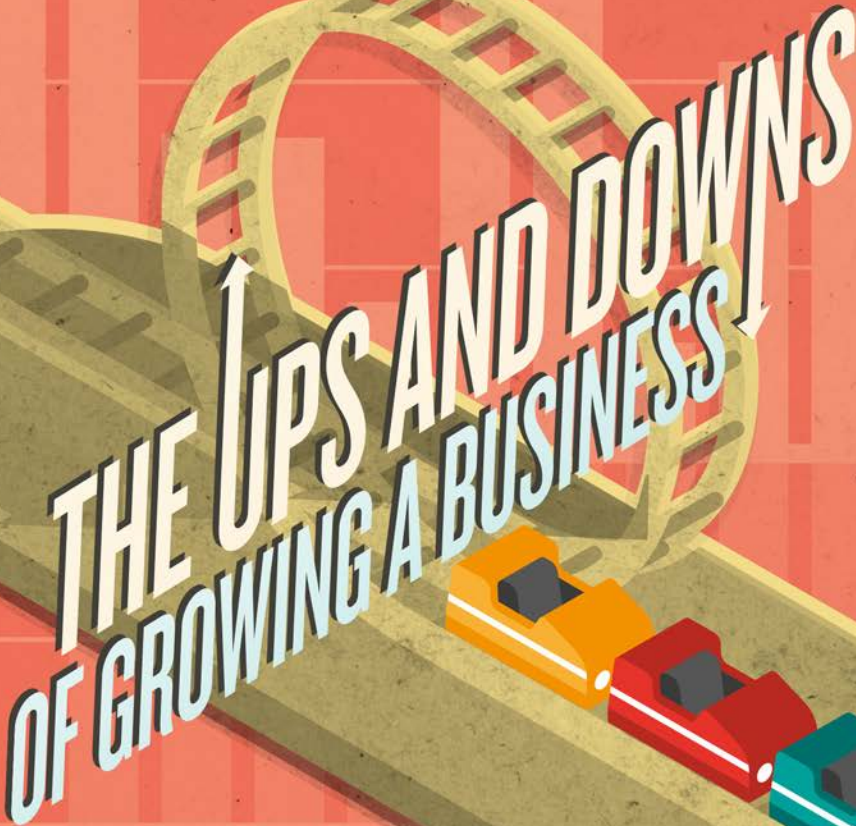


Insperty

HR that Makes a Difference™



THE UPS AND DOWNS OF GROWING A BUSINESS

The Insperty® Guide to Managing Organizational Growth

THE STEEP CLIMB

Get started with culture, mission and leadership

THE THRILL OF THE RIDE

Attract and build a dynamite team

THE BIG FINISH

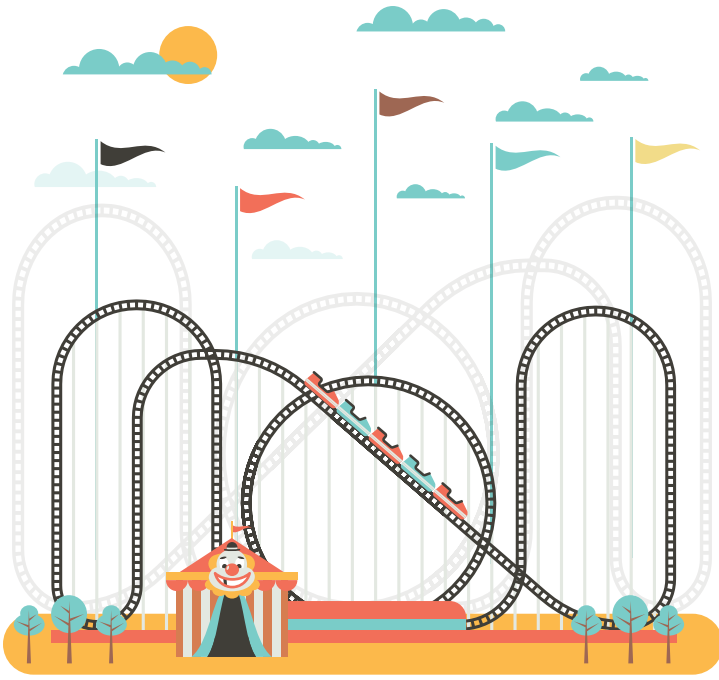
Stay on track for the future

“It’s all about consistent, predictable growth. Thinking about how fast to grow, what the formula for growth is, where the stress points are that come from growth; then mitigating those factors.”



Paul J. Sarvadi
Chairman and CEO
Insperity





When you're in business, you have challenges.

It's part of the deal. And no matter what stage of growth you're in – startup, established or ripe for acquisition – knowing what to do when challenges come is paramount to the success of your business.

And they will come – and not necessarily in any order.

So how do you prepare?

It's all about managing risk and investing in the people who will take your business to the next level.

Are you ready to hear more?

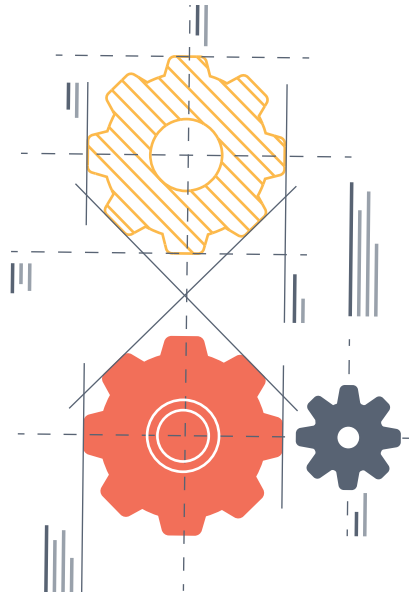
Let's go.

Design your culture

As soon as you can, you should establish your company culture.

Every successful business has a positive company culture at its core. It's the foundation that your business stands on so it can't be left to chance. Your culture is born from your values and beliefs. What's important to you? How do you want your employees to feel when they walk in the door?

As a leader, your employees look to you and your leadership team to demonstrate your company's culture.



Things YOU can do... *to promote a positive company culture*



Lead by example



Give clear direction



Make sure your leadership embraces your mission and values



Talk, listen and share ideas



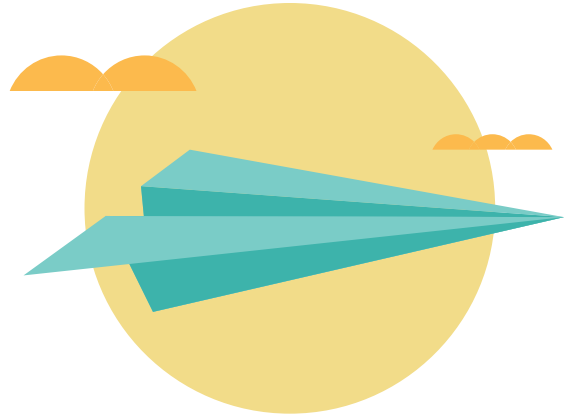
Take time to recognize success and learn from failures

MAXIMIZE your employees' potential and success



Don't think that culture is all about making your employees feel good. It's equally important to help them reach their full potential. Do they need coaching? Training? A mentor? Sometimes that means having difficult conversations – it's all about balance.

Know where you're going



Coordinate your leaders to drive growth and profitability.

Get everyone on the same page and set out on a clear path for the future. It's critical that your leaders focus on the same destination. Focused leaders aligned around business strategy yield greater success in achieving goals and a better return on your human capital investment.

Cascade your vision, strategy and goals down to everyone.

Once your leadership is in alignment, give your employees clear direction and tools for positive results. Regularly communicate your goals and priorities to provide focus and inspire action. Alignment from the top down helps ensure the right people are in the right jobs to drive your success.

Develop leadership across the board

Create agile leaders

Growing your company will be much easier if you've got leaders in place who know how to navigate choppy waters.

Prepare your top performers so they're ready to step into leadership roles by offering training, mentoring and hands-on experience.

Create guiding values and principles

Before you start growing your business, it's critical to pin down what you will use as your compass. Here's a three-pronged approach to putting your beliefs into words and guiding your business to success.

Mission

This tells the world why you're in business. It's what makes your company unique. It's why you do what you do.

Vision

This is the pin on the map that marks your way. Keeping your eye on the target will help you avoid wrong turns and keep your business moving in the right direction.

Values

This is what you and your employees believe, and how you'll behave. This is the foundation of your company culture.

Initiate culture-based recruiting

Once your company begins to grow, understanding your company's core values is key in attracting, hiring, managing – and keeping – talent. You want candidates who align with your mission and will thrive in your work environment.



Interview for culture fit

To get an idea of whether a candidate is the right fit for your position and company culture, behavioral-based interviewing is a must. Ask candidates to share how they handle different scenarios.

Such as:

How do your colleagues rely on you?

How did you adapt to a recent challenge?

How did you help a teammate solve a problem?

Rewarding talent with a competitive salary is one of the best ways to engage and retain employees.

Design a competitive wage & salary program

Here's how:

- ➔ **Ensure** your practices are compliant with applicable laws and regulations.
- ➔ **Establish** a competitive pay target.
- ➔ **Align** your base pay structures and job assignments with fair and equitable pay grades and salary bands.
- ➔ **Learn** what else motivates your employees in addition to their paycheck – training, recognition, a defined career path – and develop opportunities.

Halt turnover

With a recruiting strategy and an employment brand that attracts candidates who want to work for your company, you'll have a leg up on the competition. When you weed out candidates who aren't a fit – who aren't aligned with your mission, vision and values – you improve retention and create a more stable, engaged and committed workforce.

Measure performance

Want to motivate and grow employees while boosting your bottom line? Measuring, tracking and rewarding employee performance can do just that.

When your company aligns performance expectations with organizational goals, you get an effective performance management system with a built-in model for success.



Make it work for your business

To get the most out of your performance management program, your business will need employee accountability metrics.

Here are a few tips to get you started:



Articulate how every position supports company growth.



Create goals that are clear, direct, measurable and actionable.



Don't forget to include development, communications and leadership goals to help develop your workforce.

Offer training & development

Training provides your employees with required skills, develops a diverse workforce and promotes the importance of employment compliance. A good development plan will provide a competitive advantage, reduce absenteeism and turnover, and increase productivity and revenue.

Developmental programs can include a combination of activities:

-  **Formal training**
-  **Reading**
-  **Working directly with subject matter experts**
-  **Job shadowing**
-  **One-on-one coaching and mentoring**
-  **Participating in workshops and conferences**

Tie goals to rewards and recognition

While employees do value raises and bonuses, also consider alternative motivators



Performance-based promotions



Training opportunities



Increased or preferred job duties

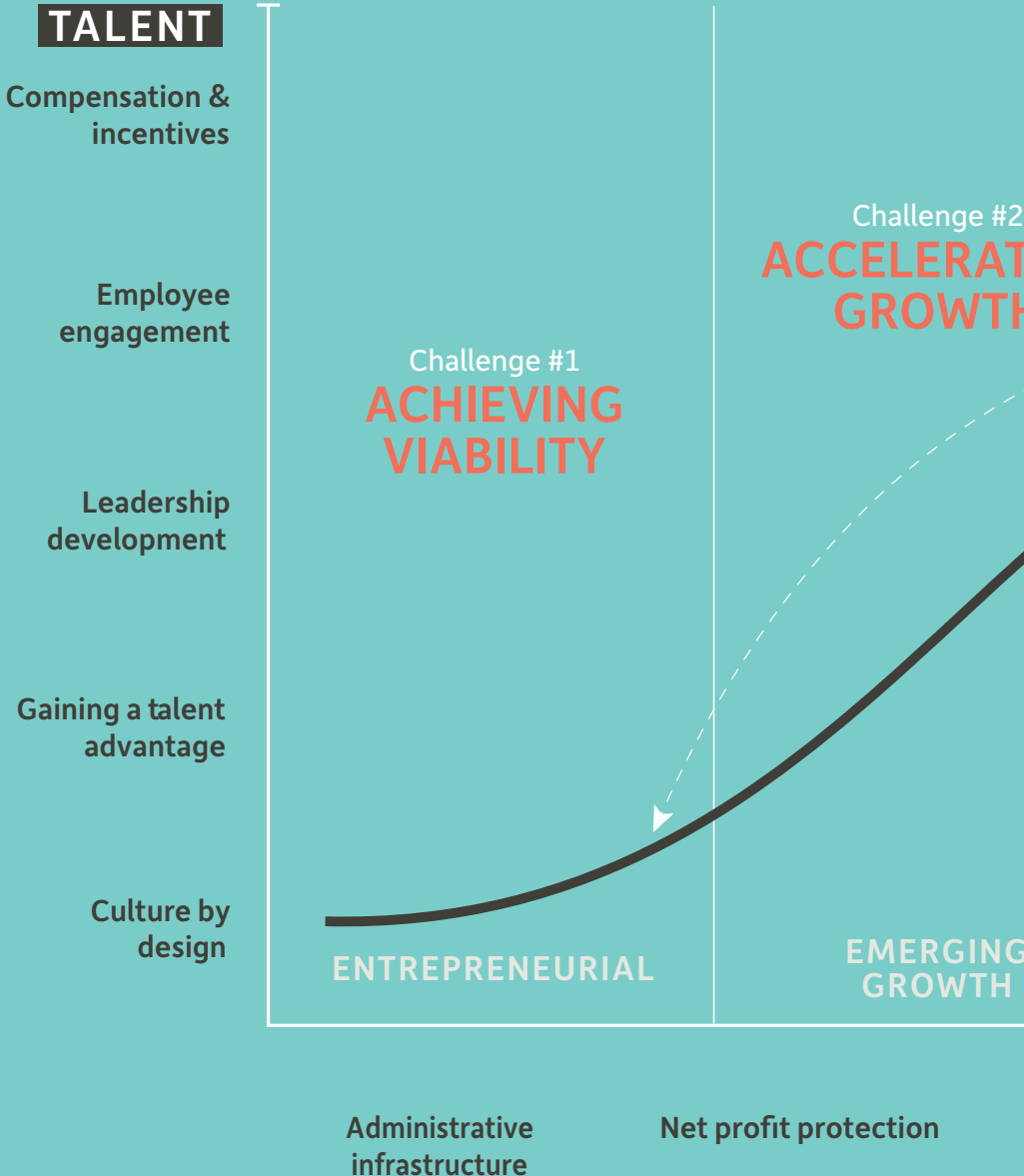


Increased leadership

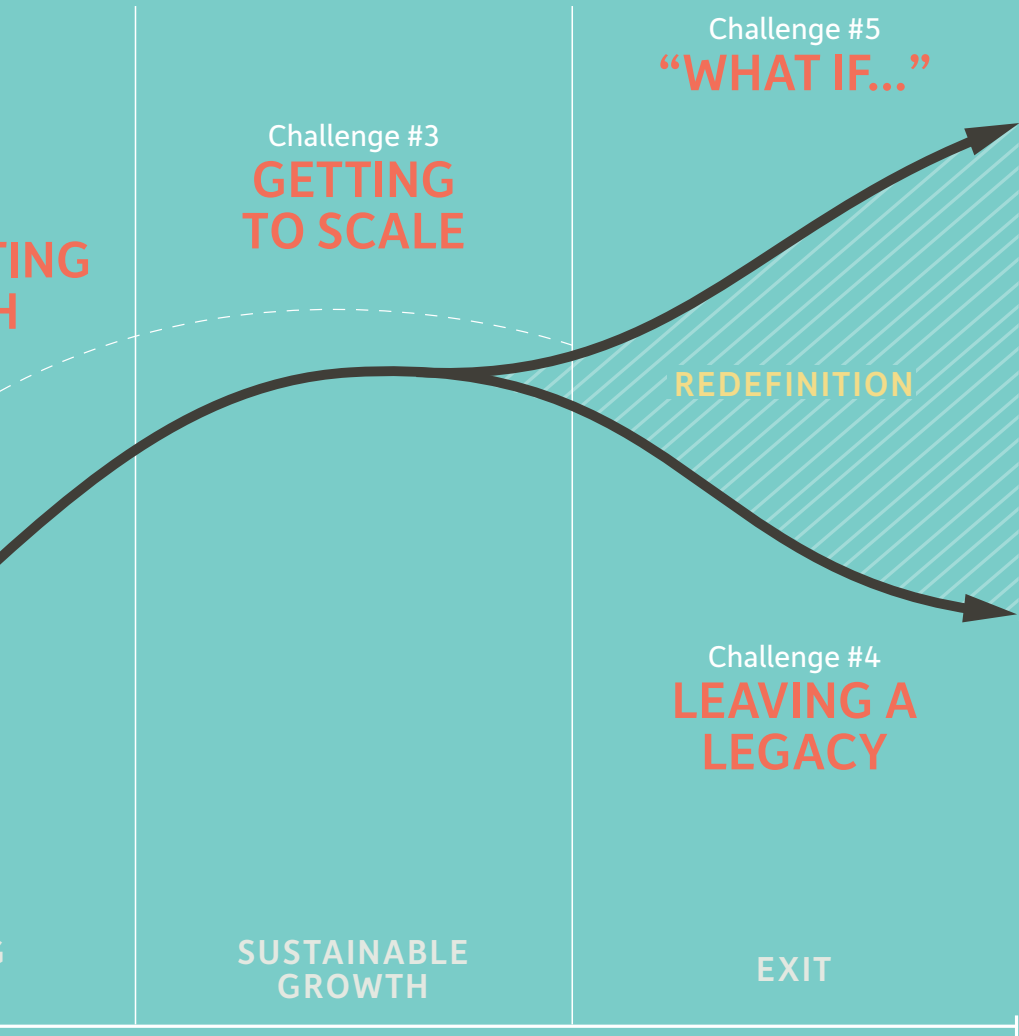
Business challenges

Are you just starting out? Having trouble keeping up with accelerating growth? Or are you looking at new acquisitions? And what's your biggest concern?

No matter what stage your business is in or what you're facing, your business challenges have HR solutions.



... have HR solutions



Organizational alignment

Mergers & acquisitions

Succession

Mitigate your risk

Throughout the lifetime of your company, the right policies and practices help you manage risk and protect your company from liability. Addressing compliance issues lets you shift focus from protection (a defensive posture) to value creation (a proactive posture).



Head off potential litigation

The importance of an employee handbook to mitigating risk cannot be overstated. Handbooks are crucial to setting clear expectations for employment standards and conduct. Your employee handbook is the foundation for your corporate culture and basic policies.

It should provide guidelines on the employment relationship, such as:



Pay and salary



Hours and attendance



Conduct



Safety



Channels of communication

Update it regularly to remain in compliance with federal and state employment laws, and ask employees to sign acknowledgment of the handbook.

Protect employees – and your company – with a strong safety program

Strong safety programs help you protect your employees, prevent accidents and mitigate risk.

Reducing your risk exposure helps you maintain compliance with federal and state laws regarding safety, recordkeeping, anti-harassment, workplace violence prevention, and other safety and security issues.

Keep up with employment laws...

...because ignoring compliance with them can harm profitability and possibly the existence of your company. Familiarize yourself with these 10 laws and how each affects your company.

Agency or law	Also known as	What it covers
The Fair Labor Standards Act	FLSA	Establishes federal minimum wage, overtime pay eligibility, recordkeeping and child labor standards affecting full- and part-time workers. For example, the FLSA mandates that nonexempt employees who work more than 40 hours in a workweek receive overtime pay.
The Equal Pay Act	EPA	Covers discrimination in pay based on gender and requires male and female employees be paid equally for jobs requiring equal effort, skill and responsibility.
The Uniformed Services Employment and Reemployment Rights Act	USERRA	Prohibits discrimination and retaliation because of an employee's military service, provides for leaves of absence for military service, and establishes reemployment rights for those returning to work after military service.
The Immigration Reform and Control Act	IRCA	Makes it illegal to hire and employ persons who are not eligible to work in the U.S.
Title VII of the Civil Rights Act of 1964	Title VII	Prohibits employers from discriminating, harassing or retaliating against employees based on the terms and conditions of their employment such as in hiring, firing and pay based on a person's race, religion, sex or national origin.
The Americans with Disabilities Act & Amended Act	ADA ADAAA	Forbids job discrimination of qualified people with disabilities who can perform essential job functions with or without reasonable accommodation; the ADA also requires public accommodation for businesses.
The Genetic Information Nondiscrimination Act of 2008	GINA	Prohibits the use of genetic information in health insurance and employment.
The Age Discrimination in Employment Act	ADEA	Bans discriminating against employees and applicants based on age (over 40 years).
The Pregnancy Discrimination Act	PDA	Prohibits job discrimination on the basis of pregnancy, childbirth and related medical conditions.
The Family and Medical Leave Act	FMLA	Grants eligible employees up to 12 weeks of unpaid, job protected leave from work to tend to the birth or adoption of a child, the placement of a child for foster care or care for a serious health condition affecting the employee, spouse, child or parent.

Manage mergers and acquisitions

Your company has matured, and you see an opportunity to merge with or acquire another company. Plan carefully. Know why you're doing it, and be ready to deal with the inevitable chaos and headaches that will occur while you're trying to keep your business on track.

Four phases of M&A:



Strategy and targeting



Valuation and due diligence



Integration planning



Implementation

Communicate
Communicate
Communicate

A clear, thoughtful communication plan eases the concerns, distrust and resistance of employees challenged to go from the known to the unknown. Work with your HR team to create a timeline of what will happen, what will be communicated and when.



Put your structure to work for you

Companies in the midst of buying or combining organizations must consolidate resources to maintain peak efficiency.

Refining the organizational structure can help manage changes. Identify employees within each organization and how they will fit into a structural hierarchy so the new business can hit the ground running. Mergers and acquisitions are a companywide endeavor, not something that involves executives only.

Minimize or eliminate culture clashes



Does the company you're trying to buy or merge with mix well with your core competencies and your culture?

A close cultural match between companies increases your chances of success. If the two aren't a match, is one company or the other willing to make changes? Use surveys, interviews and focus groups to help determine if the cultures are a good fit.



Watch for these warning signs

The reason for a merger or acquisition is to maximize the value of your products and services. The financial strategies are negotiated and worked out before anything happens, but it's up to your staff to carry out the strategy behind the deal.

As you move through the process, watch for warning signs of failure:

- 🎯 Waning financial performance
- 🎯 Culture clashes
- 🎯 Losing key players
- 🎯 Decline in production
- 🎯 Ineffective change management

Help your employees get on board

Your biggest challenge with change is not the lack of a communication plan, but ignoring how your employees respond to change.

Change makes us step out of our comfort zones, and it threatens our sense of security. Rather than trying to sell the change to your employees, help them determine the benefits for themselves.

These steps can help you through the process.

- 1 **Share** a positive view of what the future looks like.
- 2 **Help** employees understand why the change is important.
- 3 **Explain** the benefits of the change in a personal way.
- 4 **Be specific** in what your employees will be asked to do and how they will be expected to do it.
- 5 **Provide support** to your employees as they process the change.
- 6 **Make sure** company leaders process the change and model desired behaviors and actions.



Why having a succession plan makes sense

Having a succession plan is important for the continued success of any organization, because your workforce is living, breathing and constantly changing. Top leaders may leave or retire, or you may be ready to turn the business over to someone else.

Take a proactive approach with these suggestions:

Evaluate your structure regularly to make sure it can handle your workload. Keep an eye open for signs that workforce change is on the horizon.

Use your succession plan as a catalyst to identify and develop strong candidates for leadership roles.

Create a strong organization chart to track employee progress within your succession plan profiles.

View succession planning proactively; a succession plan isn't a disaster recovery plan.

Make sure your succession plan isn't a one-time thing. It, like your company, will undergo change.

Succession planning is not a popularity contest

Important business decisions like who will be placed in key positions must be based on merit, not on favoritism, nepotism or any other form of bias.



Mitigate your risks to prevent growth stalls

There are risks that exist throughout your business life cycle.
Minimize them by:

Developing and maintaining a
comprehensive employee handbook

Keeping pace with regulatory changes

Controlling expenses

Providing attractive employee benefits

Aligning your leaders to drive growth

Creating a strategic plan that
differentiates you from your
competition

Prioritizing your revenue
and profitability goals

Cascading your vision, strategy and
goals to all levels of your company

Minimizing culture clashes

Reducing operational inefficiencies

YOUR BUSINESS

LIVES and **BREATHES**

And so should your HR solution.

Automated data processors can't see your people. They don't understand your passion. And they don't follow through on their promises. But we do. Let your business come alive with Insperity.

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