



HUMAN RESOURCE PLANNING

# HR ROADMAP FOR **GROWING** **YOUR BUSINESS** AT EVERY STAGE

HR priorities, challenges, and tools needed to scale your business from 1 to 500+ employees without chaos



# Growing a business is hard.

You'll need great employees with the skills to get you to the next level, but you also need to minimize complexity and make wise choices on how to spend your time, money, and resources.

Scaling your business requires you to get strategic about resource allocation and develop an understanding of the downstream impact of investing in areas that drive growth vs. the infrastructure needed to support that growth.



There is no such thing as overnight success. You need a plan; you need to time things right and you need to persuade people to invest in you.

Sheila Johnson, co-founder of BET, CEO of Salamander Hotels, and the first billionaire African-American woman.

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# Top Resource Allocation Questions To Drive Growth

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What's driving your revenue growth next month?  
Next quarter? Next year?

The answer to this question should determine how you spend your money — aka allocate your financial capital. Will you be spending more money on sales and marketing to bring in new customers? Will you invest in building out a loyalty program to increase customer retention? Will you develop additional products to sell to existing customers?

The next question you need to ask relates to your human capital and knowing what it takes to recruit, manage, develop, and retain the people needed to execute those growth strategies.

What talent do I need to grow my business,  
and what do they need from me?

Spending money on growth initiatives without the people and skills required to execute those strategies won't help you grow. It will only add complexity and overhead that steals from the bottom line. And it's those bottom-line profits that will be required to fund the next round of initiatives that will get you to the next level.

Here, we have provided a way for you to think ahead on human capital management, and benchmark your way to growth.



# 1 - 15 EMPLOYEES



## Get Hiring and Payroll Right

Many companies hire 10 multi-talented “Swiss Army Knife” employees to get off the ground. These people have the ability to wear multiple hats, they work overtime, they establish the first set of company processes. It is with the same determination that you should have HR processes in place early on — so that you can encourage the work of the team that is going to represent and drive the early days of your business, while also ensuring that you are in compliance of how you are tracking time, processing payroll accurately, paying your taxes, managing benefits and employee policies.

## What are HR Priorities at this stage?

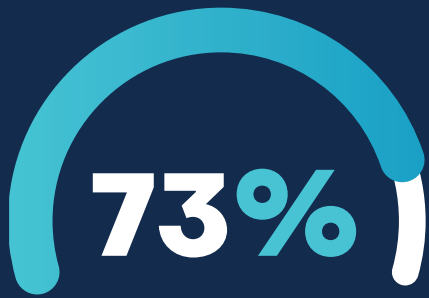
Hiring is very important, as your first employees set the tone for your next employees. Take your time with recruitment and make sure you look for alignment — not just with company vision, but look for employees who can work around the challenges that come with small businesses that operate with limited resources, or people who can navigate the ambiguity that comes with companies that are just getting started.

“The first 10 people you bring onboard will dictate the company culture for the next 20 to 50 (...) Do they exude the vision you have for your company? (...) Representing your vision doesn’t mean being like you. A company made up of 10 me’s would fail spectacularly. I need people who are different than me and better than me.”



**Joe Procopio**

Entrepreneur and featured columnist at Inc. Magazine.



of Fast Growth companies  
have a formal employee  
referral program to attract new  
talent.

When it comes to recruiting, Asure's 2023 HR Survey of over 2,000 small businesses found **that 82% of Fast Growth companies use Job Boards** to post new openings compared to just 55% of businesses that experienced a down year.

Our survey data also revealed 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 Compliance, 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.**

## What are key HR Challenges at this stage?

From an HR perspective, the main challenge for companies at this stage is the fact that there is likely a single person managing HR, taxes, etc. and that person is most likely you — the business owner. That means there is limited time to complete HR tasks that require attention to detail, and it also means that employee paperwork and processes are taking place manually.

Moreover, if you are going to retain your 10 ninjas, you have to consider their experience and your ability to deliver on that with limited resources. Technology like mobile apps and self-service help engage and delight employees, and they also make things easier for HR.

Keep in mind, you may be subject to various employment laws on the federal, state, and local levels:

- For instance, California law requires that all employers of 5 or more employees provide 1 hour of sexual harassment and abusive conduct prevention training to nonsupervisory employees, and 2 hours of sexual harassment and abusive conduct prevention training to supervisory employees, every two years.
- Title VII of the Civil Rights Act of 1964 protects job applicants, current employees (including full-time, part-time, seasonal, and temporary employees), and former employees, if their employer has 15 or more employees.



Note this includes job applicants, not only employees. Our 2023 survey of small businesses found that 1 in 4 of all businesses are NOT certain if their job postings are compliant with Federal, State, & Local laws.

- The Pregnant Workers Fairness Act (PWFA) and the Providing Urgent Maternal Protections for Nursing Mothers Act (PUMP For Nursing Mothers Act) applies to employers with at least 15 employees and became effective on June 27, 2023. Under the PWFA, employers will be required to provide reasonable accommodations to employees and applicants with known temporary limitations on their ability to perform the essential functions of their jobs based on a physical or mental condition related to pregnancy, childbirth, and related medical conditions.

## What HR Tools should be in place?

While we know you may be tracking a lot of things manually at this stage, small businesses should immediately invest in software to manage payroll and taxes in order to avoid costly manual errors that prevent growth. Inc. reports that the IRS penalizes about 1 of 3 business owners for payroll errors — with penalties costing small businesses up to \$4.5 billion per year, according to Bloomberg.

Getting payroll right also impacts retention. According to the American Payroll Association, 49 percent of workers would begin a new job search after only two issues with their paycheck. That's because over 60% of Americans live paycheck to paycheck.

Related to payroll is the need to invest in time tracking tools. If you do this manually, you may not realize how many hours someone is working until it's too late. This is a problem for small businesses without formal job descriptions or classifications to determine who is exempt versus who is not. People who should be tracking their hours end up getting paid amounts that don't account for required overtime pay.

Improperly denying overtime pay to employees, whether intentionally or not, is a serious violation of The Fair Labor Standards Act (FLSA). These laws are enforced the U.S. Department of Labor (DOL). The DOL has a special task force called The Wage and Hour Division (WHD).

Each year the WHD answers more than 900,000 calls from employees asking if their rights were violated. And last year 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.

With labor being the biggest expense for an organization this size, mismanaging overtime can create problems for the business, the employee, and the overall ability to scale.

In addition, a Time and Attendance software system is an effective way to prevent time fraud. The American Payroll Association found that 75% of businesses in the United States suffer from time theft every year.

Time fraud can include:

- “Buddy punching” - clocking in a co-worker who is not present
- Clocking in for a colleague who is running late
- Falsifying time sheets
- Taking extended breaks
- Deliberately padding labor hours or clocking in earlier or later
- Extended personal phone calls or messaging

## How do you know you're ready to grow?

You might be starting to develop an employee handbook or thinking about an onboarding strategy as you start to hire more and need to save time in helping them learn the ropes. You might also start thinking about the best way to manage benefits for your employees, and other ways to incentivize people to come work for you and stay. When it comes to an employee handbook, our 2023 HR small business survey found that nearly 40% of companies that didn't grow last year do not have an Employee Handbook updated in the past 12 months. Compare that statistic to the fact that 8 in 10 Fast Growing companies DO have an Employee Handbook updated in the past 12 months.

# 16 - 49 EMPLOYEES



You are gearing up to enter the stage where federal and state regulations should be considered very carefully in order to ensure compliance.

Laws like the Americans with Disabilities Act (ADA) and others start to come on your company's radar. The path to 50 employees has growing pains. Culture starts to solidify at this stage and you should make it a priority to formalize processes and policies that will set the tone for the kind of company culture that develops around those. The idea is that getting to 50 employees is less about sorting through chaos and more about capitalizing on opportunities for your business to be productive and profitable.

## What are HR Priorities at this stage?

At this stage, you should prioritize formal processes and policies. From background checks for new employees before adding them to your insurance policy, to succession plans in place to replace employees as turnover becomes more of a reality for a business that is growing and hiring professionals that come to you to develop part of their career.

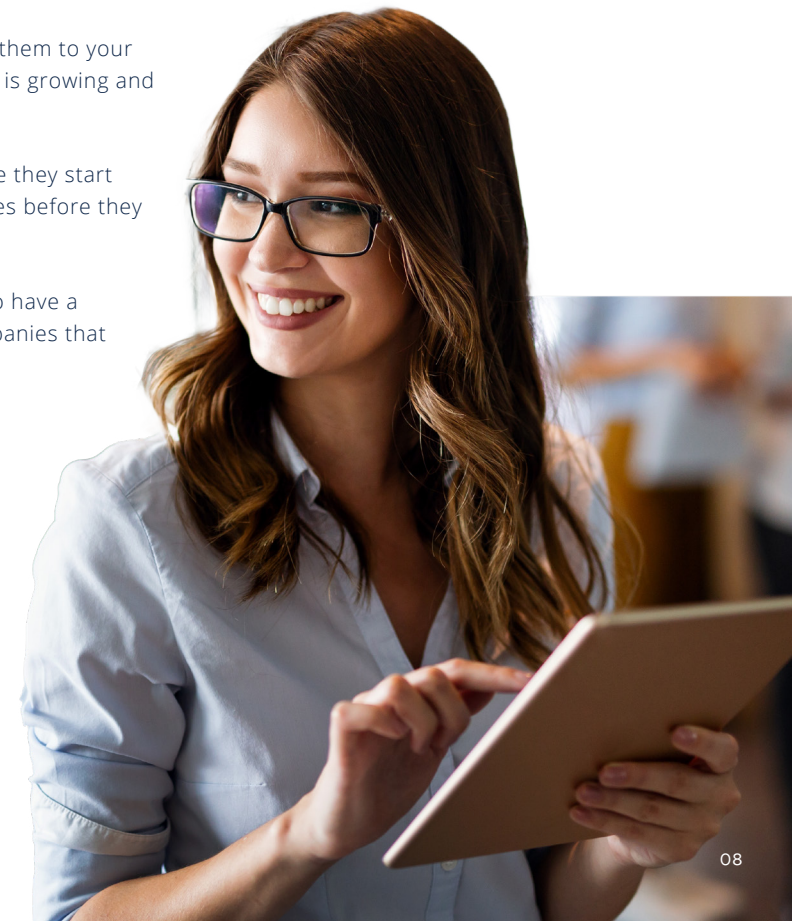
The data backs up the needs for these formal processes. We asked, "Do you conduct background checks on candidates before they start work?" in our 2023 survey and 1 in 3 companies that failed to grow last year do NOT conduct background checks on candidates before they start work. However, 8 in 10 Fast Growth companies DO conduct pre-employment background checks.

Post-employment processes are important too. Our survey data indicates 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.

Even the informal happy hours or social events you were hosting for employee morale might need to be turned into official company events at this stage.

You should also begin to manage team and individual performance in a more systematic way, and leverage productivity reporting to inform your compensation strategy as well as for business forecasting. Our 2023 HR Survey discovered that Fast Growth companies are 22% more likely to have a formal review process compared to companies that are shrinking.

This is particularly important because as you start to require more operating capital to support more employees, you will have to face tough decisions about what type of talent and mix of skills you will need to take your business to its next phase of growth — and how you assess your talent's performance and decide to compensate them in order to keep them. This will need to be backed by a sound performance review and talent management strategy.







**50 employees is the magic number that triggers an additional compliance burden for employers.**  
— Integrity Data

  
**73,485**  
The EEOC reported it received 73,485 charges of workplace discrimination in the most recent fiscal year.

## What are key HR Challenges at this stage?

One of the key signs of having left a “mom and pop shop” operation behind is the need to understand benefits. Having options for your growing number of employees, and enabling them to choose and manage those options will be a key factor in their decision to work for you.

Moreover, businesses of this size should be aware of the Consolidated Omnibus Budget Reconciliation Act (COBRA), which requires employer-sponsored group health plans to offer continuation coverage to eligible employees and their dependents when coverage would otherwise be lost due to certain qualifying events (for example, a termination of employment).

Complying with the US Equal Employment Opportunity Commission (EEOC) can prove to be a challenge for small businesses with close employee cultures, when there are no formalized policies in place in the workplace. The EEOC reported it received 73,485 charges of workplace discrimination in the most recent fiscal year.

## What HR Tools should be in place?

As HR tasks start to pile up, businesses at this stage need a Human Resource Information System (HRIS) solution for data entry, data tracking, and data information needs of the HR, payroll, management, and accounting functions of the business. These tools are designed to manage a slightly wider variety of people who now make up your workforce — with unique roles across the company and needs as employees.

The advantage of having an HRIS in place is the ability to take a step back to take a look at the bigger picture of your organizational structure — determine where there are gaps that you need to hire for, then post those jobs everywhere.

You might decide it’s time to hire middle managers, or you might learn that your employees seem to be productive without that hierarchy in place. You might also decide to focus on processes that enable you and your current workforce to focus by reducing inefficiencies.

Visibility into performance insights helps you determine which areas of your business can be optimized. You can also make decisions about which area of your culture you can improve upon in order to make the workplace more engaging for employees and increase retention.

# Your business should be aware of the following laws as you grow:



## Americans with Disabilities Act (ADA)

Prohibits employers from discriminating against qualified individuals with disabilities in all employment practices, such as recruitment, compensation, hiring and firing, job assignments, training, leave and benefits.



## Genetic Information Nondiscrimination Act (GINA)

Prohibits employers from discriminating against employees or applicants based on their genetic information.



## Pregnancy Discrimination Act (PDA)

Prohibits workplace discrimination based on pregnancy, childbirth or related medical conditions.



## Age Discrimination in Employment Act (ADEA)

Prohibits employers from discriminating against employees or applicants who are age 40 or older based on their age.



## Title VII of the Civil Rights Act

Prohibits employers from discriminating in the workplace based on race, color, religion, sex or national origin.



## How do you know you're ready to grow?

As you continue to hire, you'll find that benefits and compliance get more complex. For example, you may offer sick leave for your employees, but maybe not for family member illness.... Approaching the "magic 50" number means you have to take steps to ensure you are in full compliance when company growth occurs.

As some areas of your business get more complicated, you will also begin to feel that you need more automation in place for day-to-day tasks that take time away from running the business.

# 50-149 EMPLOYEES



Congratulations! You're on rare ground for a small business!

## Get Serious About Compliance

This stage is when much more compliance kicks in for businesses and when the policies and processes you pressure-tested in your earlier stage will either turn out to work perfectly for your business or break and force you to revisit them.

## What are HR Priorities at this stage?

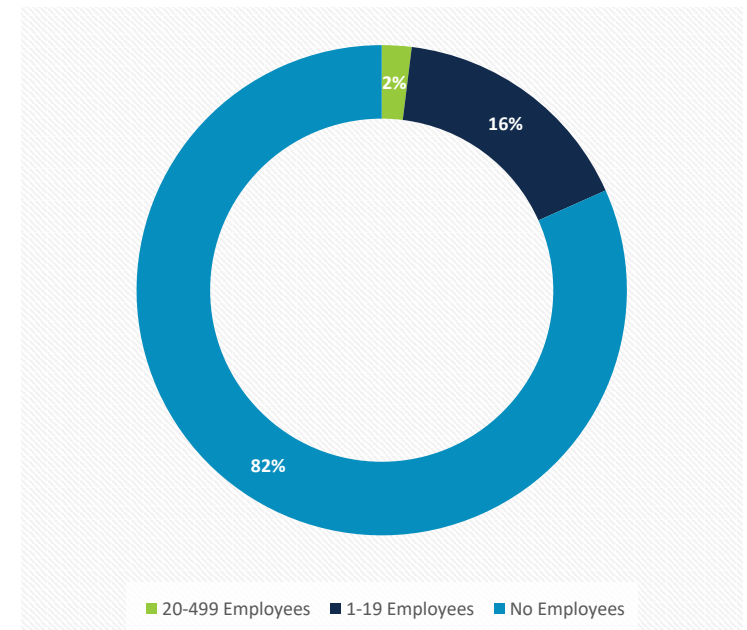
A key priority for business growth at this stage is maximizing employee performance. Middle management and departments start to be put in place and, depending on how well you prepare these leaders and how well you designed company processes, you'll either see productivity soar or you'll suffer from inefficiencies such as lack of role definitions, project management, no performance standards or KPIs, or poor communication and information flow.

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.

Related to the health of your processes — company culture is also a key priority at this size. At this point, you likely have a team of HR people who are not only managing HR tasks, but are also charged with cultivating a workplace environment that is engaging, collaborative, communicative, and productive.

To accomplish this, it's important to establish organizational values that your employees can get behind. This, in addition to compensation, will be what helps your organization retain top talent.

## Small Businesses by Employee Size





50-149

## What are key HR Challenges at this stage?

Your biggest challenge at this stage will be compliance to keep your business operating. Federal and state regulations are complicated, but you have to manage for these with great attention to detail.

## What HR Tools should be in place?

At this size, we should call out that your employees become smarter than you.

It's important to have HR solutions in place that both enable self-service and also prevent "workaround" or hacks like buddy-punching in some industries. The solutions you'll want to look for should also help remove the necessity to have you or someone on your team be present for every single HR transaction. For example, some solutions deliver training directly to employees' mobile devices so that they can complete those requirements on their own, any time. Other solutions make it possible for employees to track their time accurately and request time off as well, without the need to have you approve.

While not a technology solution, having a lawyer is recommended at this size. Depending on your business, you can expect enough labor, commercial, environmental, trade, and other disputes to make it worthwhile to have someone you trust who is ready to handle them all year long.



# Laws to be aware of at this stage:



## Family & Medical Leave Act (FMLA)

Employers with 50 or more employees are subject to FMLA requirements. This requires employers to provide up to 12 weeks of leave. While this does not have to be paid, it does have to be tracked and employers must ensure they are complying with the requirements.



## Affordable Care Act (ACA) – Employer Shared Responsibility Provision

Applicable large employers (ALEs) must offer affordable, minimum value health coverage to their full-time employees (and dependents) or risk paying a penalty. An ALE will face a penalty if one or more full-time employees obtain a subsidy through an Exchange. An individual may be eligible for a subsidy either because the ALE does not offer coverage, or offers coverage that is “unaffordable” or does not provide “minimum value.”



## ACA Reporting

Once you have 50 or more full-time employees and/or FTE employees, you also have new responsibilities for information reporting.



## Form 5500

Used to collect information on employees’ benefits, including insurance and pension plans. There is a “short” version for employers with fewer than 100 employees.



## Affirmative Action Plan

Employers with 50 or more employees and government contracts in excess of \$50,000 must implement a special plan so they are proactively recruiting, hiring, training, and promoting women, minorities, people with disabilities, and veterans to ensure that all individuals have equal opportunities in employment.



## EEO-1 Reporting

The EEO-1 Component 1 report is a mandatory annual data collection that requires all federal contractors with 50 or more employees (all employees count, whether part-time or full-time) to submit demographic workforce data, including data by race/ethnicity, gender, and job categories. To file this report, your business will need a process to conduct an employee survey. All employees, both part-time and full-time, must be included in your report.



## State Laws

Depending on your state, you may face new regulations once you employ 50 people. For example, in New York, your business must adhere to the WARN Act to give early warning of closings and layoffs.

At the 50+ employee mark, you really need to think intentionally about how to maintain a cohesive company culture while building in standard operating procedures to help your company function smoothly without you overseeing every aspect



**Lisa Curtis**  
Kuli Kuli Foods



50-149

## How do you know you're ready to grow?

When the data you are collecting about your people and your business is revealing important opportunities for more growth — and even expansion into other markets... it's time to grow.



# 150-500+ EMPLOYEES



## Communicate Your Culture to Stay Aligned

Beyond 150 employees, culture is king. The processes you put in place earlier — to give people a framework for how to do things — are the foundation of that culture. As more people join the company, your way of doing things needs to be clearly communicated and celebrated to ensure the hundreds of people across the organization are aligned and working together to drive the business.

## What are HR priorities at this stage?

Managing the end-to-end employee lifecycles – that means from hire to retire – is the priority at this stage. When it comes to hiring, you must know exactly what your business needs are in order to hire best-fit talent across your organization.

You should also have a more sophisticated onboarding program in place in order to get new employees into their roles quickly as well as to introduce them to the company's culture, values, and expectations.

Our 2023 HR survey revealed key onboarding statistics:

## 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.

Company culture is like the skeleton that holds up a strong body, like a building.

**Gary Vaynerchuk**

Entrepreneur and 5X New York Times bestselling author



And 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.

Your employees will want career growth opportunities and so performance reviews and managing outcomes are important to your ability to offer promotions and career paths that are fair and that are achievable for those who want to advance within your company.

To that end, we asked small businesses, "Do you provide career path coaching for employees?" The results:

## 3 in 4 Fast Growth Companies

provide career path coaching for employees.  
But most (56%) of Down Year companies do NOT.

When you reach 150+ employees, accurate time tracking, payroll and taxes are as important as ever. With a bigger workforce come more chances for error. Enabling employees to track their time accurately is extremely important at this stage, particularly if your business depends on building schedules and optimizing time.

When it comes to benefits, you should be ready for the added complexities that come from providing options to hundreds of employees along with their dependents and their unique situations. Great benefits attract better candidates for your open positions. And additional perks like wellness programs, nutritional snacks, mental health support, etc., all help to retain your people.

A 2023 survey conducted by Georgetown University, in partnership with Bank of America, found that 53% of workers ages 24 to 35 would choose one employer over another based on the health insurance package offered. And a 2023 survey by MetLife found that the proportion of workers viewing wellness tools as a "must-have" benefit has more than doubled in 2023 compared to 2019.

We kitted up a quick Net Promoter Score (NPS) survey to take the temperature of our 100 or so employees... I was shocked to read in the comments to this 1-question survey that the primary reason people like working at Hubspot was they loved the culture. So, we dove in, tried to fully understand the culture we already had, and we documented it.

**Brian Halligan**  
Co-founder and CEO, Hubspot



## What are Key HR Challenges at this stage?

The greatest challenge for companies at this stage is culture. How do you define it? How do you implement and communicate it? How do you keep it consistent across the organization knowing that many of your employees will be spread out across different departments — not to mention multiple geographic locations!

First, you need a systemized HR department to manage all aspects of employees' lives — with a personal touch. The challenge is to balance the things you do as a company to drive business and what you do for culture and sheer employee happiness, engagement, and satisfaction.

One recommendation is to document your culture, and to allow your employees to take part in developing it along the way. Net Promoter Score (NPS) surveys are a common tool to solicit feedback from employees in the areas of culture that are most important to your company.

Don't forget that it's not enough to establish culture. In order to implement it, you must communicate it and live it every day. Employee handbooks, newsletters, social communication tools that keep employees connected, your employee portal. Those are all opportunities to put your culture out there, ensure it is consistent, and bring employees into it.

## What HR Tools should be in place?



At this stage, you should have an end-to-end HCM solution in place. Given the scale of your business, it is important that the tool be robust enough to make the complex simple, and flexible in order to meet your specific business needs. Moreover, if you have already invested in other solutions to manage aspects of HR, your HCM software should integrate easily.

## How do you know you're ready to grow?

If you keep an eye on one thing related to your employees beyond 500 employees, let that be engagement. According to Gallup, "organizations and teams with higher employee engagement and lower active disengagement perform at higher levels. For example, organizations that are the best in engaging their employees achieve earnings-per-share growth that is more than four times that of their competitors."

A key tactic is to survey each worker to assess their level of enthusiasm for their job and their dedication to the organization.

In our 2023 HR Survey of small businesses, we found:

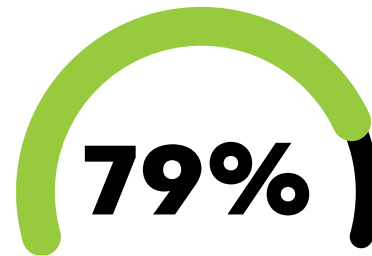
**8 in 10 Fast Growth companies** have surveyed their workforce to assess employee engagement. But only 50% of non-growing companies survey their workforce for this purpose.

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

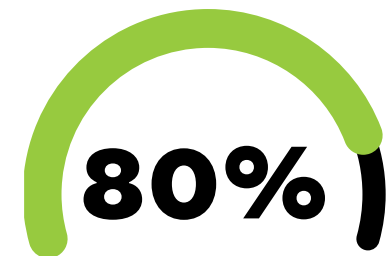
# A Note on Employee Engagement

According to the American Psychology Association's Work and Well-being Survey, "79% reported feeling some level of workplace stress and burnout — from lack of interest to emotional exhaustion and weariness."

And a recent study by Zippia reveals, "80% of businesses are now implementing employee recognition programs while being 48% more likely to have high rates of employee engagement." A simple thank you, a bonus on their next paycheck, or a group lunch to acknowledge their efforts can go a long way in helping employees feel appreciated.



reported feeling some level of workplace stress and burnout



of businesses are now implementing employee recognition programs



Employees who believe that management is concerned about them as a whole person – not just an employee – are more productive, more satisfied, more fulfilled. Satisfied employees mean satisfied customers, which leads to profitability.

**Anne M. Mulcahy**

former chairperson and CEO of Xerox Corporation and former CEO of the Year





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

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

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

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

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

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