

2023

# Small Business HR Benchmark Report

**New Survey Data**  
From Over 2,000  
U.S. Businesses  
**With Key Insights**  
**and Analysis**

Compare Your Business  
to **Others in 8 Essential**  
Areas of HR



Asure



# Success leaves clues.

Success leaves clues.

What separates fast growth businesses from the rest of the pack?

What exactly is holding back companies from explosive hockey-stick growth?

We endeavored to discover the answers to these questions with our 2023 Small Business Survey. The answers may surprise you.

Two thousand and sixty-five U.S. small businesses participated in the survey in mid-December 2022.

Companies self-identified their previous year as Fast Growth, Growth, Flat, or Down.

Companies	Questions	HR Areas Covered
<b>2,065</b>	<b>40</b>	<b>8</b>

We surveyed these businesses in 8 critical areas of Human Resource Management.

We've dedicated more analysis in this book to discuss the areas with unexpected results. We've truncated sections where results didn't reveal anything new. [All the survey data can be viewed as charts in the appendix.](#)

# Contents

**3-5**

**Executive Summary  
& Introduction**

**6-8**

**Recruiting**

**9-10**

**Hiring**

**11-12**

**Onboarding**

**13-14**

**Compliance  
with Laws and  
Regulations**

**15-20**

**Development**

**21-22**

**Performance  
Management**

**23-24**

**Retention**

**25-26**

**Post Employment**

**27-37**

**Appendix**



# 40 QUESTIONS ANSWERED BY 2,065 BUSINESSES

The data from our 2023 survey clearly shows: **businesses prioritizing best HR practices are much more likely to enjoy fast growth.**

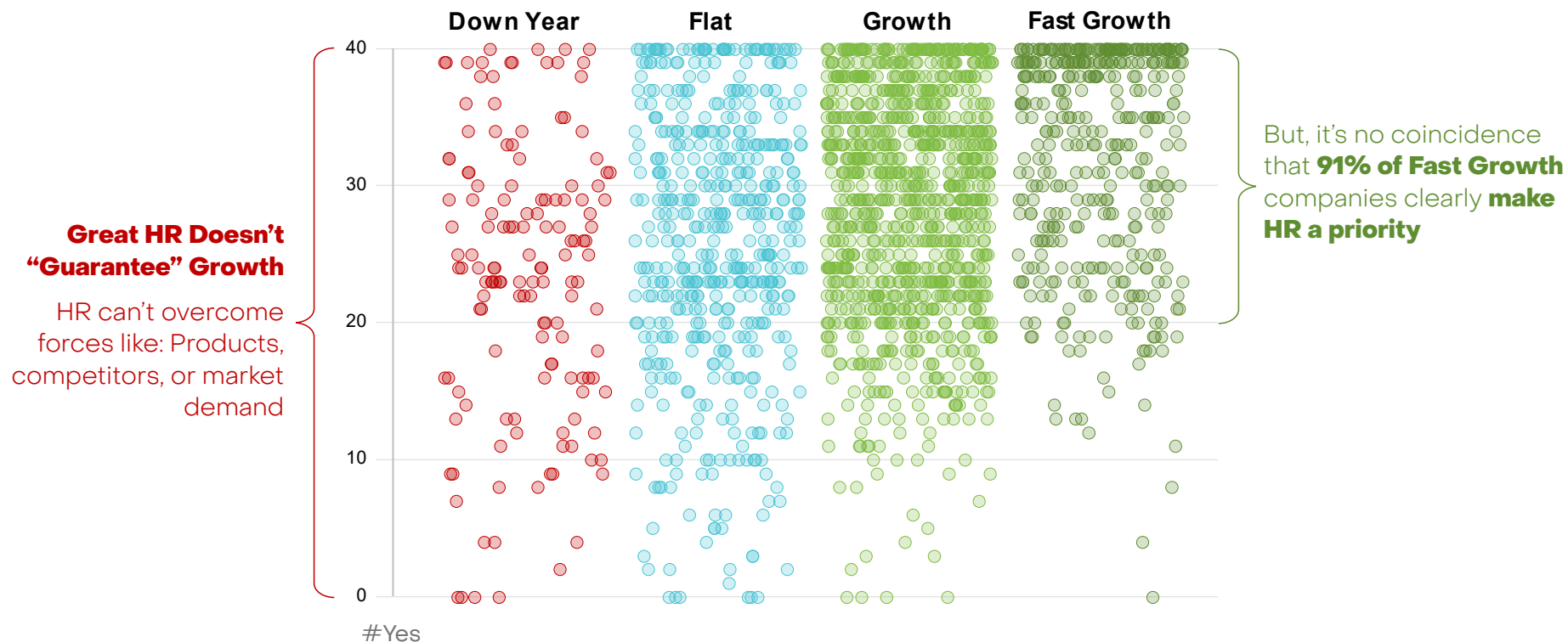
But exactly which areas of HR yield the greatest return on investment?

The data reveals that the greatest disparity between shrinking companies and fast-growing companies are actions taken in the areas of **Employee Development and Employee Retention.**

Many companies proclaim, “Our people are our greatest asset.” But we now have data that clearly reveals it’s the companies taking real action that are winning.

We also found that half-measures didn’t yield nearly the results as a full commitment to people and processes.

**Chart:** How many times businesses<sup>1</sup> answered “Yes” to 40 HR best-practices



<sup>1</sup>One Dot Per 2,065 Businesses

# Strategic vs. Administrative HR

In our HR Benchmark Report, you'll have an opportunity to see how your business compares to the 2,065 small and mid-sized businesses we surveyed in 8 essential areas of Human Resource Management.

Our hope is you'll come away with

specific HR processes to implement.

But much more than that, our findings conclude it's the businesses that go beyond staying in compliance with federal, state, and local HR laws that grow fastest.

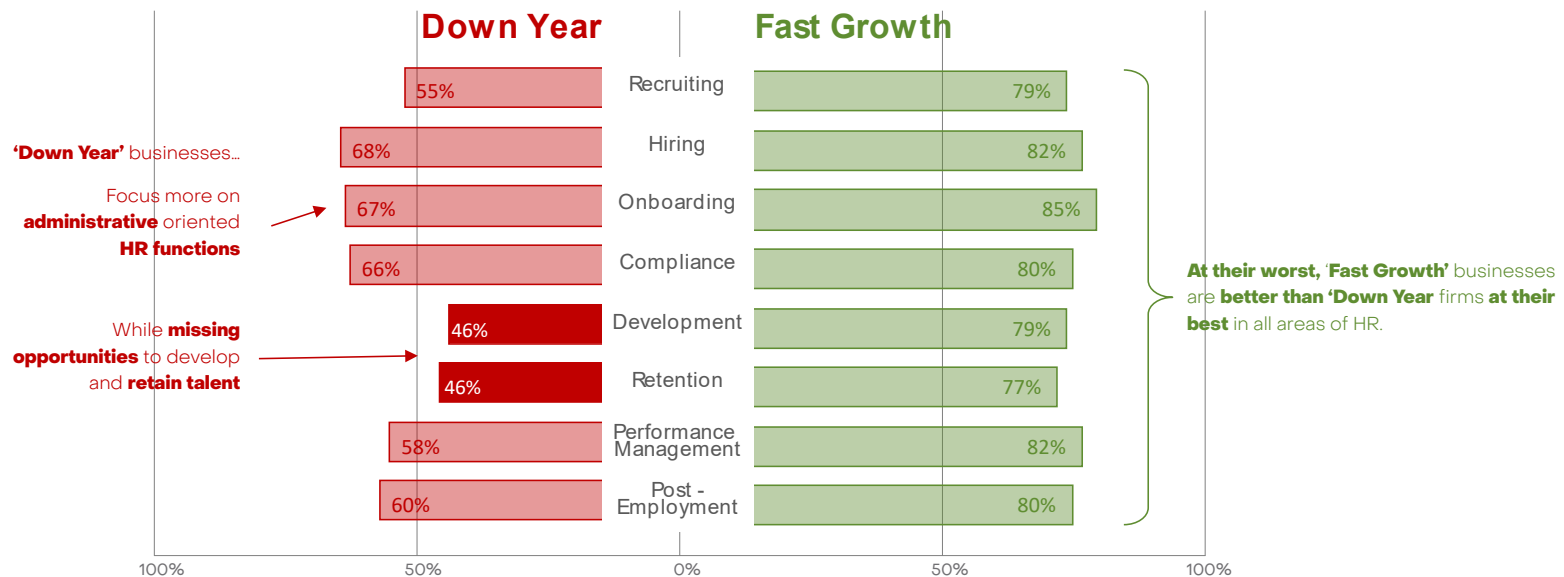
**The businesses with the fastest growth are investing in Learning & Development programs. They are focused on Employee Retention.**

Yes, it's important to get the administrative functions of HR right. This will protect a business from

costly fines, lawsuits, and adverse actions. We might call this playing defense. It's the bare minimum.

But what about playing offense in a world where talent is hard to attract and retain? How does a company get ahead?

**Chart:** Percent of businesses that answered "Yes" to questions in 8 HR best-practices



The data shows that Fast Growth companies are investing much more into Developing and Retaining their people than Down Year companies. Companies are fueling fast growth by investing in their people. This correlates to growth more than getting HR paperwork squared away.



# HR Best-Practices

## Correlate to REVENUE GROWTH

### Management training makes a difference:

**76%** of Fast Growth Companies provide leadership training to managers, compared to just 41% of businesses which had a Down Year.

### Written development plans are meaningful:

**73%** of Fast Growth businesses develop their talent with written development plans compared to just 40% of Down Year companies.

### On-demand training is key:

**83%** of Fast Growth companies provide on-demand training resources for employees. Only 56% of businesses who had a Down Year provide on-demand training

### Stretch assignments show you care about employee growth:

**75%** of Fast Growth companies frequently assign stretch assignments to employees. Only 34% of Down Year companies can say the same.

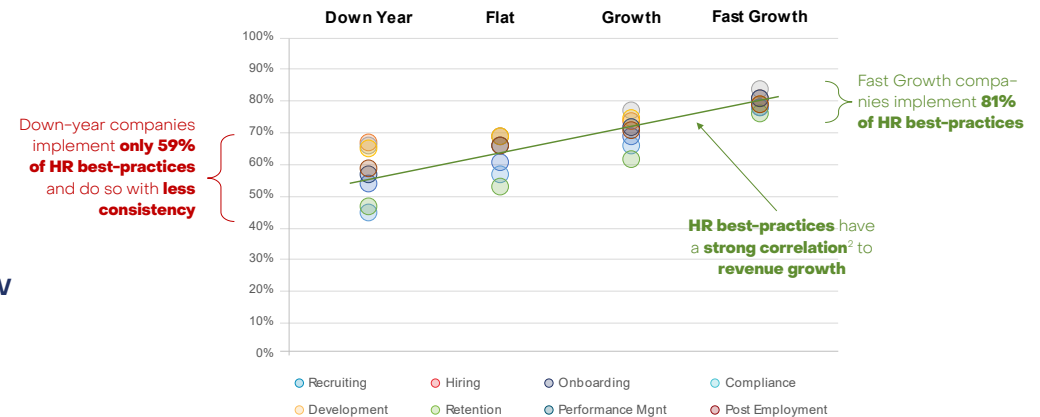
### Structured training accelerates growth:

**88%** of Fast Growth companies provide regular structured training for employees, compared to 62% of businesses that suffered a Down Year.

### Career path coaching is an effective HR tactic:

**76%** of Fast Growth companies provide career path coaching for employees, compared to just 44% of Down Year companies

Chart: Percent of businesses<sup>1</sup> that answered "Yes" to questions in 8 HR best-practices



<sup>1</sup>One Dot Per 2,065 Businesses

<sup>2</sup>.745 correlation between "Down Year" and "Fast Growth" companies

In the chart above, the 8 circles of different colors represent the 8 most important areas of HR. Notice how tightly these 8 circles map to the Fast Growth companies.

And conversely, it's easy to see how loosely Down Year companies as a cohort committed to these 8 critical areas of HR management.

There is a demonstrable advantage to implementing HR Best Practices comprehensively.

### Turnover is costly.

To overcome a bad reputation as an employer is costly.

Low productivity caused by disengaged employees is costly.

Excellent HR execution **saves money** and helps businesses **grow faster**.



# 1. Recruiting

Imagine a basketball team that recruited the scoring leaders from three other teams.

How would such recruitment even be possible when the team has a salary cap?

Putting salaries aside, how could a recruitment specialist convince three scoring leaders to play alongside each other, sacrificing personal achievements for the greater good of the team?

Pat Riley solved this problem.

He resigned his superstar Dwayne Wade and added two other established superstars, LeBron James and Chris Bosh. The players took below-market salaries and shared the ball on the court for the Miami Heat.

**The result? The Miami Heat went from winning 57% of their games the year prior to winning 71% of the time.**

They made it to the NBA Finals four consecutive seasons, winning back-to-back titles.

Not everyone in your organization will be a superstar. You also need

role players who are good at what they do. Do you think it's easier to recruit these folks to a winning organization?

Top-notch recruiting can build your business and your employment brand.

Your employment brand is the perception of what it's like to work for your business. A strong employment brand, in turn, makes it easier for you to recruit.

We surveyed small businesses about their recruiting tactics.

**“The secret of my success is that we have gone to exceptional lengths to hire the best people in the world.”**

**STEVE JOBS**  
CO-FOUNDER OF APPLE





## Are you recruiting from the biggest pool of talent you can?

Limiting your recruitment efforts to word-of-mouth, your website, and perhaps a sign on your door can restrict the growth of your business.

A common challenge of receiving a large number of applications is examining them to find the diamonds in the dirt. One solution is applicant tracking software.

**Our survey data shows:**

**The majority (57%) of Growing Businesses use applicant tracking software to filter job applicants. Just 40% of businesses that failed to grow last year take advantage of applicant tracking software.**

Recruiting should start with a written job description.

Good job descriptions help applicants understand the demands of the position. They also help employers hold employees accountable.

The process of writing a job description can add clarity when deciding what tasks and responsibilities you need handled by a new employee.

**Our 2023 Small Business HR survey reveals that:**

**3 in 10 companies that had a down year do NOT have written job descriptions for each opening. 86% of all other companies DO.**

And perhaps more revealing is that

**91% of Fast Growth businesses have written job descriptions for each opening.**

**82% of Fast Growth companies use Job Boards to post new openings compared to just 55% of businesses that experienced a down year.**



These job postings must adhere to employment laws. So we asked, **“Are you certain your job postings are compliant with Federal, State, & Local laws?”**

Here's what was self-reported:

**1 in 3 businesses that did NOT grow last year are uncertain if their job postings are compliant with Federal, State, & Local laws.**

and

**1 in 4 of all businesses we surveyed are NOT certain if their job postings are compliant with Federal, State, & Local laws.**

This is scary stuff.



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

It is illegal for an employer to publish a job advertisement that shows a preference for or discourages someone from applying for a job because of his or her race, color, religion, sex (including gender identity, sexual orientation, and pregnancy), national origin, age (40 or older), disability or genetic information.

For example, a help-wanted ad that seeks “females” or “recent college graduates” may discourage men and people over 40 from applying and may violate the law.

SOURCE: EEOC

**For employers with between 15 and 100 employees, you can be penalized up to \$50,000 for discrimination.**

SOURCE: EEOC

## Your Secret Weapon to Win the War for Talent

A well-thought-out employee referral program can be a low-cost and highly effective recruitment tool. Our survey data shows that:

**73% of Fast Growth companies** have a formal employee referral program to attract new talent. **Only 45% of Down Year companies** have a formal referral program.

Asure's VP of HR Consulting, Mary Simmons, advises businesses to install guardrails on the employee referral program. Be sure employees are incentivized to refer only qualified applicants. This ensures quality over quantity.



## 2. Hiring

We asked small businesses:

“Do you send written job offers including pay rate, pay frequency, leave benefits, and at-will employment?”

**1 in 3** companies that failed to grow last year don't send written job offers that include pay rate, pay frequency, leave benefits, and at-will employment.

**83%** of Fast Growth companies do.

“Do you have written job skills and competencies for interviewers to assess candidates?”

**3 in 4** Fast Growth companies have written job skills and competencies for interviewers to assess candidates.

**Nearly half (45%)** of declining businesses do not have written job skills and competencies for interviewers to assess candidates.



“Do you have a formal interview process that's consistently used for every candidate?”

Compared to other companies, the Fastest Growing businesses are **13% more likely** to have a formal interview process that's consistently used for every candidate.

“Do you conduct background checks on candidates before they start work?”

**1 in 3** companies that failed to grow last year **do NOT** conduct background checks on candidates before they start work.

**8 in 10** Fast Growth companies **DO** conduct pre-employment background checks.

Selecting a background check company can be a daunting task. One question to ask a potential vendor is **do they help your company comply with Adverse Action and Fair Chance legislation?**

At Asure we partner with a trusted background check company to automate this process and secure bulk pricing to lower your costs.



**“It's about getting the best people, retaining them, nurturing a creative environment and helping to find a way to innovate.”**

**MARISSA MAYER**  
FORMER CEO OF YAHOO!





We asked, “Are you certain your application(s) does not ask any illegal questions?”

**15% of all companies we surveyed may inadvertently be asking illegal questions on job applications.**

Depending on your jurisdiction, asking for any of the following may put you out of compliance with regulations, or worse, violate U.S. employment law and make you vulnerable to lawsuits:

- Birth dates
- Graduation dates
- Educational Requirements (if you can't show that the educational requirement is needed to perform the job)
- Military discharge information
- Previous sick days used in employment
- Race
- Citizenship
- Marriage status
- Salary History
- Criminal History

It's vital to have a SHRM-certified professional review your job application materials to protect your company.



# 3. Onboarding

**8 in 10 Fast Growing companies** have an Employee Handbook updated in the past 12 months.

**Nearly 40% of companies that didn't grow** last year do not have an Employee Handbook updated in the past 12 months.



Our own Mary Simmons, VP of HR Consulting at Asure, and Adjunct Professor at the New York Institute of Technology, **lists how an Employee Handbook benefits employers and employees:**

- Explains the company culture
- Set expectations and communicates consequences of not following the standards explained in the handbook
- Educates managers and supervisors so they can recognize issues
- Ensures fair and consistent treatment of employees
- Explains time-off policies and medical/dental benefits
- Demonstrates the professionalism of the organization
- Defense for unemployment and legal claims
- The handbook can also be leveraged as a tool to attract new talent

**“Great vision without great people is irrelevant.”**



**JIM COLLINS**  
BEST-SELLING BUSINESS AUTHOR



## What Should Be Included in an Employee Handbook?

Here is a partial list of what to include:

- Company history, mission and values, welcome statement
- Strong Employment at will statement
- EEOC policy as well as any state mandated discrimination and harassment laws
- Time off policies; vacation is not mandated but many states, such as NY and CA, mandate sick days.
- Benefits summary
- FMLA for employers over 50 employees
- State disability policies
- Remote/ hybrid work policies
- Meal and/or break times -- many states have mandated meal break times
- Signed acknowledgment

There are also many items **NOT** to include in an Employee Handbook because they're illegal. One example would be forbidding employees to talk about their salary.

A highly qualified HR expert can write your Employee Handbook, localizing it to your states and cities of operation.



- **1 in 3** companies that didn't experience growth last year do not have a first-day checklist for new employees.
- **8 in 10** growing companies **DO** have a first-day checklist.
- **3 in 4** Growing Companies have new hires go through formal orientation to learn the company's mission, vision, and values.
- Nearly half (46%) of companies who had a Down Year do **NOT** have new hires go through formal orientation to learn the company's mission, vision, and values.

A recent study by Zippia found that 17% of new hires leave their new job between the first week and third month of being hired. You can hold onto these folks by proactively engaging them with a welcoming and professional onboarding process. (Source: Zippia)

**1 in 5** of all companies are at risk of a failed Immigration and Customs Enforcement audit because they **do not train** hiring managers and staff how to complete I-9s compliantly.

Asure provides I-9 form training to its clients.







**Fast Growth companies are 22% more likely to train managers about HR laws like equal pay, overtime, and ADA compared to companies that experienced a Down Year.**

## 4. Compliance With Laws and Regulations

Fast Growth companies play aggressive offense while protecting their business with defense.

Investing in training managers about HR laws equips these decision-makers with the knowledge they need to succeed. This training is also a first line of defense against serious fines and penalties from the **U.S. Department of Labor (DOL)**.

The DOL does not accept ignorance of the law as an excuse for breaking it.

For instance, the DOL has a special task force called **The Wage and Hour Division (WHD)**. The WHD's entire mission is to "safeguard the workplace rights afforded by the federal labor laws."



*Department of Labor auditing a worksite.*

And the WHD is exceptionally active. In fiscal year 2022, the WHD answered more than 913,000 calls from employees asking if their rights were violated. The WHD provides assistance in over 200 languages.

In addition, the WHD conducted over 4,000 outreach events educating over a quarter-million workers about HR laws.

The WHD recovered over \$100,000,000 from businesses who mistakenly or maliciously failed to properly pay their workers. This included \$32.9 million from construction businesses and \$27.1 million from food service companies. ([Source: DOL](#))

Fast Growth companies take steps to avoid harsh financial penalties from the U.S. Government.

The WHD features the story of Diego Jimenez, who worked as a server at La Carreta Mexican Restaurant in Derry, New Hampshire. Diego knew he wasn't being compensated properly.

Diego contacted the WHD. The result? Diego Jimenez will receive \$134,864 in back wages and damages from his former employer. The restaurant's general manager was also found liable.

The story doesn't stop there.

The investigation into one Mexican restaurant wasn't enough for the WHD. They wanted the whole enchilada. The WHD went on to recover \$1,266,997 for 149 low-wage workers.

**This is all from a single phone call to the Wage and Hour Division. ([Source: DOL](#))**





**36%** of businesses who identified themselves as having a Flat or Down Year do NOT have a documented process for handling HR investigations and inquiries.

**17%** of all companies we surveyed are at risk of an I-9 audit from Immigration and Customs Enforcement.

(The Government need only give 3-days notice before the inspection.)

Did you know Federal Law requires you to keep a Form I-9 for each person you hire and for one year after their employment ends?

The penalties could put you out of business.

Employment attorneys Fisher and Phillips do the math for us. "The proposed fine for an employer with 1,000 I-9s that is found to have 501 I-9s with substantive errors would face a potential fine of over \$1.2 million ( $501 \times \$2,507 = \$1,256,007$ )."

(Source: Fisher Phillips)

Small businesses are at risk. If you have 20 employees and have 10 I-9s with errors, your penalty could be \$25,070.

If this were football, it'd be like taking a critical sack because you didn't even bother to block for your quarterback.

This is easily solved by outsourcing your HR function for a fraction of the cost of what a full-time HR expert would cost. This is how Fast Growth companies protect themselves and simultaneously help retain employees by making them feel heard.

Companies struggling to grow are the least prepared to withstand penalties for violating the Fair Labor Standards Act (FLSA).

The DOL clearly states, "Employers who willfully or repeatedly violate the

minimum wage or overtime pay requirements are subject to a civil money penalty of up to \$1,000 for each such violation."

"Willful violations of the FLSA may result in criminal prosecution and the violator fined up to \$10,000. A second conviction may result in imprisonment."

In other words, if you're doing payroll wrong, how many violations are you racking up? You want to be absolutely certain your company is properly accounting for overtime as well as not taking actions that bring any employee below the minimum wage. (Source: DOL)

**Nearly 1 in 4 of companies who experienced a Down or Flat Year are not certain they are compliant with FLSA wage and hour requirements.**



# 5. Development



**“Train people well enough so they can leave. Treat them well enough so they don’t want to.”**

**SIR RICHARD BRANSON,**  
FOUNDER OF THE VIRGIN GROUP



**Fast Growth companies are 26% more likely to provide regular structured training for employees as compared to businesses that suffered a down year.**

You already know that a terrific training program can improve employee performance. This alone can lead to faster growth. But there’s a hidden gem nestled into every well-thought-out training program: retention.

How much money would you save if your employees stayed with you longer? This would lessen the time, money, and energy your team spends recruiting.

The LinkedIn Workplace Learning Report reveals that “94% of employees say they would stay at a company longer if it invested in their learning and development.” ([Source: LinkedIn Learning](#))

## **Replace lip service with actual service**

Don’t tell your employees you value them. Today’s employee is skeptical. They’ve heard it all before. Instead, show them you value them with a training program.

Training is truly a win-win. You win more effective and loyal employees. Employees win new skills and confidence in their abilities.

Published in Harvard Business Review, Dr. Joseph R. Weintraub, professor of management at Babson College remarked, “When managers neglect to address people’s development, employees take it as a sign that they are not [valued].” ([Source: Harvard Business Review](#))

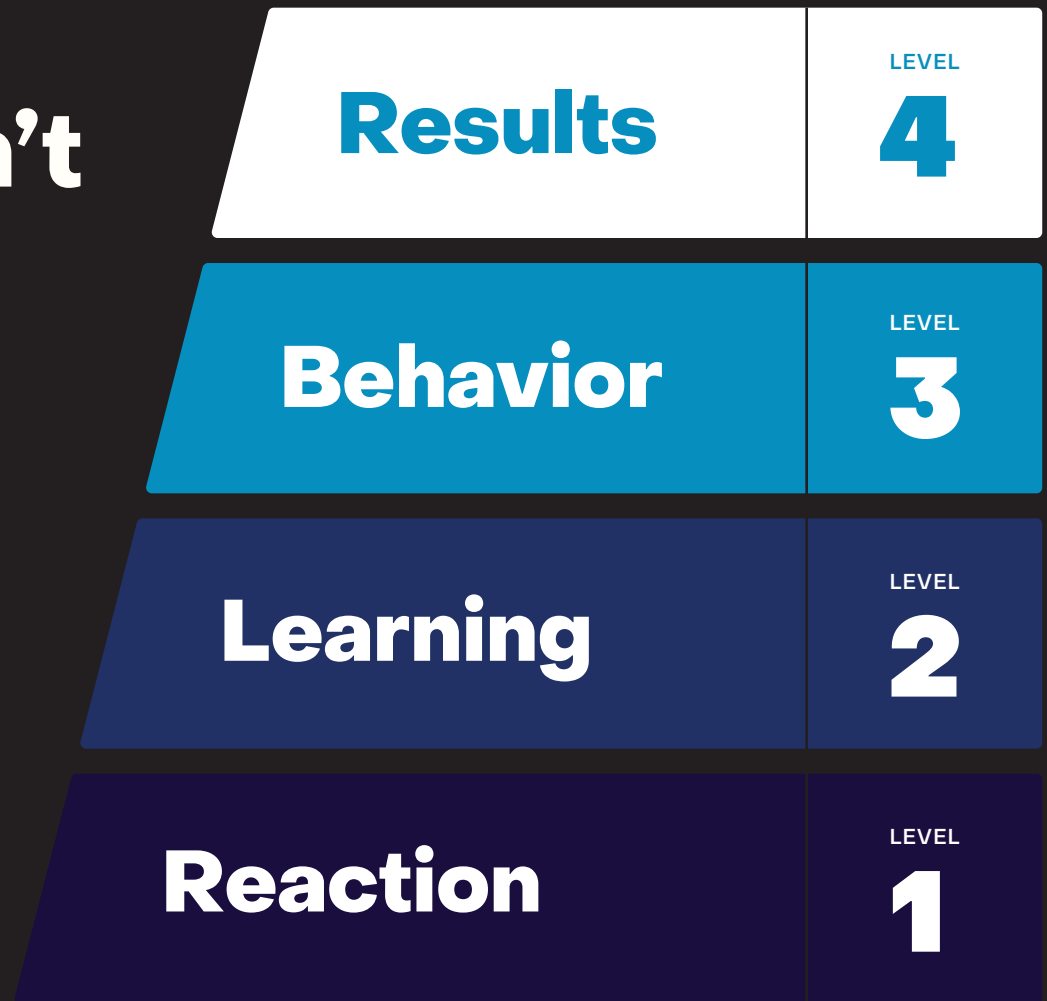
# If it can't be measured, it can't be managed.

It can be hard to justify implementing a training program when you're not certain of the ROI. Don't train your people without measuring results!

A common method to measuring results is the Kirkpatrick Model.

**The difference between Fast Growth and regular Growth companies? A full 10% more of Fast Growth Businesses provide regular structured training for employees to be more effective in their jobs.**

*Right: The Kirkpatrick Model for Validating Talent Investments*



Using the Kirkpatrick Model, you'd look first at **Level 4**, your Results after training your team.

For a sales team, this could be increasing the revenue generated per customer.

Next, **Level 3**. Is the team implementing the Behaviors from the training? This might be a specific selling technique they learned about

such as DISC analysis and behavioral selling.

You can find this out by using call recording software or from managers listening to sales calls.

Then drill down to **Level 2**. Give employees a test at the conclusion of the training. You'll quickly see if the training was absorbed.

Last, **Level 1**, survey employee reaction to the training. In short, you want to know if they felt it was worth it for them.

There are other methods to measure the success of a training program. Speak with an HR expert to learn more about how to select, implement, and measure a Learning and Development program.

Our survey didn't just reveal that struggling companies aren't investing in employee development. Data from 2,065 businesses made one thing clear:

Development programs are the nitrous boost Fast Growth companies are using to race past Regular Growth businesses.



Amanda has been a terrific bartender at your restaurant for five years. She's outstanding at customer service, she's incredibly reliable, she mixes the best Old Fashioned in town, and she's an exemplary employee!

You need a new manager.

### Who better to promote than Amanda?!

One month into her promotion, servers are quitting at an alarming rate, morale is down, and your bottom line is starting to feel it. What happened?

Amanda wasn't put in a position to succeed. She's never managed people before. She feels overwhelmed. She's drowning. Her bartender skills aren't enough in this new position of authority.


Our 2023 Small Business HR Benchmark Report uncovered that

**3 in 4 Fast Growth Companies provide leadership training to managers. While the majority (59%) of businesses who had a Down Year do NOT provide leadership training to managers.**

This data has severe implications. A survey from The Society for Human Resource Management (SHRM) found 84% of U.S. workers say poorly trained managers create a lot of unnecessary work and stress.

How do you think that impacts your ability to retain workers?

SHRM also found that "half of American workers believe it would help them improve their own work performance if their direct supervisor's people management skills were improved." (**Source: SHRM**)



**“Leaders aren’t born, they are made. They are made by hard effort, which is the price which all of us must pay to achieve any goal which is worthwhile.”**

**VINCE LOMBARDI**

NFL FOOTBALL HALL OF FAME COACH,  
THE NFL SUPER BOWL TROPHY IS NAMED IN HIS HONOR







**83% of Fast Growth companies provide on-demand training resources for employees. Only 56% of businesses who had a Down Year provide on-demand training.**

**Imagine where you were (and the clothes you wore!) during these times: 2005, 2007, July 2022.** Here is the significance of those dates.

**2005** YouTube launches.

**2007** Netflix starts its streaming service.

**JULY 2022** For the first time in US history, streaming is the number one way Americans consume TV shows - more than cable TV, more than broadcast TV. (Source: NBC News)

The absolute oldest members of Gen Z are 26 years old as of publication. Do you have employees of this age or younger? They were, at most, 8 years old when YouTube started.

Gen Z and many Millennials grew up with on-demand entertainment. This is their expectation. Do you think they'll be satisfied waiting around for an annual in-person training?

Fast Growth companies have overwhelmingly adapted to the times in this critical HR area.

A 2022 Microsoft study uncovered that 58% of Gen Z are considering changing jobs in the year ahead versus 43% overall. (Source: Microsoft)

Gen Z is not complacent. A stellar way to build loyalty is by investing in on-demand training programs.

## Qualities of a Strong On-Demand Training Program

- Aligns with your organizational goals
- Drives towards desired outcomes
- Builds a learning culture
- Develops future leaders
- Focuses on communication skills
- Gamified / sticky
- Available on mobile
- Supplies metrics that show training effectiveness
- Ongoing internal marketing encouraging participation
- Reinforcement and application of the training

Your HR department or outsourced HR Team can create on-demand training programs for your employees.



# Are you challenging your employees to stretch beyond their current capabilities?

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

Many people retain more when they learn by doing instead of passively listening. This is corroborated by research supported by Harvard's Division of Science. ([Source: The Harvard Gazette](#))



Dr. Eric Mazur, PhD, Chaired Professor of Physics, and Academic Dean at Harvard remarked, "This work unambiguously debunks the illusion of learning from lectures."

It's not just companies that experienced a down year that didn't seriously consider giving stretch assignments.

**The majority (57%) of businesses who had a Down or Flat year fail to challenge their employees with stretch assignments.**

But what if your company is growing? Do you need to embrace stretch assignments?

The choice is yours. Our data reveals this major difference:

**Fast Growth companies are 17% more likely to challenge their employees with stretch assignments as compared to Regular Growth companies.**

**75% of Fast Growth companies frequently assign stretch assignments to employees.**

**66% of Down Year companies do NOT.**



Published in Harvard Business Review, Dr. Joseph R. Weintraub,

professor of management at Babson College remarked, "Employees want to know what the future holds for their careers. When managers take time to explicitly discuss growth potential or provide opportunities and "stretch" assignments, employees interpret it as evidence that they're valued. Conversely, when managers neglect to address people's development, employees take it as a sign that they are not."

One employee told us, "My manager is constantly recognizing my work, and I know that she sees that I go over and above."

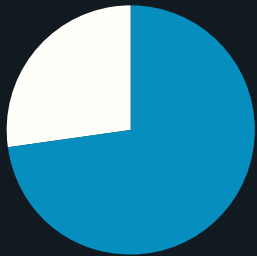
**The issue is that she doesn't fight to get me new and greater opportunities."**

([Source: HBR](#))

## Do your managers create written development plans for each employee?

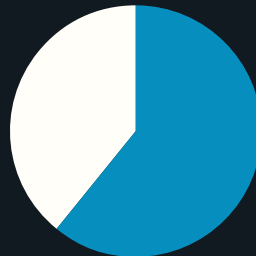
There is a stark difference between growing companies and those that are stagnant or shrinking.

We asked 2,065 businesses, “Do your managers create written development plans for each employee?”



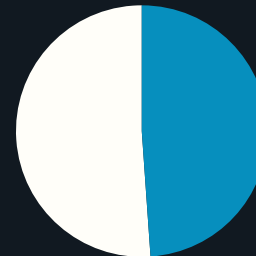
**73%**

of Fast Growth businesses develop their talent with written development plans compared to



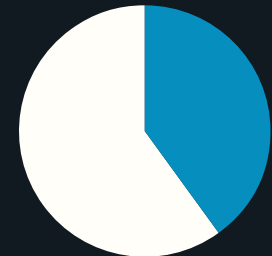
**61%**

of Normal Growth businesses



**49%**

of Flat year businesses and just



**40%**

of Down Year companies invest in their employees with written development plans

## A written development plan for each employee should include:

- A skills gap analysis
- A path for career and leadership growth
- Align the employee's goals with company goals
- The development method (For example, coaching, mentorship, job shadowing, etc.)
- Results tracking

A qualified HR expert can design development plans for your employees.



# 6. Performance Management

**Performance Management is the ongoing process of communicating: Job responsibilities, priorities, expectations, and development planning.**

The desired outcome is the optimization of employee performance and aligning it with company goals.

**In our 2023 Small Business HR survey we discovered that: Fast Growth businesses are 23% more likely to regularly communicate expectations for job performance compared to businesses that are shrinking.**

**Regularly communicating job expectations can lead to these benefits:**

Reduction in frustration on the team by increasing clarity and reducing ambiguity

Greater autonomy which leads to less micromanagement and more employee satisfaction

Increased employee engagement  
Are your managers trained in Perfor-

mance Management? This is a skill like any other that can be taught, then applied. Consider having your HR department conduct leadership training sessions.

You can communicate job performance expectations in weekly one-on-one meetings, in a weekly team meeting, during quarterly performance reviews, and more.

To ensure these meetings are their most productive, it's best to have a formal process.

**Our survey data revealed that Fast Growth companies are 22% more likely to have a formal review process compared to companies that are shrinking.**

**“No company, small or large, can win over the long run without energized employees who believe in the mission and understand how to achieve it.”**



**JACK WELCH**

LEGENDARY CHAIRMAN AND CEO OF GENERAL ELECTRIC (GE)



## WHAT IS A

# 360-Performance Review?

A traditional performance review is when a manager gives feedback to a direct report.

A 360-performance review provides a full 360-degree circle of feedback to the employee. This can include feedback from a manager, teammates, customers, and more.

This style of review helps the employee learn how their output is perceived by the people with whom they interact.

An HR professional can write a 360-review questionnaire tailored to your company.

With the help of an HR expert, managers and employees can take feedback and build upon results to improve productivity and engagement.

**Our survey data shows that: 56% of businesses that failed to grow last year do not conduct 360 reviews for employees. Conversely, 59% of growing businesses DO conduct 360 reviews.**



## WHAT IS A

# Performance Improvement Plan?

When an employee's work isn't meeting expectations, it's helpful to create a performance improvement plan (PIP).

This document covers specific areas of the employee's performance, highlighting deficiencies.

This document can also shine a light on skills that need improvement and opportunities for training.

A performance improvement plan can also serve as a formal warning of underperformance, that if not corrected, may lead to disciplinary action or dismissal.

**Our HR survey uncovered that Fast Growth companies are 23% more likely to document "performance improvement plans" for underperforming employees compared to shrinking companies.**

Overall, 3 in 4 growing businesses we surveyed document "performance improvement plans" for underperforming employees.





**“You don’t build a business – you build people – and then people build your business.”**



**ZIG ZIGLAR**  
BEST-SELLING AUTHOR AND SPEAKER

# 7. Retention

About 1 in 5 workers say they are very or somewhat likely to look for a new job in the next six months according to Pew Research. ([Source](#))

**So how can you make it more appealing for your staff to stay with you?**

A key tactic is to survey each worker to assess their level of enthusiasm for their job and their dedication to the organization. **We found that 8 in 10 Fast Growth companies have surveyed their workforce to assess employee engagement.**

**Only 50% of non-growing companies survey their workforce for this purpose.**

Your in-house HR expert or an HR consultant can craft an employee engagement survey to measure levels of emotional connectedness.

These emotions can translate into attitudes that shape your company’s culture for better or worse. These emotions can move employees to do the bare minimum at work or to take initiative.

An effective employee engagement survey can uncover problem areas in your organization.

You might use Yes/No questions or a scale of strongly disagree to strongly agree when posing statements such as:

**Feedback is taken seriously by the leadership team at this company.**

**I know how my work contributes to the company’s purpose.**

**I would recommend this company’s products or services to a friend.**

**I feel respected by my managers and co-workers.**

**I have fun at work.**

**I have good opportunities for professional growth at this company.**

Speaking of that final bullet point, we asked small businesses, “Do you provide career path coaching for employees?” and the data indicates that **3 in 4 Fast Growth companies provide career path coaching for employees.**

**Most (56%) of Down Year companies do NOT.**

Companies provide career path coaching to show employees their career growth potential.

This can help employees see the path towards promotions and compensation increases at your business. It can also make employees feel like you care about them since you’re taking an interest in their success.



## Should I Stay or Should I Go?

A stay interview is an interview with an employee to understand what is motivating them to stay or to leave. A manager asks standardized questions but in a conversational tone.

A manager should frame the talk as a way to better support the employee.

Some questions a manager might ask an employee:

**What do you like most about working here? Least?**

What would you change about your job, if anything?

**What motivates you? What frustrates you?**

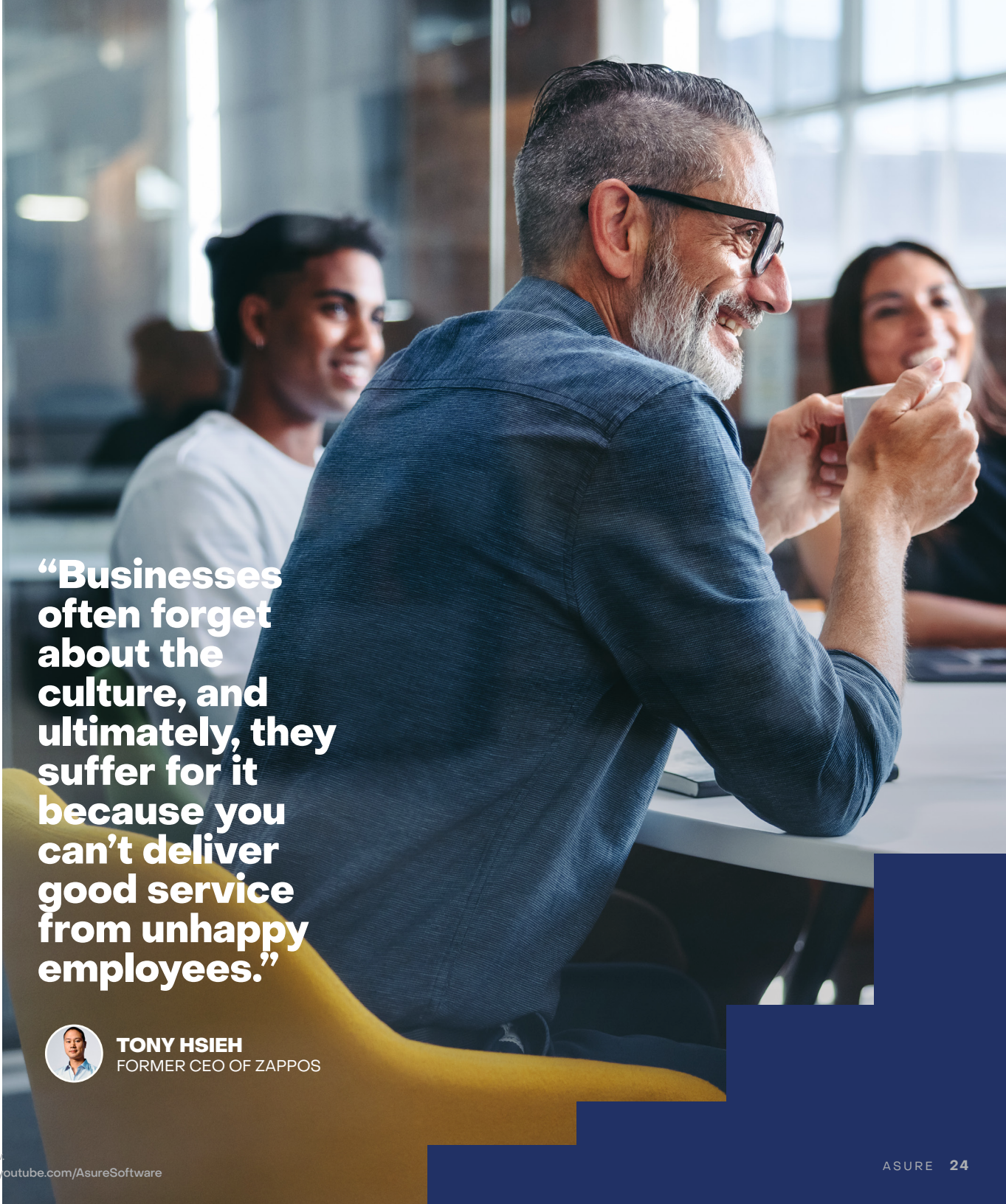
What might tempt you to leave the company?

**Our survey data informs us that 6 in 10 companies that failed to grow last year did NOT conduct Stay Interviews.**

Employee retention can also be increased by praising exemplary performance in a public setting.

We asked small businesses, “Do you conduct company-wide meetings to communicate changes and recognize high performers?”

**The result: Fast Growing businesses are nearly 20% more likely to conduct company-wide meetings to communicate changes and recognize high performers as compared to non-growing businesses.**



**“Businesses often forget about the culture, and ultimately, they suffer for it because you can’t deliver good service from unhappy employees.”**



**TONY HSIEH**  
FORMER CEO OF ZAPPOS



# 8. Post Employment

We found that fast-growing small businesses do things differently not only before and during employment, but after as well.

We asked small businesses, “Have you developed a succession plan to anticipate turnover?”

**The data shows that Fast Growing companies are 31% more likely to have a succession plan to anticipate turnover as compared to businesses who suffered a down year.**

And the majority (53%) of companies that failed to grow last year do NOT have a succession plan to anticipate turnover.



## IT'S SO HARD TO SAY GOODBYE

When employees exit the company, it's a good idea to send an official termination letter. This is a formal notice of termination that typically includes:

### The reason for dismissal

Benefits or severance pay they may receive

### Date of their final paycheck

Other details relevant to the end of employment

**Our survey found that Fast Growing companies are 20% more likely to provide exiting employees with a termination letter as compared to businesses who had a down year.**

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

**We found that Fast Growth  
businesses are 20% more  
likely to conduct exit  
interviews with voluntary  
terminations as compared  
to businesses that  
experienced a Down Year.**

Companies conduct exit interviews to learn about an employee's feelings regarding their job responsibilities, their supervisor, the business as a whole, and more.

This feedback can be valuable when leveraged for future retention efforts with other employees. You can also discover trends that could be causing employee turnover.

You can potentially elicit more honest and thorough feedback by asking your HR person to conduct the interview instead of the supervisor of the outgoing employee.

Your HR manager or outsourced HR team can design and properly conduct an exit interview. One

key question to ask an employee who is voluntarily leaving is simply, “Would you consider staying?”

This is an opportunity to learn what changes to the role or upgrades to the compensation and benefits package would make the job more attractive to the employee.

Even if you can't or won't make those adjustments to keep the employee, their answer gives insight into their decision-making process.

---





Thank you to all

**2,065**  
**SMALL BUSINESSES**

that took the time to participate in this survey.

We hope you've learned the next steps to take to your business into Fast Growth territory – and if you're there already – keep it there against the competition.

# WE'RE THE BEST AT HUMAN CAPITAL MANAGEMENT.

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

[email us now](#)



(888) 323-8835

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

[youtube.com/AsureSoftware](https://youtube.com/AsureSoftware)



# APPENDIX

We asked



The following charts show the percentage of the 2,065 small businesses surveyed which answered **“Yes”** (in blue) or **“No”** (in red).



# Recruiting

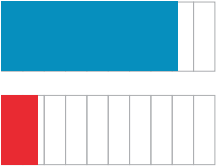
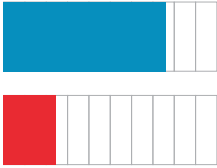
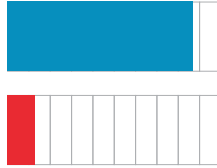

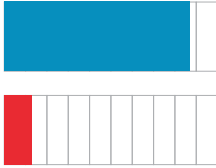

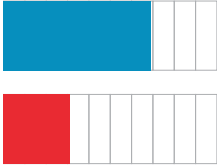
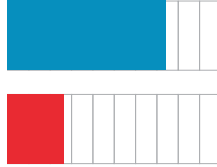

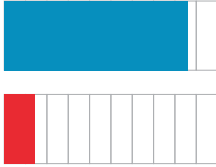
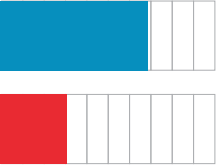
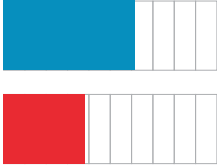

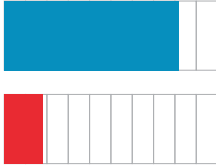
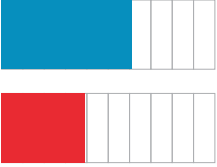
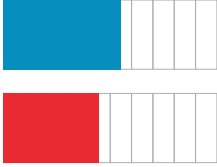
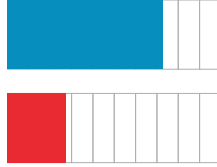

■ Yes ■ No



30

	Do you use Job Boards to post new openings?	Do you use applicant tracking software to filter job applicants?	Do you have written job descriptions for each opening?	Do you have a formal employee referral program to attract new talent?	Are you certain your job postings are compliant with Federal, State, & Local laws?
FAST GROWTH	<p>82% 18%</p>	<p>68% 32%</p>	<p>91% 9%</p>	<p>73% 27%</p>	<p>81% 19%</p>
GROWTH	<p>75% 25%</p>	<p>53% 47%</p>	<p>87% 13%</p>	<p>59% 41%</p>	<p>79% 21%</p>
FLAT	<p>68% 32%</p>	<p>41% 59%</p>	<p>80% 20%</p>	<p>51% 49%</p>	<p>69% 31%</p>
DOWN YEAR	<p>55% 45%</p>	<p>37% 63%</p>	<p>69% 31%</p>	<p>45% 55%</p>	<p>68% 32%</p>



	Do you send written job offers including pay rate, pay frequency, leave benefits, and at-will employment?	Do you have written job skills and competencies for interviewers to assess candidates?	Do you have a formal interview process that's consistently used for every candidate?	Do you conduct background checks on candidates before they start work?	Are you certain your application(s) does not ask any illegal questions?
FAST GROWTH	 <p>83% 17%</p>	 <p>76% 24%</p>	 <p>87% 13%</p>	 <p>80% 20%</p>	 <p>87% 13%</p>
GROWTH	 <p>76% 24%</p>	 <p>69% 31%</p>	 <p>74% 26%</p>	 <p>72% 28%</p>	 <p>86% 14%</p>
FLAT	 <p>69% 31%</p>	 <p>62% 38%</p>	 <p>73% 27%</p>	 <p>66% 34%</p>	 <p>82% 18%</p>
DOWN YEAR	 <p>61% 39%</p>	 <p>55% 45%</p>	 <p>73% 27%</p>	 <p>64% 36%</p>	 <p>85% 15%</p>

# Onboarding

■ Yes ■ No



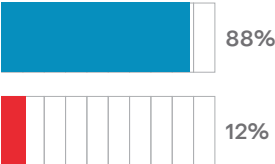
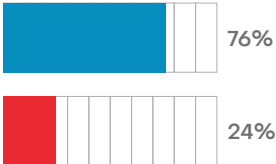
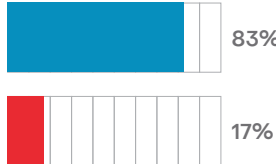
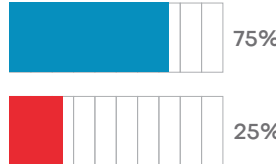
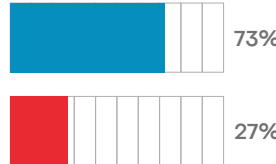
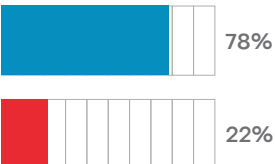
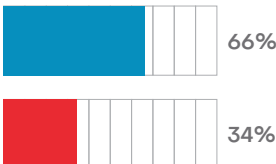
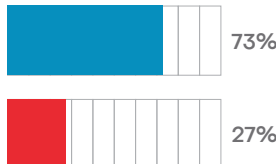
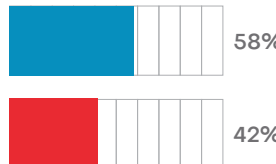
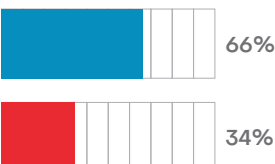
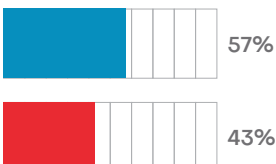
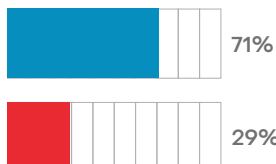
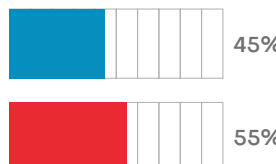
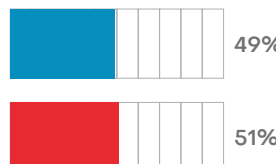
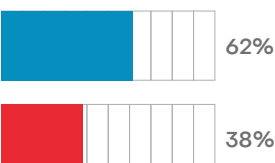
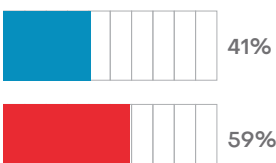
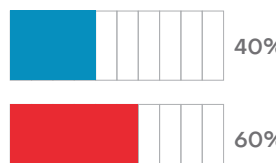
32

	Do you have an Employee handbook updated in the past 12 months?	Do you have a new-hire packet (or e-paperwork) that includes an I-9 Form?	Do you have a first-day checklist for new employees?	Do new hires go through formal orientation to learn the company's mission, vision, and values?	Are hiring managers and staff trained how to complete I-9s compliantly?
FAST GROWTH	<p>79% 21%</p>	<p>92% 8%</p>	<p>85% 15%</p>	<p>82% 18%</p>	<p>86% 14%</p>
GROWTH	<p>73% 27%</p>	<p>89% 11%</p>	<p>75% 25%</p>	<p>73% 27%</p>	<p>78% 22%</p>
FLAT	<p>63% 37%</p>	<p>83% 17%</p>	<p>68% 32%</p>	<p>64% 36%</p>	<p>73% 27%</p>
DOWN YEAR	<p>61% 39%</p>	<p>82% 18%</p>	<p>60% 40%</p>	<p>54% 46%</p>	<p>80% 20%</p>



# Development

■ Yes ■ No

	Do you provide regular structured training for employees to be more effective in their jobs?	Do you provide leadership training to managers?	Do you provide additional on-demand training resources for employees?	Do you frequently assign stretch assignments to your employees?	Do managers create written development plans for each employee?
FAST GROWTH	 <p>88% 12%</p>	 <p>76% 24%</p>	 <p>83% 17%</p>	 <p>75% 25%</p>	 <p>73% 27%</p>
GROWTH	 <p>78% 22%</p>	 <p>66% 34%</p>	 <p>73% 27%</p>	 <p>58% 42%</p>	 <p>61% 39%</p>
FLAT	 <p>66% 34%</p>	 <p>57% 43%</p>	 <p>71% 29%</p>	 <p>45% 55%</p>	 <p>49% 51%</p>
DOWN YEAR	 <p>62% 38%</p>	 <p>41% 59%</p>	 <p>56% 44%</p>	 <p>34% 66%</p>	 <p>40% 60%</p>

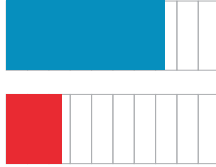
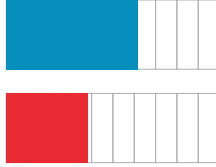
	Do you train managers about HR laws like equal pay, overtime, ADA, etc.?	Do you keep a Form I-9 for each person you hire and for one year after their employment ends?	Do you have a documented process for handling HR investigations and inquiries?	Do you conduct sexual harassment training?	Are you certain you are compliant with wage and hour requirements according to the FLSA?
FAST GROWTH	 <p>84% 16%</p>	 <p>88% 12%</p>	 <p>80% 20%</p>	 <p>62% 38%</p>	 <p>87% 13%</p>
GROWTH	 <p>75% 25%</p>	 <p>83% 17%</p>	 <p>76% 24%</p>	 <p>65% 35%</p>	 <p>83% 17%</p>
FLAT	 <p>68% 32%</p>	 <p>82% 18%</p>	 <p>65% 35%</p>	 <p>57% 43%</p>	 <p>78% 22%</p>
DOWN YEAR	 <p>62% 38%</p>	 <p>78% 22%</p>	 <p>59% 41%</p>	 <p>56% 44%</p>	 <p>74% 26%</p>



# Performance Management

■ Yes ■ No

	Do you reward higher performance with recognition and higher pay?	Do you regularly communicate expectations for job performance?	Do you have a formal performance review process?	Do you ever conduct 360 reviews for employees?	Do you document "performance improvement plans" for underperforming employees?
FAST GROWTH	<p>83% 17%</p>	<p>94% 6%</p>	<p>83% 17%</p>	<p>70% 30%</p>	<p>78% 22%</p>
GROWTH	<p>76% 24%</p>	<p>86% 14%</p>	<p>75% 25%</p>	<p>55% 45%</p>	<p>72% 28%</p>
FLAT	<p>70% 30%</p>	<p>83% 17%</p>	<p>71% 29%</p>	<p>46% 54%</p>	<p>65% 35%</p>
DOWN YEAR	<p>66% 34%</p>	<p>71% 29%</p>	<p>61% 39%</p>	<p>37% 63%</p>	<p>55% 45%</p>

	Have you surveyed your workforce to assess employee engagement?	Do you provide career path coaching for employees?	Do you have an employee recognition program?	Do you conduct Stay Interviews?	Do you conduct company-wide meetings to communicate changes and recognize high performers?
FAST GROWTH	 <p>79% 21%</p>	 <p>76% 24%</p>	 <p>84% 16%</p>	 <p>64% 36%</p>	 <p>82% 18%</p>
GROWTH	 <p>62% 38%</p>	 <p>61% 39%</p>	 <p>69% 31%</p>	 <p>50% 50%</p>	 <p>74% 26%</p>
FLAT	 <p>51% 49%</p>	 <p>55% 45%</p>	 <p>60% 40%</p>	 <p>42% 58%</p>	 <p>63% 37%</p>
DOWN YEAR	 <p>49% 51%</p>	 <p>44% 56%</p>	 <p>52% 48%</p>	 <p>30% 70%</p>	 <p>62% 38%</p>



# Post Employment

■ Yes ■ No



37

	Have you developed a succession plan to anticipate turnover?	Do you provide exiting employees with a termination letter?	Do you consistently follow a written policy for final paycheck, PTO balance, retirement plans, etc.?	Do you conduct exit interviews with voluntary terminations?	Are you certain you're compliant with timing and any deductions from the final paycheck?
FAST GROWTH	<p>71% 29%</p>	<p>75% 25%</p>	<p>86% 14%</p>	<p>86% 14%</p>	<p>84% 16%</p>
GROWTH	<p>58% 42%</p>	<p>64% 36%</p>	<p>77% 23%</p>	<p>79% 21%</p>	<p>81% 19%</p>
FLAT	<p>49% 51%</p>	<p>60% 40%</p>	<p>76% 24%</p>	<p>72% 28%</p>	<p>76% 24%</p>
DOWN YEAR	<p>40% 60%</p>	<p>55% 45%</p>	<p>72% 28%</p>	<p>66% 34%</p>	<p>69% 31%</p>