



# 2026

# HR BENCHMARK REPORT

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**What growing companies do differently — across every stage of the employee lifecycle.**

Over 1,900 small-business leaders participated in this year's HR Benchmark Survey. Inside: the 40 HR best practices that separate the companies that grew from the companies that shrank.

**40**

HR practices

**8**

lifecycle stages

**3**

growth cohorts



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# What's Inside.

|                                          |    |
|------------------------------------------|----|
| The Complete 2026 Results                | 3  |
| The Smile Moved                          | 4  |
| The certainty collapse                   | 5  |
| Three forces, converging at once         | 6  |
| Three more stories in this year's data   | 7  |
| How this survey works                    | 8  |
| Conclusion — The Gap Isn't a Department  | 25 |
| Appendix                                 | 26 |
| View A · All 40 practices, ranked by gap | 26 |
| View B · Full results by lifecycle stage | 28 |

|                         |    |
|-------------------------|----|
| The Employee Lifecycle  | 9  |
| 1 · Recruiting & Hiring | 9  |
| 2 · Benefits            | 11 |
| 3 · Onboarding          | 13 |
| 4 · Development         | 15 |
| 5 · Compliance          | 17 |
| 6 · Retention           | 19 |
| 7 · Performance         | 21 |
| 8 · Post-Employment     | 23 |

THE LIFECYCLE, IN THE ORDER YOUR EMPLOYEES EXPERIENCE IT

- Recruiting & Hiring 9
- Benefits 11
- Onboarding 13
- Development 15
- Compliance 17
- Retention 19
- Performance 21
- Post-Employment 23

# The Complete 2026 Results.

Average adoption of each stage's five practices, by growth cohort. The gap — growth minus down, in points — now runs roughly 20 points at every stage.



## The whole report, in eight habits.

### 1 RECRUITING & HIRING

Write the description before the posting — every opening, every time.

### 2 BENEFITS

Re-shop the package: still competitive, still compliant?

### 3 ONBOARDING

A plan executed imperfectly beats no plan at all.

### 4 TRAINING & DEVELOPMENT

Hand someone a stretch assignment this month.

### 5 HR COMPLIANCE

Certainty comes from execution, not attitude.

### 6 EMPLOYEE ENGAGEMENT

Give every person a career path.

### 7 PERFORMANCE MANAGEMENT

Install the system before you need it — reviews, expectations, PIPs.

### 8 TERMINATION & OFFBOARDING

Always conduct the exit interview. It's where you hear the truth.

# The Smile Moved.

Last year, we published a chart that looked like a smile.

It plotted the gap between growing and declining companies at each of the eight stages of the employee lifecycle, from recruiting to offboarding. At the ends — the hiring paperwork, the exit paperwork — the gap was small. Nearly everyone, thriving or struggling, had the basics handled. But in the middle of the lifecycle, where companies develop and retain their people, the curve plunged into double digits. The gap lived where careers are built. That was the smile.

This year we ran the same survey — 40 HR best practices, yes or no, across the same eight stages — and the smile is gone. In its place is something flatter and more sobering: the gap between growing and declining companies now runs roughly 20 points at every stage. Not just development and retention. Recruiting. Benefits. Compliance. Even offboarding.

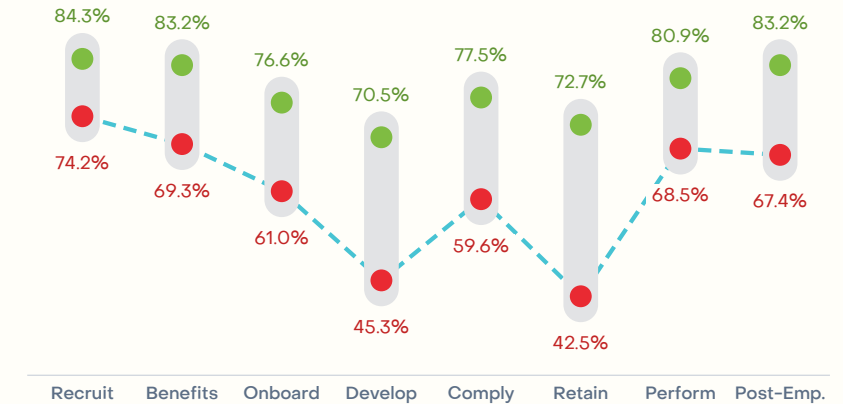
Here's what makes that flattening worth your attention: growing companies didn't change. They scored roughly 70 to 84 percent at every stage, both years. What changed is the declining cohort — companies having a down year can no longer be counted on to have the front and back of the lifecycle covered. The ends of the smile collapsed.

And the smile itself? It didn't die. It moved. Compare growing companies to *flat* companies — the ones treading water at zero to five percent growth — and the same curve reappears at half the amplitude, peaking at the same two teeth: development and retention. Flat companies match growers on the basics and fall away precisely where people get developed and kept.

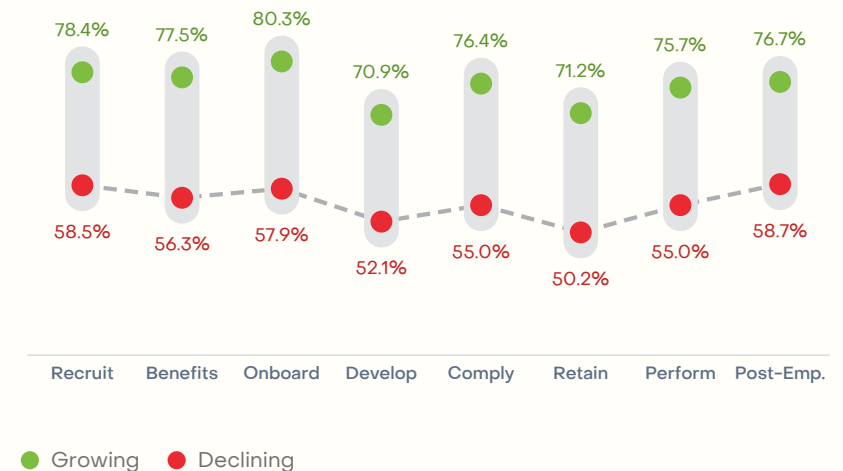
That's the spine of this year's report. Decline no longer has a shape — it's erosion across the entire lifecycle. The smile is the difference between growing and stalling.

Something shifted under small businesses this year. Before we walk the lifecycle, it's worth naming what.

Average adoption of each stage's five practices, by cohort  
**2025 — the smile**



**2026 — the smile is gone**

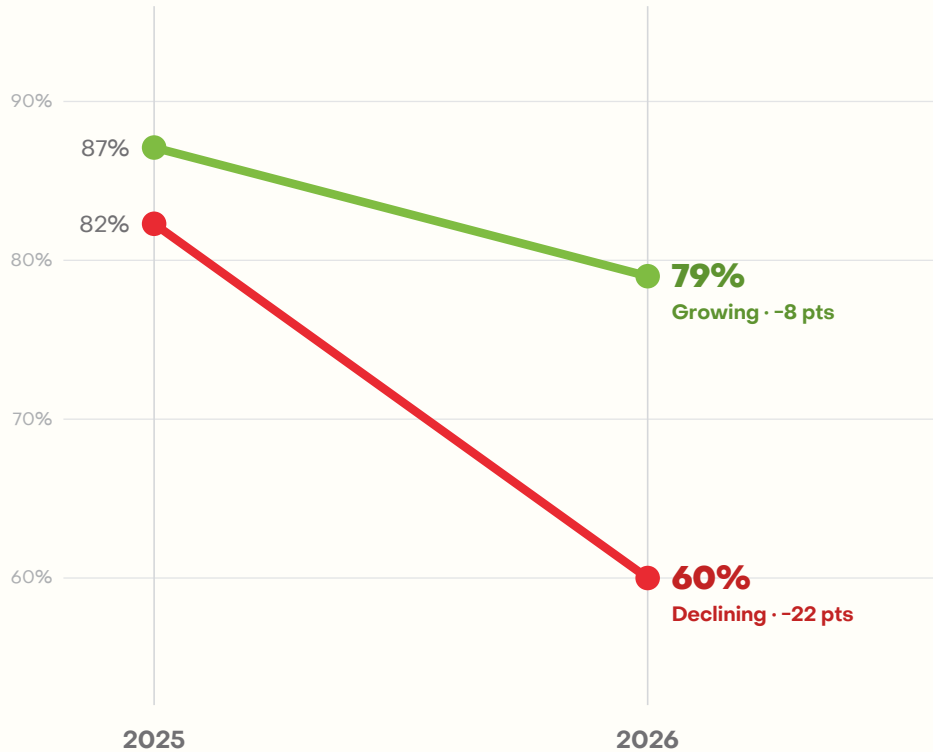




# The certainty collapse.

## “Are you certain you’re compliant?”

Average share answering yes across the seven certainty questions



All seven questions moved the same direction, for both cohorts — the per-question drops are at right. Each year’s figures are that year’s cohort.

The single most striking pattern in this year’s data is what happened to confidence.

The survey asks seven questions in the form “are you certain you’re compliant” — with wage-and-hour law, with the ACA, with COBRA, with final-paycheck rules. Start with the finding that can’t be explained away: growing companies — the ones adding revenue and headcount, the ones getting everything else in this report right — slipped five to thirteen points on every one of these questions this year. Not one certainty measure moved up, for anyone.

And that’s the mild version. Declining companies didn’t slip; they dropped an average of 22 points per question, comparing each year’s own survey cohort. A year ago, certainty on these questions was near-universal across every kind of company. This year, compliance confidence eroded for everyone — and cratered for companies in decline.

Our survey measures what happened, not why. But we have a theory about the ground these companies are standing on, and it comes down to three forces converging at once.

## How far certainty fell in one year — declining companies

Per question — the chart at left shows the seven-question average.

**-27.0 pts**

Wage & hour

**-26.7 pts**

Applications

**-24.4 pts**

ACA

**-21.0 pts**

Final paycheck

**-19.8 pts**

COBRA

**-19.5 pts**

Job postings

**-17.5 pts**

Interviews

**7 of 7 fell**

for both cohorts

Growing companies fell too — five to thirteen points on every question.

# Three forces, converging at once.

*Our read on the ground these companies are standing on — context from outside our survey.*



## RISING BURDEN

**The administrative burden keeps compounding.** Compliance doesn't get easier in the years you're busy; it accumulates. In a 2025 National Small Business Association survey, owners named complexity — not cost — as the biggest cause of regulatory difficulty, 43 percent to 32, and one in three reported spending more than a full work week per year on federal regulations alone.

**43%**

of owners name complexity, not cost, the top difficulty



## SHRINKING CAPACITY

**There are fewer hands to carry it.** The labor shortage hasn't spared the back office — ask anyone who's tried to hire a bookkeeper or an office manager this year. It isn't imagination: by U.S. Chamber of Commerce workforce data updated in 2026, the labor force is still missing 1.7 million Americans compared with February 2020. And in most small companies, there was never anyone else to carry it anyway — in that same NSBA survey, 70 percent of small businesses said the owner personally spends the most time on regulatory compliance, and only one in ten have any staff monitoring the regulatory landscape at all. When the person keeping up with the rules is also the person running the company, keeping up is the first thing to go.

**1.7M**

workers still missing vs February 2020



## ACCELERATING CHANGE

**And the work itself is changing faster than anyone can absorb it.** A 2025 study by the U.S. Chamber of Commerce and Teneo found 58 percent of small businesses now use generative AI — more than double 2023's 23 percent — while 65 percent worry that a patchwork of state AI laws will drive up their legal and compliance costs. The tools are arriving faster than the certainty about how to use them compliantly.

**58%**

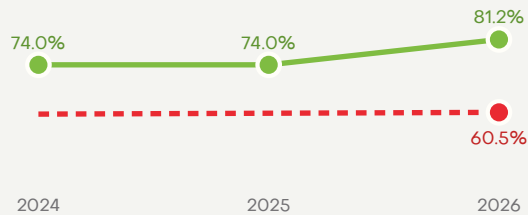
of small businesses now use generative AI

**Rising burden, shrinking capacity, accelerating change. Against that backdrop, a broad erosion of confidence isn't a mystery. It's arithmetic.**

The full story of the certainty collapse lives in the Compliance chapter. But watch for it along the way — the same erosion surfaces at the hiring door, in benefits administration, and follows employees all the way out the exit.

## Three more stories in this year's data.

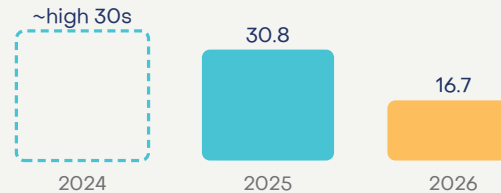
### 401(k) adoption, three reports



#### The 401(k) became a growth-company staple.

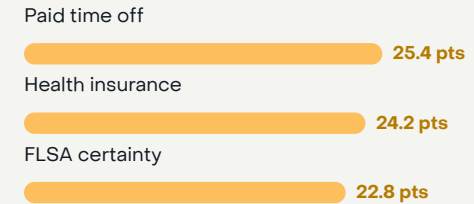
Across our last three reports, 401(k) adoption among growing companies climbed from 74 percent to 74 percent to 81 percent — while declining companies sat flat around 60. A gap that was once modest has roughly doubled. For growing companies, retirement benefits are becoming table stakes.

### Wellness-program gap, shrinking



**Wellness commoditized.** The wellness-program gap has shrunk three reports straight — from the high thirties (2024 figure approximate), to around 30, to 16.7 points this year — and not because growers pulled back. Everyone else caught up. Wellness went from a top-tier differentiator to mid-pack.

### Wide gaps in the basics



**The floor fell out of the basics.** This is the certainty collapse in its most concrete form. Paid time off, health insurance, compliance confidence — practices that used to be safe assumptions about any functioning company — now run gaps of 19 points and up. What decline looks like in 2026 is different from what it looked like in 2025: a company having a down year can no longer be assumed to have the fundamentals in place.

One more thing before you dig in. A single practice has sat at or near the top of this list in every report since 2023 — and it's waiting for you in the Retention chapter.

Here's how to read what follows: eight stages of the employee lifecycle, in the order your employees experience them. The stages are navigation, not a ranking — the gap is roughly 20 points at each one. Every question we asked appears in the appendix, whether it made a chapter or not. Start anywhere. The story is the same everywhere: growing companies run their people practices on purpose.



## METHODOLOGY

# How this survey works.

Each year, the HR Benchmark Survey asks small-business leaders about 40 HR best practices spanning the eight stages of the employee lifecycle, from pre-employment through post-employment — five per stage. Every question is yes/no: *do you do this, or don't you?*

That design is deliberate, and it makes this a quantitative study by definition. We don't ask how good your employee handbook is. We ask whether you have one. Some companies that answer yes do the practice brilliantly; some do it poorly. That spread is the point: when the mere *presence* of a practice correlates with revenue growth — despite all the variation in quality hiding inside every “yes” — presence itself is the signal. Throughout, we compare companies by their self-reported growth — a **growth year** (6% or more), a **flat year** (0–5%), or a **down year** (a decline of 1% or more) — and a “gap” is the percentage-point difference in adoption between companies that grew and companies that shrank.

The 40 questions come in two kinds. Most are **execution questions** — *do you do this*: run background checks, hold reviews, keep the handbook current. Seven are **certainty questions** — *are you confident you're doing it right*: wage-and-hour, COBRA, your job postings. Both are yes/no, but one measures a verb and the other measures a state of mind. Keep the distinction handy — this year, the certainty questions are where the story is.

One more design choice: the questions stay consistent from year to year. The gap between growing and shrinking companies is the heart of every report — but holding the questions steady is what lets us spot what's moving, and you'll find those trends flagged throughout.

*More than 1,900 business leaders responded to this year's survey. Before analysis, every submission passed a rigorous verification process — deduplication, internal-consistency checks, and standard data-quality screens. The margins of error on page 30 reflect that verified set.*

## 8 stages \* 5 questions = 40

|                     |   |   |   |   |   |
|---------------------|---|---|---|---|---|
| Recruiting & Hiring | ● | ● | ● | ● | ● |
| Benefits            | ● | ● | ● | ● | ● |
| Onboarding          | ● | ● | ● | ● | ● |
| Development         | ● | ● | ● | ● | ● |
| Compliance          | ● | ● | ● | ● | ● |
| Retention           | ● | ● | ● | ● | ● |
| Performance         | ● | ● | ● | ● | ● |
| Post-Employment     | ● | ● | ● | ● | ● |

*Every question is yes/no: do you do this, or don't you?*

## Three cohorts, by last year's revenue

GROWTH YEAR

6%+

FLAT YEAR

0–5%

DOWN YEAR

decline 1%+

## Two kinds of questions



### Execution

do you do this — 33 questions



### Certainty

are you confident you're doing it right — 7 questions

*Certainty questions are marked with a shield throughout.*

# Recruiting & Hiring.

82.4 percent of growing companies write a job description for every opening. Among declining companies, 55.6 percent do. That 26.8–point gap is the third largest of the forty practices in this survey — bigger than anything in benefits, bigger than anything in compliance.

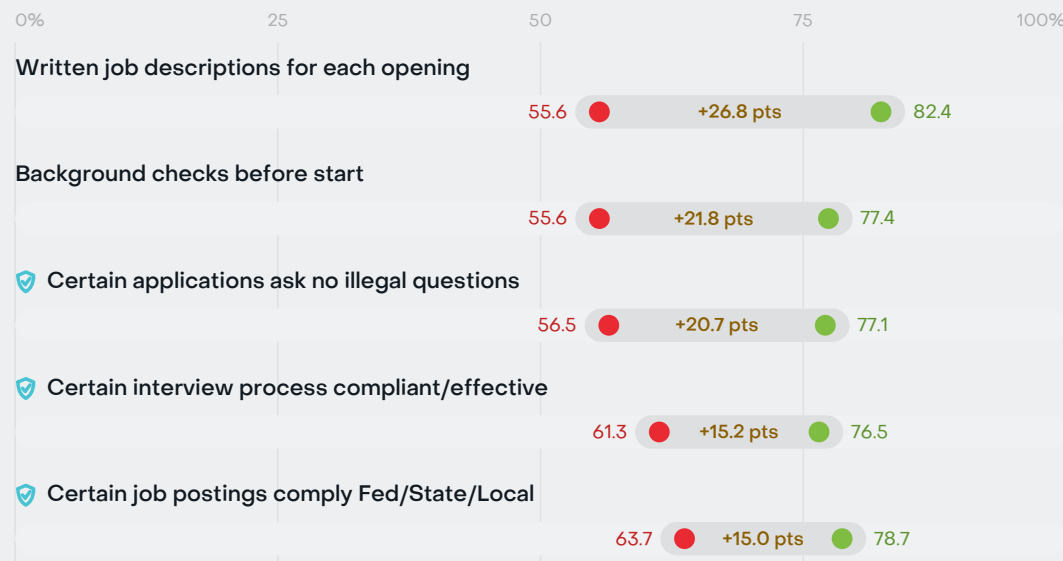
Which is a strange place to find one of the survey’s strongest signals, because a job description is the humblest document in HR. Nobody puts “wrote clear job descriptions” on the highlight reel. It’s the paperwork of hiring — the thing you dash off, or copy from the last posting, or skip entirely because everyone already knows what the job is. And yet whether it exists at all is one of the strongest growth signals we measure.

Why would a document that boring matter that much? Because a written job description is rarely just a document. It’s evidence that someone stopped and decided what the role actually is — what it’s accountable for, what it pays for, what success looks like — *before* candidates started walking in the door. Companies that skip that step don’t just write worse postings. They interview against a vague target, hire against a vaguer one, and discover the mismatch on the new hire’s ninetieth day instead of before the offer.

The rest of this stage tells the same story about deliberateness — and every practice in it is cheap insurance against recruiting’s defining hazard, which is that hiring mistakes compound. A mis-hire costs the wages, the ramp time, the re-recruiting, and the morale of everyone who worked beside the wrong fit. Growing companies buy their protection up front, running background checks before a start date at 77.4 percent, compared to 55.6 percent of declining companies — a 21.8–point spread on a practice that costs less than a bad first week.

## The five practices in this stage

% of each cohort answering yes



● Growing ● Declining ✓ = certainty question

The number inside each band is the gap — how far growing companies lead, in points.

### TAKEAWAY

Write the description before you write the posting — every opening, every time.

Then there's the subtler thread, the one this report keeps returning to: the certainty questions — the second kind this survey asks. We asked whether leaders were certain their applications ask no illegal questions, certain their interview process is compliant and effective, certain their job postings meet federal, state, and local requirements. Growing companies answered yes at 77.1, 76.5, and 78.7 percent respectively; declining companies trailed by gaps of 20.7, 15.2, and 15.0 points — and each of those gaps is legal exposure wearing a percentage sign. A year ago, hiring-compliance certainty barely separated anyone; these were the questions everybody answered yes to. The erosion you read about at the front of this report starts here, at the very front door of the lifecycle.

If your foundations are solid — and if you're reading this, they probably are — the move here isn't to overhaul recruiting. It's to close the gap between “we know what we're hiring for” and “it's written down.” The companies growing around you have made that translation a habit.

Write the description before you write the posting — every opening, every time.

**QUESTION**

Do you have written job descriptions for each opening?

**26.8**

POINT GAP · 3RD LARGEST OF 40

declining

55.6%



growing



82.4%



# Benefits.

A year ago, paid time off barely separated growing companies from shrinking ones. This year, PTO carries a 25.4-point gap, one of the six largest in the survey.

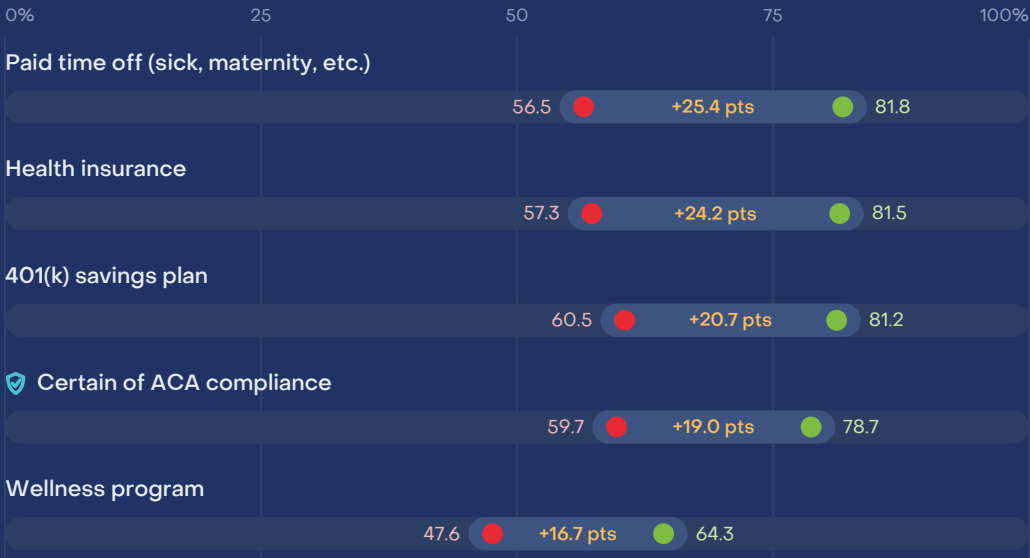
Let's be precise about what that means, because it would be easy to misread. This is not a story about companies taking benefits away — our survey doesn't follow the same companies year to year, so it can't say that and doesn't. What it says is that decline looks different now. The companies having a down year in 2026 are companies where the benefits floor — the things everyone assumed everyone had — cannot be taken for granted. 81.8 percent of growing companies offer paid time off; 56.5 percent of declining companies do. Health insurance runs nearly the same: 81.5 percent of growers, 57.3 percent of decliners, a 24.2-point spread. "Table stakes," it turns out, are only guaranteed at the tables where companies are winning.

Inside this stage, two benefits are moving in opposite directions — and together they say a lot about where the market is going.

The first is the 401(k). Growing-company adoption has climbed across our last three reports — 74 percent, then 74, then 81 — while declining companies stayed parked around 60. The gap, once modest, has roughly doubled, and it now stands at 20.7 points (81.2 percent versus 60.5). Read that trend from a job candidate's chair: four out of five growing companies in your market now offer a retirement plan. Every year, "we don't have a 401(k) yet" sounds less like a normal answer from a small company and more like a signal about which kind of small company you are.

## The five practices in this stage

% of each cohort answering yes



● Growing ● Declining ✓ = certainty question

The number inside each band is the gap, in percentage points.



## CHAPTER 2 · BENEFITS · CONTINUED

The second is the wellness program — and it's traveling the other way. Its gap has shrunk three reports straight, from the high thirties (2024 figure approximate) to around 30 to 16.7 points this year. Not because growing companies pulled back; at 64.3 percent, they offer wellness programs as much as ever. Because everyone else caught up. Part of what made wellness elite was that it was a separate purchase — a standalone program bought on top of the health plan. Increasingly it isn't: carriers now fold wellness into small-group medical plans, so “we have a wellness program” stopped being a decision and started being something that comes with the insurance. Wellness went from an elite differentiator to standard equipment — worth having, no longer worth bragging about.

And running underneath the whole stage, the certainty thread again: 78.7 percent of growing companies are certain they're compliant with the Affordable Care Act, against 59.7 percent of declining ones. Offering benefits and being certain you're administering them lawfully are two different practices — and the gap shows up in both.

Here's what this means at your desk. Benefits have changed jobs. They used to be a floor — the minimum to field a workforce. In this year's data they behave like a signal: present, current, and competently administered at the companies that are growing; eroding at the companies that aren't. Candidates read that signal in interviews. Employees read it every open-enrollment season.

So the question isn't whether you offer benefits — you almost certainly do. It's whether the package you built years ago still says what you want it to say: are you certain it's competitive, and are you certain it's compliant?



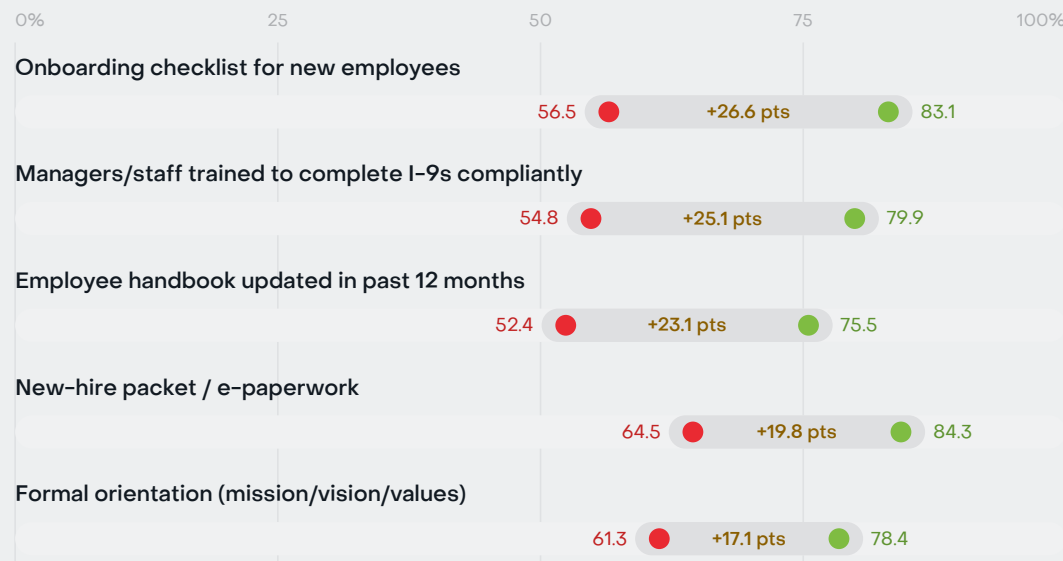
# Onboarding.

Two people start new jobs on the same Monday morning: one finds a desk that isn't ready, a manager in meetings until two, and a stack of forms someone eventually locates; the other finds a checklist — paperwork done before day one, equipment waiting, a name beside every introduction. The data says the second company looks a lot more like the growers in this survey: an onboarding checklist, the least glamorous tool in management, carries the fourth-largest gap in this survey — 83.1 percent of growing companies use one, versus 56.5 percent of declining companies, a spread of 26.6 points. Neither company in that scene is fancier than the other. One of them just has a plan.

Remember the presence principle from the front of this report: we measure whether a practice exists, not whether it's world-class. That principle earns its keep right here. We have no idea whether those checklists are good. Some are surely a dozen bullet points in a dusty doc. But *having* one signals two things that matter enormously. Someone, at some point, sat down and researched what a new hire actually needs — which is why checklists tend to be what carries the compliance items, the I-9 deadline, the policy acknowledgments that otherwise slip. And it means the company runs day one on a plan rather than on memory. A plan executed imperfectly beats no plan at all, every time, and the 26.6-point gap is what that difference looks like at scale.

## The five practices in this stage

% of each cohort answering yes



● Growing ● Declining

The number inside each band is the gap, in percentage points.

## TAKEAWAY

A plan executed imperfectly beats no plan at all, every time.

## CHAPTER 3 · ONBOARDING · CONTINUED

The checklist has company — growing companies systematize the whole front door. They train the people who process I-9s: 79.9 percent versus 54.8 for decliners, a 25.1-point gap on a purely administrative competency with legal teeth. They keep the employee handbook current — 75.5 percent updated theirs in the past twelve months — while nearly half of declining companies (only 52.4 percent updated) are handing new hires a rulebook that may describe a company that no longer exists. New-hire packets gap by 19.8 points (84.3 versus 64.5 percent), formal orientation on mission, vision, and values by 17.1 (78.4 versus 61.3 percent). Five practices, five gaps, no exceptions.

A side note the data permits itself: of the eight lifecycle stages, onboarding sits at the top of the gap table and offboarding at the bottom. The stages are statistically tied, so don't build a strategy on it — just notice where growing companies invest most visibly: the front door.

The consequence of skipping all this isn't dramatic; that's what makes it expensive. It's a new hire still finding their footing in week six who should have found it in week three. It's an I-9 filled out wrong by someone who was never shown how. It's the quiet first-month impression — *this place is winging it* — that surfaces eight months later in an exit interview no one connects back to day one.

Which returns us to the number this chapter opened with. That 26.6-point spread isn't really a statistic about checklists. It's the measurable difference between companies that treat a new hire's first day as an event they designed and companies that treat it as a day like any other.



### QUESTION

Do you have an onboarding checklist for new employees?

26.6

POINT GAP · 4TH LARGEST OF 40

declining

growing

56.5%

83.1%

# Development.

When did someone on your team last take on work they weren't quite ready for — on purpose, because you handed it to them?

That's what a stretch assignment is, and it's free. No vendor, no platform, no line item. Just a decision to grow a person by trusting them slightly ahead of schedule. 61.8 percent of growing companies say they assign them frequently, against 39.5 percent of declining companies — and remarkably, that 22.2-point gap on a practice with no budget at all is only the third largest in this stage. The largest belongs to tuition and training reimbursement: 74.6 percent of growers offer it versus 50.8 percent of decliners, a 23.8-point spread. Free or funded, the pattern is identical — growing companies invest in what their people become.

Development is where this year's sharpest storyline comes into focus — not the gap between growing and declining companies, but the one between growing and *flat*. Flat companies — the ones at zero to five percent — look remarkably like growth companies on paperwork and policy. Their applications are compliant, their handbooks exist, their pay practices are documented. Then the lifecycle reaches the development stage and they fall to nearly the bottom of the table: it's one of their two weakest stages anywhere in the survey. Stalled companies don't look stalled in their filing cabinets. They look stalled in their people.

## The five practices in this stage

% of each cohort answering yes



● Growing ● Declining

The number inside each band is the gap, in percentage points.

Between the funded practice and the free one sits the stage's second-largest gap: leadership training for managers, 23.2 points (72.4 versus 49.2 percent). In a company your size, managers are usually promoted for being excellent at the previous job and then left to figure out the new one. Half of struggling companies leave them there. Nearly three-quarters of growing companies don't.

(Two practices in this stage — on-demand training technology and regular structured job-effectiveness training — showed smaller gaps that don't clear our bar for headlines; you'll find them in the appendix with everything else.)

If the theory at the front of this report is right — burden compounding, capacity shrinking — development is the stage with the clearest claim on the title of first thing sacrificed. Training gets postponed in busy quarters and lean ones alike; there's always a defensible reason. The data suggests the companies that protect it anyway are disproportionately the ones still growing. Compliance keeps you in business. Development is what separates growing from stalling.

And for you specifically, this stage is the likeliest location of your next win. If your basics are near ceiling — and for most readers of this report they are — the HR practices in this chapter are the open rungs on the ladder: the stretch assignment, the reimbursement policy, the manager who gets trained for the job she actually holds now. None requires a consultant. One requires nothing but nerve.

Pick one person who's ready for more than their job description says, and hand it to them this month.



**23.8 pts**

TUITION REIMBURSEMENT  
GAP, GROWING VS DECLINING



**23.2 pts**

LEADERSHIP TRAINING  
GAP, GROWING VS DECLINING



**22.2 pts**

STRETCH ASSIGNMENTS  
GAP, GROWING VS DECLINING



# Compliance.

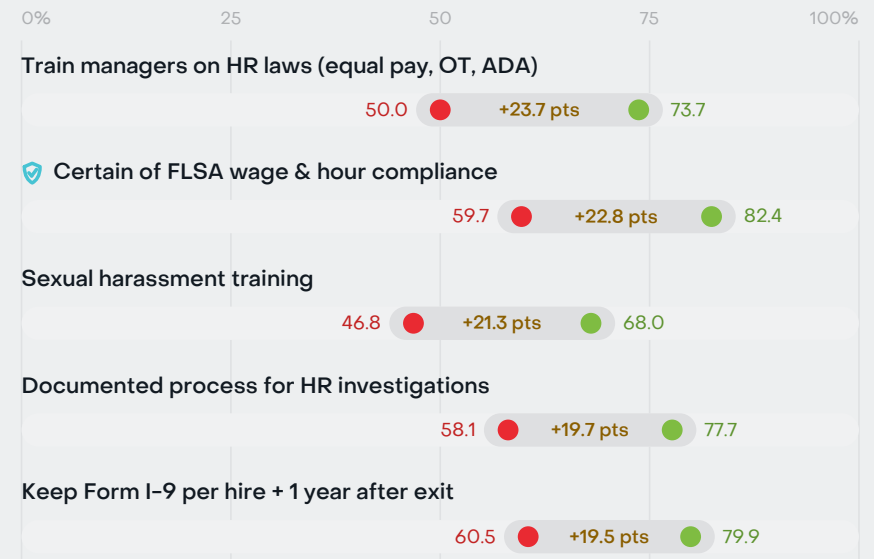
Start with the good news, such as it is: **82.4 percent of growing companies are certain they're compliant with federal wage-and-hour law — and that number is lower than it was a year ago.**

This is the chapter the opening pages promised: the certainty collapse, up close. A year ago, compliance confidence was one of the flattest measures in our survey — near-universal, across thriving and struggling companies alike. Everyone was sure. This year, declining companies dropped roughly 20 points on every certainty question we asked. And the finding that should hold your attention longer: growing companies slipped too — five to thirteen points, on every single one, without a single measure moving the other way. When even the companies adding revenue and headcount are less sure they're compliant than they were last year, the story isn't negligence. The story is that the ground is moving — the compounding burden, the shrinking capacity, the accelerating change we laid out at the front of this report. Companies simply can't keep up. Including, apparently, the ones doing everything right.

Now set confidence aside and look at behavior, because this is where the chapter turns from worrying to useful. The certainty gap between growing and declining companies — 82.4 versus 59.7 percent on wage-and-hour, a 22.8-point spread — is almost perfectly shadowed by gaps in concrete practice. Four of them, and each is worth seeing clearly, because together they're the machinery that certainty is made of.

## The five practices in this stage

% of each cohort answering yes



● Growing ● Declining ✓ = certainty question

The number inside each band is the gap, in percentage points.

### TAKEAWAY

Confidence in compliance comes from execution, not merely a positive attitude.

## CHAPTER 5 · COMPLIANCE · CONTINUED

The largest is manager training on HR law — equal pay, overtime, disability accommodation. Growing companies do it at 73.7 percent; declining companies at exactly half — 50.0 percent — for a 23.7-point gap. This is the highest-leverage practice in the stage, because your managers *are* your compliance program whether you've trained them or not. Every schedule they set is a wage-and-hour decision. Every accommodation request they wave off, every off-the-clock text they send, every “just work through lunch today” — those are the moments where compliance actually happens or doesn't, and they happen far from the owner's desk. An untrained manager isn't neutral; they're making law-adjacent decisions all day on instinct.

Sexual harassment training runs 21.3 points (68.0 versus 46.8 percent) — and it's the stage's starkest number, because fewer than half of declining companies do it at all. A documented process for HR investigations gaps at 19.7 points (77.7 versus 58.1 percent). That one earns its place the day a complaint lands: a written process means the complaint gets a consistent intake, a defined investigator, and a documented conclusion — instead of whatever the nearest manager improvises, which is what roughly four in ten struggling companies are implicitly planning to do. And proper I-9 retention — keeping the form for each hire, plus a year past their exit — gaps at 19.5 points (79.9 versus 60.5 percent). Pure filing discipline. No judgment calls, no gray areas. It still separates growing from declining companies by nearly 20 points.

Look at the pattern across those four pairs. The companies that are *certain* are the companies that are *doing* — training the managers, documenting the process, keeping the files. That's the practical meaning of the certainty collapse: confidence isn't a temperament, it's a byproduct. You don't feel certain about wage-and-hour compliance because you're an optimist. You feel certain because your managers were trained on it, your process is written down, and you'd know where to look if a question came in.

Which is why the two findings in this chapter — everyone slipped, and doers are the confident ones — combine into something hopeful rather than grim. If your own certainty has eroded this year, you're not imagining it and you're not uniquely behind; the whole field moved. But notice what the route back is made of, because it isn't reassurance. It's a training date on the calendar for every manager. It's an investigation protocol that fits on one page. It's an afternoon's audit of the I-9 file. Each of the four practices above is trainable, documentable, and — unlike the worry itself — delegable. The stage's entire gap is made of things a company your size can systematically do, and most of them once.

The cost of not doing them compounds out of sight. A wage-and-hour misstep isn't a fine; it's back pay, penalties, and the next three months of your life — the records requests, the interviews, the nights re-reading two years of timesheets. An investigation handled ad hoc becomes exhibit A. Compliance is the one stage of the lifecycle where a single bad day can erase a good year — which is exactly why it anchors the “keeps you in business” half of this report's central line.

So here's the question this chapter leaves you with: your certainty probably slipped this year, along with everyone else's — has anything in your company changed yet to build it back?



# Retention.

Four reports. Four different years, four different markets. Forty practices measured each time. And one constant: in every benchmark report since 2023, career path coaching has been among the largest gaps between thriving companies and everyone else. In the last two reports it ranked second of all forty questions, then first.

This year, first means this: 66.8 percent of growing companies coach their employees on a career path. 39.5 percent of declining companies do. A 27.3-point gap — the largest in the survey — on a practice that is, at bottom, a conversation. Where do you want to go? Here's what the next role looks like. Here's what has to be true for you to get there.

Individual gaps bounce around year to year as markets shift and samples change — you'll find plenty of movement elsewhere in this report. A practice that lands at or near the top four times running isn't bouncing. It's telling you something structural: the companies that grow are the companies where employees can see a future, and that hasn't stopped being true in any economy we've measured.

The second-largest gap in the entire survey is also in this stage, and it's the same finding at a different altitude. Company-wide meetings to communicate changes and initiatives: 80.3 percent of growing companies hold them, 53.2 percent of declining companies — 27.0 points. Career coaching answers **Where am I going?** All-hands meetings answer **Where are we going?** The number one and number two practices in this survey are the same practice, aimed at the individual and at the company.

## The five practices in this stage

% of each cohort answering yes



● Growing ● Declining

The number inside each band is the gap, in percentage points.

‡ Gap is not statistically distinguishable from zero.

## FOUR REPORTS, SAME DOOR

- 2023 among the largest gaps
- 2024 among the largest gaps
- 2025 ranked #2 of all 40
- 2026 ranked #1 of all 40

Career path coaching, every report since 2023.

That pairing is strange, and it's useful. Of forty practices spanning background checks, health insurance, 401(k)s, and compliance training, the two that most separate growing companies from declining ones are two kinds of *telling people what's going on*. Neither requires a vendor. Neither has a renewal date. And they fail in the same way: silence. In a struggling company, the all-hands falls off the calendar the same season the career conversations stop — leadership goes heads-down to fight fires, and every employee is left to write their own story about what the silence means. The stories people write for themselves are always worse than the truth. That's the mechanism hiding inside these two numbers: nearly half of declining companies have gone quiet, at both altitudes at once, and their people are deciding what that means from the parking lot.

Two more practices round out the stage, wearing the same signature. Employee recognition programs run 24.2 points (73.4 versus 49.2 percent) — recognition being communication about what mattered. Workforce engagement surveys run 18.5 (74.9 versus 56.5 percent) — communication in the other direction, the company asking instead of telling. Coaching, all-hands, recognition, surveys: every large gap in this stage is a communication practice, and not one of them has anything to do with perks. Retention, in this data, is not something you buy. It's something you say, on a schedule, to everyone — and something you ask.

One more reason to take career coaching seriously: it isn't just the biggest gap between growing and declining companies. It's also the single biggest gap between growing and *flat* companies. This practice separates growers from everyone — it's the sharpest edge of the smile from the front of this report. (An aside for the curious: mid-sized firms out-coach both the smallest companies and the biggest ones — size neither buys this practice nor blocks it.)

For the owner reading this: you cannot match a big company's ladder, and you don't need to. A career path at your scale isn't a ladder, it's a line of sight — from the job someone holds to the thing they could hold next, even when the org chart doesn't have a box for it yet. More scope, a skill the business will need, a stretch toward the role you'll eventually have to create. Which is why the three lines from the top of this chapter are the entire practice: *Where do you want to go* establishes that a future here exists. *Here's what the next role looks like* makes it concrete instead of polite. *Here's what has to be true for you to get there* turns it into a plan the employee can act on Monday. An hour a quarter, per person, and none of the three requires you to promise a promotion — only to prove the person's future has been thought about. Against that hour, weigh what walks out the door with a departure: the training, the customer knowledge, the recruiting fee for the replacement, the six months of ramp.

Four straight years, the data has pointed at the same door. If you adopt exactly one practice from this report, the choice has already been made for you: 66.8 versus 39.5.

### Where am I going?

CAREER PATH COACHING · #1 GAP OF 40

**66.8% vs 39.5%**

### Where are we going?

COMPANY-WIDE MEETINGS · #2 GAP OF 40

**80.3% vs 53.2%**

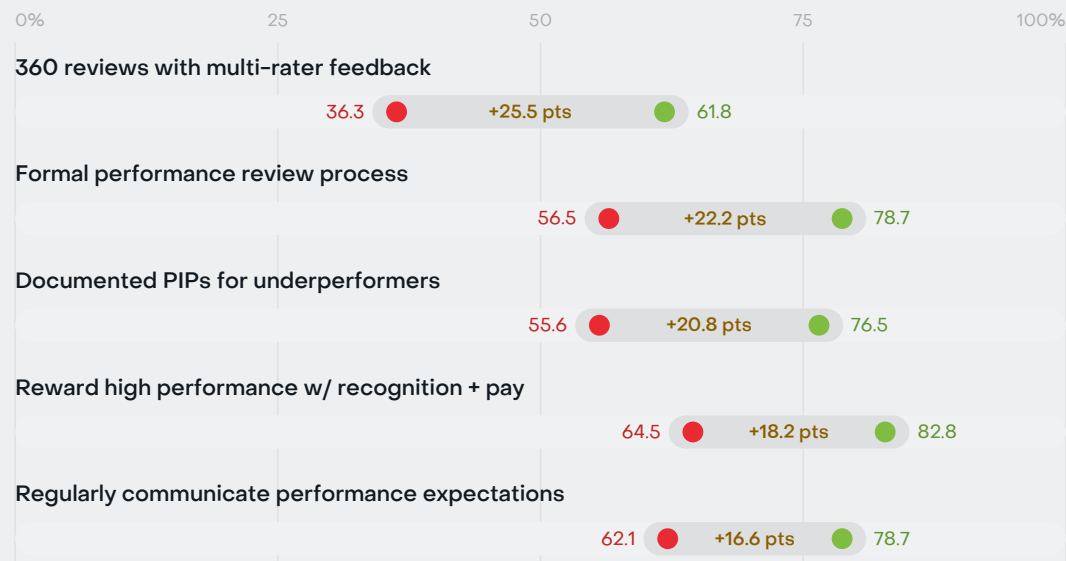
# Performance.

On any team carrying an underperformer, the best employee noticed first — months ago — and what she watches most closely is what leadership does about it. Performance management has an audience, and it's the people a company can least afford to lose. The stage's widest gap belongs to the practice that gives that audience a voice — 360-degree reviews: growing companies are nearly twice as likely to run them — 61.8 percent versus 36.3 — a 25.5-point spread, fifth largest in the survey, and the only practice in this stage where declining companies fall below half. Multi-rater feedback is the practice everyone calls a big-company luxury; the data says it's simply a growth-company behavior.

But the finding that gives this chapter its spine is the one that audience is waiting on. Documented performance improvement plans run a 20.8-point gap — 76.5 percent of growing companies versus 55.6. Read that carefully, because it cuts against a comfortable myth. Growth companies aren't the softer ones that let things slide while everyone's busy winning. They're *more* likely to formally confront underperformance, on paper, with a plan. Growth isn't niceness. It's clarity — in both directions. The same companies reward their high performers with recognition *and* pay at 82.8 percent (versus 64.5 for decliners), and put the hard conversation in writing when it's warranted. Excellence gets named either way — and the audience watching from the next desk sees both.

## The five practices in this stage

% of each cohort answering yes



● Growing ● Declining

The number inside each band is the gap, in percentage points.

### TAKEAWAY

Growing companies put both the praise and the hard conversations in writing.



Underneath those two extremes sits the infrastructure they stand on. A formal performance review process: 78.7 versus 56.5 percent, a 22.2-point gap. Regularly communicating performance expectations — arguably the humblest practice in the whole survey — still separates the cohorts by 16.6 points. You can't manage what you never wrote down, and more than four in ten declining companies are managing performance with no formal process at all.

Here's the operational translation. Feedback infrastructure feels optional right up until the moment it isn't — the star who wants to know what's next, the struggling hire who insists nobody ever told them, the termination that lands on your desk with zero paper behind it. Companies with the review cycle, the documented expectations, and the PIP process handle those moments in the normal course of business. Companies without them handle each one as a crisis, freestyle — sometimes in front of the whole team, occasionally in a deposition.

And notice how directly this stage feeds the one before and the one after it. A documented PIP is your investigation file if things go wrong, your defense if a termination is challenged, and — more often than owners expect — the thing that actually turns the employee around. Clarity is a system, and every piece of it is installable: a calendar, a template, a habit of writing things down.

Install the system before you need it: a review cycle on the calendar, expectations in writing, and a PIP template in the drawer.

### QUESTION

Do you ever conduct 360 reviews with feedback from multiple team members?

# 25.5

POINT GAP · 5TH LARGEST OF 40

declining

growing

36.3%



61.8%

### Install the system:

- ✓ A review cycle on the calendar
- ✓ Expectations in writing
- ✓ A PIP template in the drawer



# Post-Employment.

The smallest gap in this book is 18 points.

Offboarding — the stage companies think about least, the one with no recruiter, no ramp-up, no retention stakes — separates growing from declining companies by an average of 18 points across its five practices. A year ago, a gap that size would have been wider than six of the eight stage gaps in this survey. This year it's the *floor*. That's the flattened smile in a single fact: there is no longer any stage of the employee lifecycle where struggling companies keep pace.

The stage's largest gap is the one that governs everything else here: a written policy covering final paychecks, PTO balances, and retirement accounts. 81.2 percent of growing companies have one; 58.9 percent of declining companies do — 22.3 points. Everything difficult about offboarding — the timing rules on a final check, what happens to accrued PTO, how the 401(k) gets handled — is difficult precisely because it comes up rarely, under time pressure, sometimes in conflict. A written policy is the difference between answering those questions once, calmly, in advance, and answering them for the first time the week someone quits angry.

The certainty thread from the opening pages runs all the way to the exit, and this is where it closes. On COBRA compliance, growing companies' certainty leads by 20.3 points (78.4 versus 58.1 percent). On final-paycheck timing and deductions, 81.2 percent of growers are certain — a 19.9-point edge. Same shape as recruiting, same shape as benefits, same shape as compliance: the survey's confidence questions gap at every stage now, and the exits are no exception.

## The five practices in this stage

% of each cohort answering yes



● Growing ● Declining ✓ = certainty question

The number inside each band is the gap, in percentage points.

Even the forward-looking practice here gaps double digits. Seven in ten growing companies conduct exit interviews when employees leave voluntarily (70.5 percent, versus 54.8 — 15.7 points) — a curious investment, because an exit interview does nothing for the person leaving. It's pure learning — the one moment an employee will tell you the truth at no personal cost — and growing companies are the ones listening. Even on the way out, when there's nothing left to win from the relationship, they treat the process as something worth running well.

Why does the quietest stage still gap 18 points? Because offboarding is pure procedure. There's no charisma in it, no culture, no perks — nothing to carry a company that doesn't write things down. It's the stage most fully reduced to *do you have a system or don't you* — and that, this whole report suggests, is the actual variable being measured everywhere else too. The asymmetry is just sharpest here: done right, offboarding is invisible; done wrong, it converts directly into claims — a final check that missed a state deadline, a COBRA notice that never went out, a termination with no letter and no file. Unlike a bad hire, whose costs stay off the books, a bad exit costs you in writing.

You've now walked all eight stages, and the pattern held at every one of them. So before the conclusion draws it together, one last question worth sitting with: if the gap shows up even here — in the paperwork of goodbye — what does that tell you about what actually separates the companies that grow?

POST-EMPLOYMENT — THE NARROWEST GAP OF 2026

18 pts

Still wider than six of last year's eight stage gaps.

QUESTION

Do you follow a written policy for final checks, PTO balance, and retirement accounts?

22.3  
LARGEST IN THIS STAGE

declining

growing

58.9%

81.2%

## CONCLUSION

# The Gap Isn't a Department.

### Forty practices. Eight stages. One direction.

If this report had found that growing companies dominate one stage of the employee lifecycle — that onboarding, say, is *the* difference — the to-do list would be easy. That is not what the data says. Growing companies out-execute declining ones at every stage, by roughly 20 points at each. The gap isn't a department you can assign or a program you can buy. It's a posture: the settled habit of running people practices on purpose — written down, trained, scheduled — instead of on memory and good intentions.

The flat companies prove the point from the other side, and they're the most instructive cohort in this year's survey. They match growing companies nearly everywhere paper is involved — compliant applications, current policies, documented pay practices. They fall away in exactly two places: developing people and retaining them. Which yields the sentence this report keeps arriving at from different directions: compliance keeps you in business; development is what separates growing from stalling. If you want to know which kind of company you're becoming, don't audit your filing cabinet. Ask when you last invested in someone's next role.

And this year, the compliance half of that sentence earned an asterisk no one wanted: certainty eroded for everyone. Declining companies cratered, but even growers slipped on every confidence measure we track — the burden compounding faster than anyone's capacity to absorb it. If that's you, the finding to hold onto is the one from Chapter 5: the confident companies are simply the doing companies. Certainty isn't rebuilt by optimism. It's rebuilt by a trained manager, a documented process, a file where it should be — practice by practice, all of it within reach of a company your size.

So start where four years of data have never stopped pointing. In every benchmark report since 2023, career path coaching has been among the largest gaps between thriving companies and everyone else — and this year it stands at the top of all forty practices: 66.8 percent of growing companies versus 39.5, a 27.3-point gap. It needs no budget, no software, and no permission. It's an hour a quarter, per person, spent making the future visible.

You've built the foundation — the data in this report says companies like yours almost certainly have. The companies pulling away from the pack are the ones treating that foundation as a starting line. This quarter, pick one practice from these pages and put it on the calendar. Growth and these habits, this data says, travel together. Every one of them is learnable, and the first one is a conversation.

One honest note: a survey like this shows correlation, not proof of cause — growing companies may write things down partly because they can afford to. But the two biggest gaps in this book, career path coaching and stretch assignments, cost nothing. Whatever direction the causality runs, those are free to adopt — which is why they're the place to start.

“

Compliance keeps you in business.  
Development is what separates growing from stalling.”

**66.8% vs 39.5%**

CAREER PATH COACHING — IF YOU ADOPT ONE, THE CHOICE IS ALREADY MADE

## All 40 practices, ranked by gap (1–20)

Stage names here use the survey's full labels; in the chapters, Training is Development, Engagement is Retention, and Offboarding is Post-Employment.

Cohorts by self-reported growth. All figures are the percentage of that cohort answering yes. Gap = Growth minus Down, in percentage points.

Stage averages and gaps are computed before rounding and may differ from the displayed figures by 0.1 point.

| #  | Practice                                                                                                                   | Stage       | Growth % | Flat % | Down % | Gap  |
|----|----------------------------------------------------------------------------------------------------------------------------|-------------|----------|--------|--------|------|
| 1  | Career path coaching for employees                                                                                         | Engagement  | 66.8     | 49.0   | 39.5   | 27.3 |
| 2  | Company-wide meetings to communicate changes/initiatives                                                                   | Engagement  | 80.3     | 74.1   | 53.2   | 27.0 |
| 3  | Written job descriptions for each opening                                                                                  | Recruiting  | 82.4     | 73.4   | 55.6   | 26.8 |
| 4  | Onboarding checklist for new employees                                                                                     | Onboarding  | 83.1     | 75.3   | 56.5   | 26.6 |
| 5  | 360 reviews with multi-rater feedback                                                                                      | Performance | 61.8     | 53.6   | 36.3   | 25.5 |
| 6  | Paid time off (sick, maternity, etc.)                                                                                      | Benefits    | 81.8     | 76.0   | 56.5   | 25.4 |
| 7  | Managers/staff trained to complete I-9s compliantly                                                                        | Onboarding  | 79.9     | 64.6   | 54.8   | 25.1 |
| 8  | Health insurance                                                                                                           | Benefits    | 81.5     | 69.6   | 57.3   | 24.2 |
| 9  | Employee recognition program                                                                                               | Engagement  | 73.4     | 61.2   | 49.2   | 24.2 |
| 10 | Tuition/training reimbursement                                                                                             | Training    | 74.6     | 61.6   | 50.8   | 23.8 |
| 11 | Train managers on HR laws (equal pay, OT, ADA)                                                                             | Compliance  | 73.7     | 63.5   | 50.0   | 23.7 |
| 12 | Leadership training for managers                                                                                           | Training    | 72.4     | 62.4   | 49.2   | 23.2 |
| 13 | Employee handbook updated in past 12 months                                                                                | Onboarding  | 75.5     | 64.6   | 52.4   | 23.1 |
| 14 |  Certain of FLSA wage & hour compliance | Compliance  | 82.4     | 74.9   | 59.7   | 22.8 |
| 15 | Written policy for final checks, PTO balance, retirement                                                                   | Offboarding | 81.2     | 73.8   | 58.9   | 22.3 |
| 16 | Frequently assign stretch assignments                                                                                      | Training    | 61.8     | 49.0   | 39.5   | 22.2 |
| 17 | Formal performance review process                                                                                          | Performance | 78.7     | 65.8   | 56.5   | 22.2 |
| 18 | Background checks before start                                                                                             | Recruiting  | 77.4     | 70.7   | 55.6   | 21.8 |
| 19 | Sexual harassment training                                                                                                 | Compliance  | 68.0     | 60.8   | 46.8   | 21.3 |
| 20 | Documented PIPs for underperformers                                                                                        | Performance | 76.5     | 71.9   | 55.6   | 20.8 |



## All 40 practices, ranked by gap (21–40)

| #  | Practice                                                | Stage       | Growth % | Flat % | Down % | Gap  |
|----|---------------------------------------------------------|-------------|----------|--------|--------|------|
| 21 | 401(k) savings plan                                     | Benefits    | 81.2     | 70.0   | 60.5   | 20.7 |
| 22 | ✓ Certain applications ask no illegal questions         | Recruiting  | 77.1     | 74.9   | 56.5   | 20.7 |
| 23 | ✓ Certain of COBRA compliance                           | Offboarding | 78.4     | 75.7   | 58.1   | 20.3 |
| 24 | ✓ Certain of final-paycheck timing/deduction compliance | Offboarding | 81.2     | 75.7   | 61.3   | 19.9 |
| 25 | New-hire packet / e-paperwork                           | Onboarding  | 84.3     | 73.4   | 64.5   | 19.8 |
| 26 | Documented process for HR investigations                | Compliance  | 77.7     | 70.3   | 58.1   | 19.7 |
| 27 | Keep Form I-9 per hire + 1 year after exit              | Compliance  | 79.9     | 74.5   | 60.5   | 19.5 |
| 28 | ✓ Certain of ACA compliance                             | Benefits    | 78.7     | 70.0   | 59.7   | 19.0 |
| 29 | Surveyed workforce on engagement                        | Engagement  | 74.9     | 58.2   | 56.5   | 18.5 |
| 30 | Reward high performance w/ recognition + pay            | Performance | 82.8     | 72.6   | 64.5   | 18.2 |
| 31 | Formal orientation (mission/vision/values)              | Onboarding  | 78.4     | 69.2   | 61.3   | 17.1 |
| 32 | Wellness program                                        | Benefits    | 64.3     | 52.5   | 47.6   | 16.7 |
| 33 | Regularly communicate performance expectations          | Performance | 78.7     | 69.6   | 62.1   | 16.6 |
| 34 | Exit interviews (voluntary terminations)                | Offboarding | 70.5     | 65.0   | 54.8   | 15.7 |
| 35 | ✓ Certain interview process compliant/effective         | Recruiting  | 76.5     | 69.6   | 61.3   | 15.2 |
| 36 | ✓ Certain job postings comply Fed/State/Local           | Recruiting  | 78.7     | 72.6   | 63.7   | 15.0 |
| 37 | On-demand training technology †                         | Training    | 73.4     | 63.1   | 60.5   | 12.9 |
| 38 | Regular structured job-effectiveness training †         | Training    | 72.4     | 58.9   | 60.5   | 11.9 |
| 39 | Termination letter for exiting employees †              | Offboarding | 72.4     | 68.8   | 60.5   | 11.9 |
| 40 | “Stay interviews” ‡                                     | Engagement  | 60.5     | 46.4   | 52.4   | 8.1  |

† Gap is statistically meaningful but near the survey's noise floor. ‡ Gap is not statistically distinguishable from zero.

## Full results by lifecycle stage

Each figure is the share of that cohort answering yes; the gap is Growth minus Down, in points.

### Recruiting & Hiring · covered in the Recruiting chapter

| Practice                                        | Growth %<br>grew 6%+ | Flat %<br>0–5% | Down %<br>declined 1%+ | Gap  |
|-------------------------------------------------|----------------------|----------------|------------------------|------|
| Written job descriptions for each opening       | 82.4                 | 73.4           | 55.6                   | 26.8 |
| Background checks before start                  | 77.4                 | 70.7           | 55.6                   | 21.8 |
| ✓ Certain applications ask no illegal questions | 77.1                 | 74.9           | 56.5                   | 20.7 |
| ✓ Certain interview process compliant/effective | 76.5                 | 69.6           | 61.3                   | 15.2 |
| ✓ Certain job postings comply Fed/State/Local   | 78.7                 | 72.6           | 63.7                   | 15.0 |

### Benefits · covered in the Benefits chapter

| Practice                              | Growth %<br>grew 6%+ | Flat %<br>0–5% | Down %<br>declined 1%+ | Gap  |
|---------------------------------------|----------------------|----------------|------------------------|------|
| Paid time off (sick, maternity, etc.) | 81.8                 | 76.0           | 56.5                   | 25.4 |
| Health insurance                      | 81.5                 | 69.6           | 57.3                   | 24.2 |
| 401(k) savings plan                   | 81.2                 | 70.0           | 60.5                   | 20.7 |
| ✓ Certain of ACA compliance           | 78.7                 | 70.0           | 59.7                   | 19.0 |
| Wellness program                      | 64.3                 | 52.5           | 47.6                   | 16.7 |

### Onboarding · covered in the Onboarding chapter

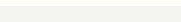
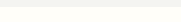
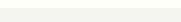
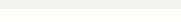
| Practice                                            | Growth %<br>grew 6%+ | Flat %<br>0–5% | Down %<br>declined 1%+ | Gap  |
|-----------------------------------------------------|----------------------|----------------|------------------------|------|
| Onboarding checklist for new employees              | 83.1                 | 75.3           | 56.5                   | 26.6 |
| Managers/staff trained to complete I-9s compliantly | 79.9                 | 64.6           | 54.8                   | 25.1 |
| Employee handbook updated in past 12 months         | 75.5                 | 64.6           | 52.4                   | 23.1 |
| New-hire packet / e-paperwork                       | 84.3                 | 73.4           | 64.5                   | 19.8 |
| Formal orientation (mission/vision/values)          | 78.4                 | 69.2           | 61.3                   | 17.1 |

## Full results by lifecycle stage

### Training & Development · covered in the Development chapter

| Practice                                        | Growth %<br>grew 6%+ | Flat %<br>0–5% | Down %<br>declined 1%+ | Gap                                                                                 |      |
|-------------------------------------------------|----------------------|----------------|------------------------|-------------------------------------------------------------------------------------|------|
| Tuition/training reimbursement                  | 74.6                 | 61.6           | 50.8                   |  | 23.8 |
| Leadership training for managers                | 72.4                 | 62.4           | 49.2                   |  | 23.2 |
| Frequently assign stretch assignments           | 61.8                 | 49.0           | 39.5                   |  | 22.2 |
| On-demand training technology †                 | 73.4                 | 63.1           | 60.5                   |  | 12.9 |
| Regular structured job-effectiveness training † | 72.4                 | 58.9           | 60.5                   |  | 11.9 |

### HR Compliance · covered in the Compliance chapter

| Practice                                       | Growth %<br>grew 6%+ | Flat %<br>0–5% | Down %<br>declined 1%+ | Gap                                                                                 |      |
|------------------------------------------------|----------------------|----------------|------------------------|-------------------------------------------------------------------------------------|------|
| Train managers on HR laws (equal pay, OT, ADA) | 73.7                 | 63.5           | 50.0                   |  | 23.7 |
| ✓ Certain of FLSA wage & hour compliance       | 82.4                 | 74.9           | 59.7                   |  | 22.8 |
| Sexual harassment training                     | 68.0                 | 60.8           | 46.8                   |  | 21.3 |
| Documented process for HR investigations       | 77.7                 | 70.3           | 58.1                   |  | 19.7 |
| Keep Form I-9 per hire + 1 year after exit     | 79.9                 | 74.5           | 60.5                   |  | 19.5 |

### Employee Engagement · covered in the Retention chapter

| Practice                                                 | Growth %<br>grew 6%+ | Flat %<br>0–5% | Down %<br>declined 1%+ | Gap                                                                                   |      |
|----------------------------------------------------------|----------------------|----------------|------------------------|---------------------------------------------------------------------------------------|------|
| Career path coaching for employees                       | 66.8                 | 49.0           | 39.5                   |  | 27.3 |
| Company-wide meetings to communicate changes/initiatives | 80.3                 | 74.1           | 53.2                   |  | 27.0 |
| Employee recognition program                             | 73.4                 | 61.2           | 49.2                   |  | 24.2 |
| Surveyed workforce on engagement                         | 74.9                 | 58.2           | 56.5                   |  | 18.5 |
| “Stay interviews” ‡                                      | 60.5                 | 46.4           | 52.4                   |  | 8.1  |

† Gap is statistically meaningful but near the survey's noise floor. ‡ Gap is not statistically distinguishable from zero.

## Full results by lifecycle stage

### Performance Management · covered in the Performance chapter

| Practice                                       | <span style="color: green;">●</span> Growth %<br>grew 6%+ | <span style="color: gray;">●</span> Flat %<br>0–5% | <span style="color: red;">●</span> Down %<br>declined 1%+ | Gap                                                                                      |
|------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------|
| 360 reviews with multi-rater feedback          | 61.8                                                      | 53.6                                               | 36.3                                                      |  25.5 |
| Formal performance review process              | 78.7                                                      | 65.8                                               | 56.5                                                      |  22.2 |
| Documented PIPs for underperformers            | 76.5                                                      | 71.9                                               | 55.6                                                      |  20.8 |
| Reward high performance w/ recognition + pay   | 82.8                                                      | 72.6                                               | 64.5                                                      |  18.2 |
| Regularly communicate performance expectations | 78.7                                                      | 69.6                                               | 62.1                                                      |  16.6 |

### Termination & Offboarding · covered in the Post-Employment chapter

| Practice                                                                                                                                | <span style="color: green;">●</span> Growth %<br>grew 6%+ | <span style="color: gray;">●</span> Flat %<br>0–5% | <span style="color: red;">●</span> Down %<br>declined 1%+ | Gap                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------|
| Written policy for final checks, PTO balance, retirement                                                                                | 81.2                                                      | 73.8                                               | 58.9                                                      |  22.3 |
|  Certain of COBRA compliance                           | 78.4                                                      | 75.7                                               | 58.1                                                      |  20.3 |
|  Certain of final-paycheck timing/deduction compliance | 81.2                                                      | 75.7                                               | 61.3                                                      |  19.9 |
| Exit interviews (voluntary terminations)                                                                                                | 70.5                                                      | 65.0                                               | 54.8                                                      |  15.7 |
| Termination letter for exiting employees †                                                                                              | 72.4                                                      | 68.8                                               | 60.5                                                      |  11.9 |

† Gap is statistically meaningful but near the survey's noise floor.

About the data. More than 1,900 small-business leaders responded to this year's survey. Before analysis, every submission passed a rigorous verification process — deduplication, internal-consistency checks, and standard data-quality screens. Aggregate results for the verified set carry a margin of error of approximately  $\pm 3.7$  percentage points at 95% confidence. Results for the down-year cohort, the smallest of the three groups, carry a wider margin of approximately  $\pm 8.8$  points; the report's narrative highlights only gaps robust to that range.



## Growth is a set of habits. You don't have to build them alone.

Every practice in this report is within reach of a company your size — and none of them requires you to become an HR expert. That's what Asure is for.

We build payroll and HR software and services for small and midsize businesses, so the compliance work, the paperwork, and the deadlines are handled — and your time goes back into growing the company. Our certified HR professionals help you stay compliant with HR laws without hiring a full-time back-office staff.

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