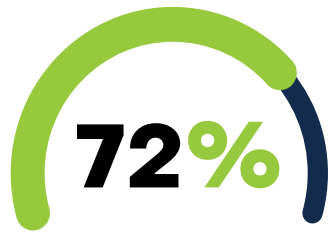
**16% of Zero-Growth Companies are not maintaining compliance with I-9 requirements, putting them at risk of an audit from Immigration and Customs Enforcement.**



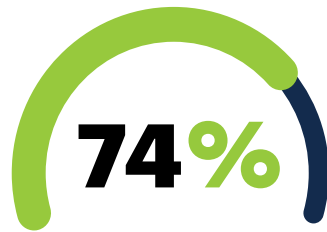
## **FROM THE U.S. CITIZENSHIP AND IMMIGRATION SERVICES (USCIS) WEBSITE:**

Form I-9, Employment Eligibility Verification, requirements come out of the Immigration Reform and Control Act of 1986 (IRCA). IRCA prohibits employers from hiring and employing an individual for employment in the U.S. knowing that the individual is not authorized with respect to such employment. Employers also are prohibited from continuing to employ an individual knowing that he or she is unauthorized for employment. This law also prohibits employers from hiring any individual, including a U.S. citizen, for employment in the U.S. without verifying his or her identity and employment authorization on Form I-9.

# Our 2024 HR Benchmark Survey Found:



of Fast-Growing Companies are conducting sexual harassment training while just 54% of Zero-Growth conduct this training.



of businesses with 51 to 500 employees conduct sexual harassment training. Only 56% of businesses with 50 or fewer employees are doing so.

For smaller businesses, it can be advantageous to outsource HR for sexual harassment training and claims and ensure your courses meet the U.S. Supreme Court's "Effective Training Standard."

Mary Simmons, SHRM-CP and VP of HR Consulting at Asure, explains it this way in [Asure's Sexual Harassment webinar](#), "Part of the strength of having outsourced HR is I'm not friends with the owner. I'm not the owner. We are external and what we find is that the employees were more comfortable coming forward because we made it clear here's the person that you can go to. And they're external."

The EEOC and many other states strongly recommend or encourage that employers provide sexual harassment training to their workforce.



## WHO'S BEING PROACTIVE ABOUT SEXUAL HARASSMENT PREVENTION TRAINING?

Smart employers know that effective sexual harassment training is essential when creating a safe workplace environment for all. Additionally, more and more states are adopting laws that require private businesses to provide sexual harassment training.

Fast Growing businesses are making this investment in workplace safety while Zero-Growth Companies are way behind.

## IS YOUR BUSINESS COMPLIANT WITH STATE LAWS REQUIRING SEXUAL HARASSMENT TRAINING?

*States and cities requiring sexual harassment training*

- |  |               |
|--|---------------|
| California                                     | Illinois      |
| City of Chicago                                | Maine         |
| City of Los Angeles                            | Massachusetts |
| Connecticut                                    | New York      |
| Delaware                                       | New York City |
| District of Columbia<br>(for tipped employees) |               |

# Retention.

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About half of American workers are highly satisfied with their job overall according to Pew Research. 71% of workers are open to new job opportunities according to Indeed's 2024 Workforce Insights Report. 60% said they are prepared to apply.

These statistics show that at least half of your workforce is open to leaving your company for greener pastures. Do you know how engaged your workforce is? Do you have a plan in place to ensure job enthusiasm and company dedication is both encouraged and rewarded?

Our 2024 HR Benchmark survey reveals that Zero-Growth businesses are missing out on opportunities to retain talent.

## **83% of Fast-Growth Companies answered “yes” to all 5 of our retention best practices questions compared to just 45% of Zero-Growth Companies.**

There are several best practices companies can use to strengthen employee engagement. One of the most obvious and straightforward methods for doing this is to hold periodic company-wide meetings to communicate with your workforce. We found that 9 in 10 Fast-Growth Companies and 7 in 10 Zero-Growth Companies surveyed are utilizing company-wide meetings to communicate changes and company initiatives.

Non-growing companies are falling behind when it comes to following employee retention best practices.

Less than half of Zero-Growth and Down-Year Companies are going beyond company meetings to gain the insight needed to understand employee engagement levels. There are two key tactics companies can use to measure levels of emotional connectedness and find out what's working and what's not.



“

*The way your employees feel is the way your customers will feel. And if your employees don't feel valued, neither will your customers.*

Sybil F. Stershic, author of *Taking Care of the People Who Matter Most: A Guide to Employee-Customer Care*



# 83%

of Fast-Growth Companies have surveyed their workforce to assess employee engagement compared to just 40% of Zero-Growth Companies. Additionally, Fast-Growing Companies are leading the way when it comes to uncovering more personal employee perspectives.

# 73%

of Fast-Growth Companies conduct “Stay Interviews” to better understand what is motivating employees to stay or leave compared to just one-third of non-growing companies. The stay interview is an indispensable tool for organizations to use when attempting to increase retention of top talent.

**A “stay interview” is an informal and proactive conversation with an employee to find out what motivates them to stay engaged, what they love about working for your company, and areas for improvement.**



We also asked businesses, “Do you have an employee recognition program?”

### **The result**

Fast-Growing businesses are 32% more likely to have an employee recognition program that praises exemplary performance in a public setting than businesses experiencing no growth

## **Do I Have a Future Here?**

According to Pew Research, only 33% of workers are highly satisfied with their opportunities for promotion at work. That statistic spells retention problems for non-growing businesses. Research shows a strong correlation between a lack of career progression and employees who choose to leave a company. In fact, most employees feel that it’s easier to leave and grow than to stay and flounder.

Career coaching can be used a part of any company's comprehensive retention efforts. Assigning a mentor or career coach to an employee helps them tap into their strengths and design a roadmap for success. Together, they set goals and identify upskilling opportunities that ensure career path growth for the employee within your organization.

Studies show that career coaching leads to increased productivity and data from BetterUp reports that employees are 78% less likely to leave voluntarily when participating in a career coaching relationship.

Our survey found that **only one-third** of Zero-Growth Companies provide career path coaching for employees **compared to 78%** of Fast-Growing Companies.



# Performance Management.

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Why is performance management important to growing businesses? Without it, how will you ensure employees are aligned with your organization's mission and goals?

To ensure successful management of employee performance, you need to establish a process that accomplishes four things:

1. Set clear expectations that are aligned with your company's goals and mission.
2. Measure progress.
3. Identify development needs and employee potential.
4. Provide an appraisal.

At the end of the process, the appraisal is used to support promotions, salary increases, bonuses, and other employment decisions. Then, the process begins again.

We asked businesses, "Do you have a formal performance review process?"

9 in 10 Fast-Growing Businesses have a formal performance review process compared to just 66% of Zero-Growth Businesses.

Fast-Growth Companies also outperformed non-growing businesses in every other category of performance management best practices.

We also asked, "Do you regularly communicate expectations for job performance?" In response, 83% of Fast-Growth companies said yes, compared with 67% of Zero-Growth companies.

**78% of Fast-Growing Businesses conduct 360 reviews with feedback from multiple team members compared to only 36% of No-Growth Businesses.**

**A 360-degree review** collects feedback from peers, subordinates, and others to provide a holistic assessment of an individual's performance. Multiple perspectives can help uncover blind spots, highlight strengths, and identify areas for improvement. Overall, it's a powerful tool for driving continuous improvement and cultivating a culture of feedback and development.

**“It’s the follow-through that makes the great difference between success and failure, because it’s so easy to stop.”**

*Charles F. Kettering, American Inventor*



**3 in 4** Fast-Growth Companies are documenting “performance improvement plans” for underperforming employees compared to 63% of Zero-Growth Companies.

With performance management, why bother setting goals and measuring them if you’re not going to reward outstanding performance or remedy poor performance?

Like anyone, employees need guidance, recognition, and closure to be truly happy and engaged. That’s why our other performance management questions sought to home in on what businesses are doing with their performance assessments.



**About 9 in 10** Fast-Growth Companies are rewarding higher performance with recognition and higher pay while 70% of Zero-Growth Companies do the same.

# Post Employment.

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Our 2024 HR benchmark survey found that fast-growing businesses are committed to excellence when it comes to following HR best practices throughout the employee lifecycle.

Fast-Growth businesses outperformed companies that experienced no growth in every stage of the employee lifecycle from recruitment and onboarding through employee development, retention, and separation.

Our survey data shows::

**84% of Fast-Growth Companies** answered “yes” to all 5 of our post-employment questions compared to **62% of Zero-Growth Companies**.

**We asked small businesses, “Do you conduct exit interviews with voluntary terminations?”**

We found that Fast-Growth businesses are **23% more likely** to conduct exit interviews with voluntary terminations as compared to businesses that experienced Zero-Growth.

**We asked small businesses, “Do you provide exiting employees with a termination letter?”**

We found that Fast-Growth Companies are **31% more likely** to provide a termination letter than Zero-Growth Companies.





## Why every company should conduct an exit interview

Exit interviews are an important tool to learn about an employee's feelings regarding their job responsibilities, their supervisor, the business, and more. If businesses don't ask for this feedback, you'll never uncover trends behind employee turnover.

An exit interview should be conducted by an HR manager or outsourced HR team in person, one-on-one, in a comfortable and safe atmosphere. The intent is for your business to collect information so you can make positive changes at your business.

Asking consistent questions will help you assess the overall employee experience so you can identify opportunities to improve retention and company culture. An exit interview is also a great way to provide closure for both the employer and employee and prevent any legal issues that could arise from the separation.

**About half of Zero-Growth Companies don't conduct exit interviews or provide employees with a termination letter compared to about 80% of Fast-Growth Companies**



## Why do businesses need to provide a Termination Letter?

A termination letter is an official document that notifies an employee of their post-employment obligations and entitlements, whether it is a voluntary separation, or they have been fired or laid off.

The intent of this letter is to capture the details of the separation in writing to prevent any misunderstandings. A termination letter should include:

- Employee name and ID number
- Date of the termination and reason for separation
- Information about compensation and benefits due
- Employee obligations such as return of company property
- Next steps, for example reminder of non-disclosure or other clauses impacting the terminated employee

Following a consistent termination policy will provide structure for employee separations and prevent any misunderstandings. It can also have a positive impact on corporate culture with a vehicle that provides clarity in a professional format.

# HR On a Budget.

This guide and the results of our 2024 HR Benchmark Report establish the inherent and tangible value of applying HR best practices for small businesses. But how can small business leaders effectively manage these policies and programs when their resources are already stretched thin?

Outsourced HR support can be a cost-effective alternative to hiring or expanding in-house HR staff. When you engage with certified HR experts through a subscription-driven service, you can get access to the expertise and support you need for a fraction of the cost and 100% of the growth-driving benefits.

Solutions like Asure's HR Compliance Services give small businesses the flexibility to choose the service level that fits their needs and budget, while insulating them from compliance missteps and providing expert guidance on people management best practices that can unlock growth potential. Our HR Compliance Services include access to HR experts as well as technology tools that can simplify some aspects of HR, such as training videos for leadership, compliance, and more.

By entrusting HR tasks to external professionals, small businesses can streamline operations, minimize risks, and focus on driving growth. If your small businesses needs affordable HR support to help you remain compliant, contact us today.



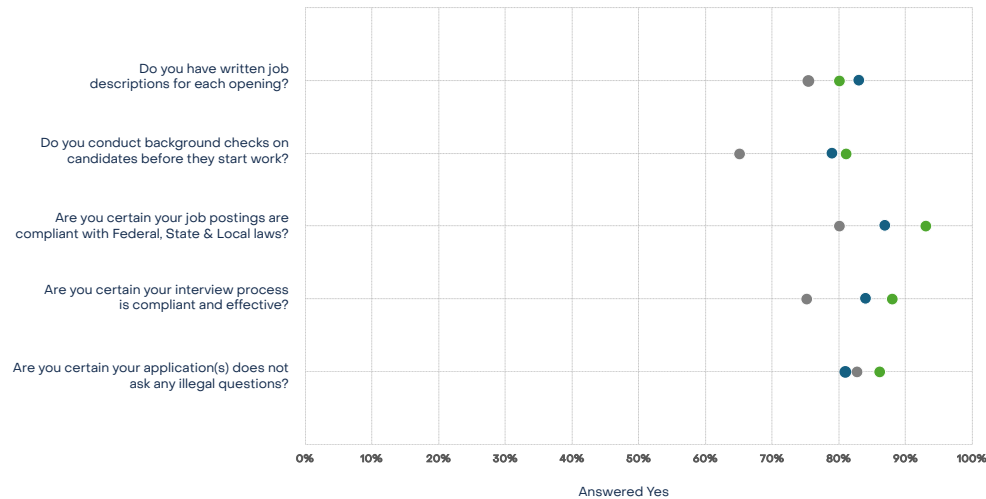
# Appendix

Following is a breakdown of the question-by-question survey responses by respondent's self-identified growth type.

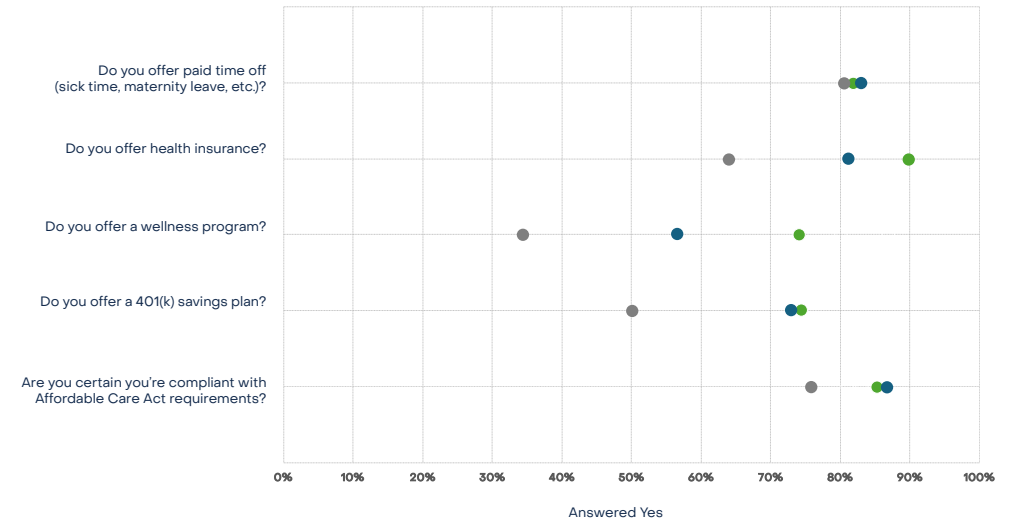
## Growth Stage

Fast-Growth Zero-Growth Growth

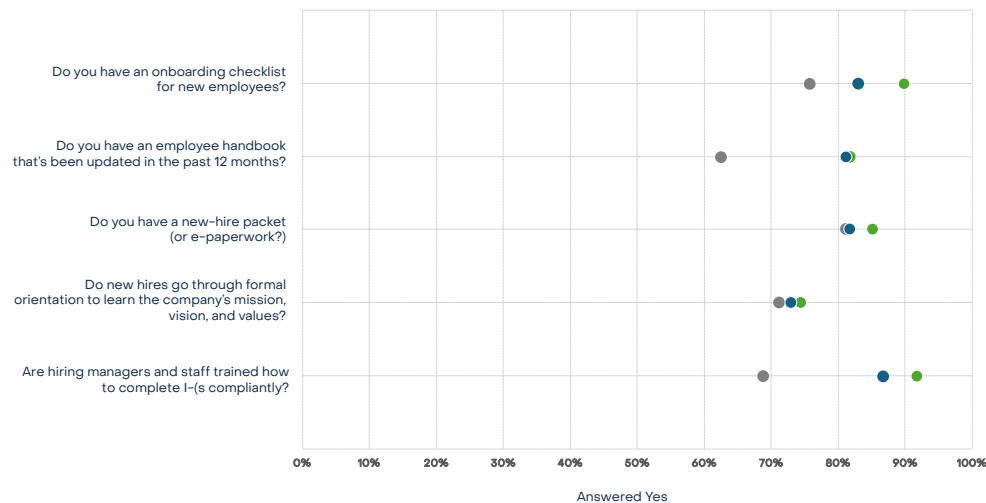
### Recruiting and Hiring



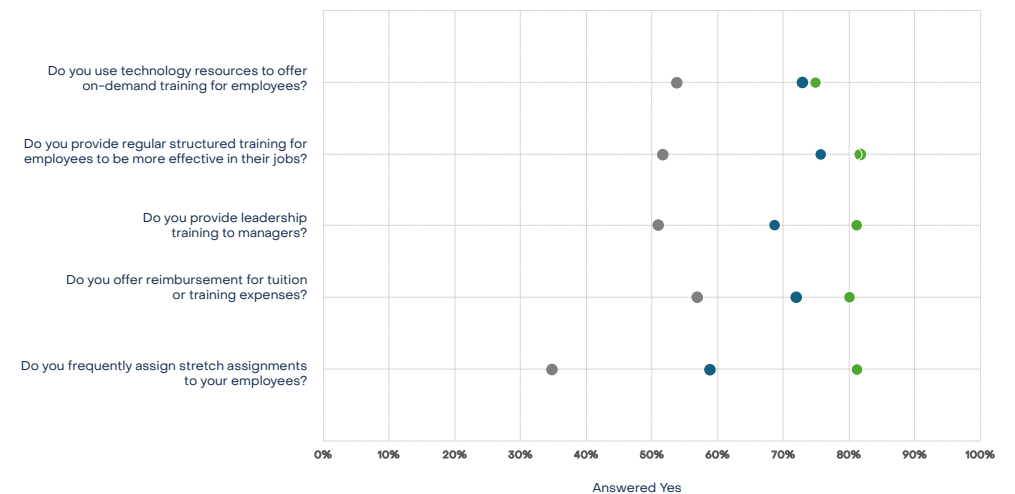
### Benefits



### Onboarding



### Development



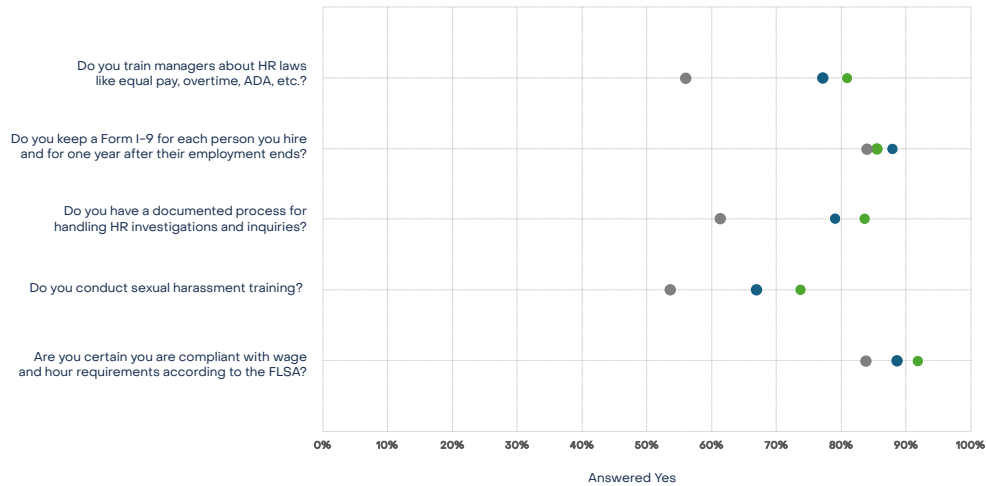
# Appendix Cont.

Following is a breakdown of the question-by-question survey responses by respondent's self-identified growth type.

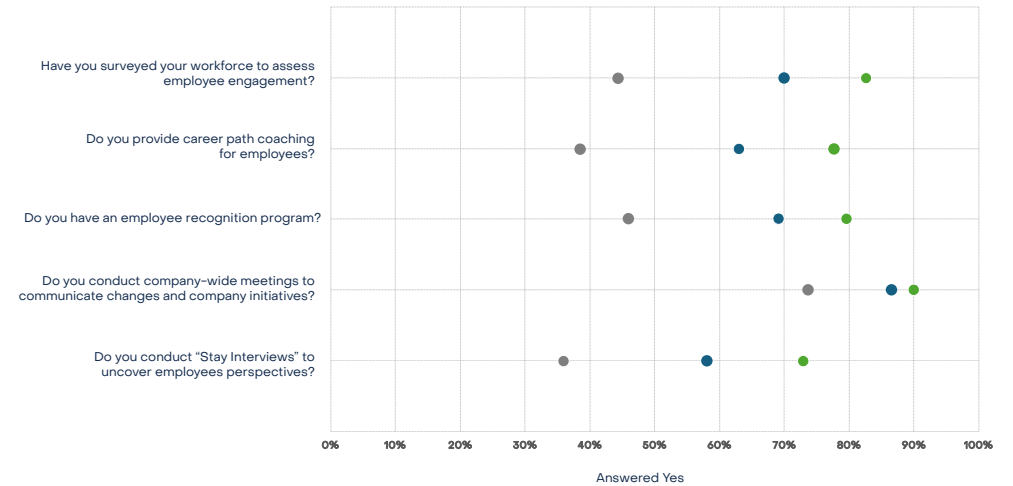
## Growth Stage

■ Fast-Growth ■ Zero-Growth ■ Growth

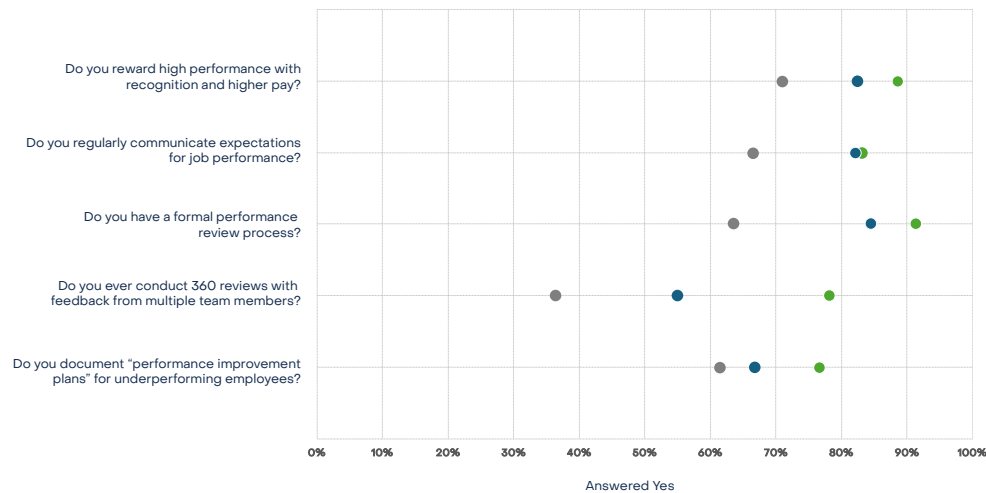
### Compliance



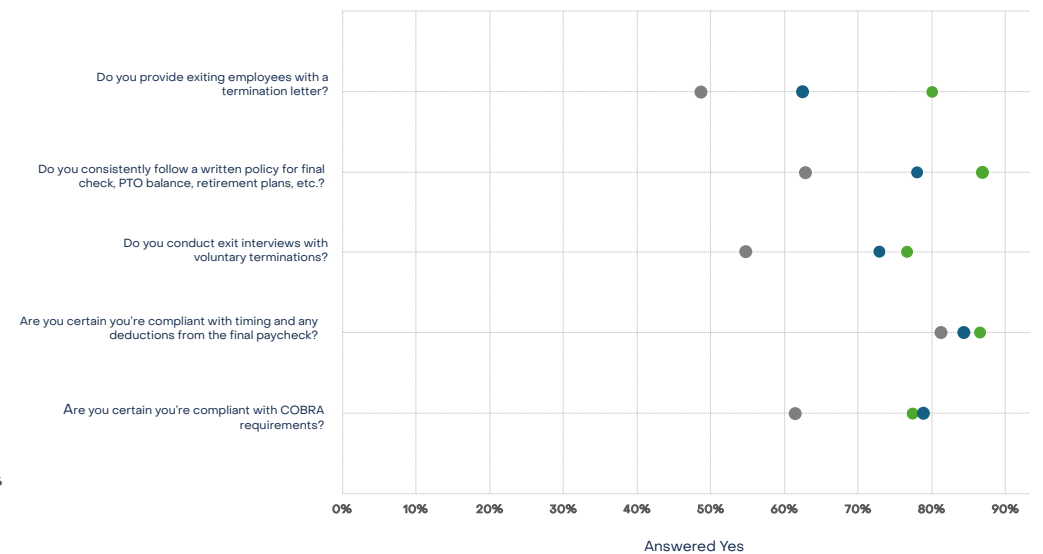
### Retention



### Performance Management



### Post-employment





## It all matters — the little and big things you do as you scale from 0 to 500+

Our small business clients have a mission — build a better product, figure out a better way, or maybe even change the world. To do that, they must grow.

That's why we build reliable, compliant Payroll & HR software that's delivered via the cloud so you can skip the costly IT overhead or large capital purchase. And because we're hyper focused on supporting your growth, our systems can scale from start-up to 1,000+ employees without any expensive upgrades or painful migrations.

Don't want the risk and overhead of maintaining payroll and HR staff? Asure can take the expense and compliance headache off your plate. Our certified HR professionals help build top-notch teams, stay compliant with HR laws, and eliminate the need to hire full-time back-office staff.

Asure can help your business develop Human Capital to get to the next level, stay compliant, and allocate your time and money toward growth.

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