



# Are You in Charge of HR?

Everything You Need to Know to Tackle HR at Your Growing Business





## Contents

Recruiting and Retaining Talent

Compensation

HR Administration

Employee Performance and Engagement

Company Culture

Analytics and Employee Satisfaction

Enlisting Outside Help

# Introduction



## Responsible for HR at your growing business?

There are so many different HR responsibilities, it can be hard to juggle them all. Especially if you are also responsible for other functions at the company – such as a CEO, CFO, or head of operations at a startup or other small business. Luckily, you don't have to do it alone. We put together this guide to help you more easily manage your HR tasks for more effective results.

Your employees are the driving force behind your company's growth and success. Proper management of every aspect of the employee life-cycle is vital to the short and long-term success of your business. Let's take a look at how you can not only manage but leverage your employees to maximize their effectiveness for your company.





# Recruiting and Retaining Talent



One of the biggest and most significant roles of HR is to attract and retain top talent.

Unfortunately, that has become increasingly difficult in today's economy. We're operating in a job seeker's market, which means that your potential hires and current employees have more choice than you do. That makes it harder to attract the kind of talent you need because there are more other options for them to choose, and it's more difficult to keep your best employees around, because they can often get a better deal by jumping ship.

As a result, poor HR strategies result in longer hiring times, a lower quality talent pool, and a higher turnover rate. It's more important than ever to craft an intentional HR strategy, build a robust and competitive compensation plan, and make sure that you are keeping up with the latest HR trends.

You can't just offer new employees higher salaries to find better talent, either. Doing so isn't just expensive and inefficient, it can also damage the morale and retention rates of your current employees if the new hire's salary gets out.

In order to attract and retain the best talent possible, it's important to complete a holistic review of your compensation practices and establish salary tiers. In the next section we'll take a deeper look at how you should handle compensation.

# Compensation

## Compensation Philosophy and Strategy

As with any other business change, your review of compensation should start from the top down. It's a good idea to take some time to determine your compensation philosophy and strategy in order to keep your compensation initiatives centered and effective.

Your compensation philosophy is a statement of the high-level goals you hope to achieve with your compensation budget. It reflects what your company stands for, what values you wish to reflect, and what you want to reward.

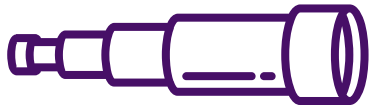
This philosophy will form the basis of your compensation strategy, which takes things one step closer to the specific implementation. Your strategy will define what talent markets you want to compete for, how competitive you want to be in each market, and what you want to reward. Who do you want to work for your business, and who are you competing with for that talent? And, in a general sense, how are you going to go about attracting that talent? Your compensation strategy should answer these questions.

## Develop Salary Ranges

Once you have your compensation strategy, the next step is to develop your salary ranges for each position category in your company. This requires you to understand what the going rates for given positions are in your market, to make sure that your salary ranges are competitive but not wastefully generous.

That means you should collect salary data using surveys and crowd-sourced data. Once you have determined the market value of a given position, you can create the salary range using the market value as the center of the range. Generally speaking, the salary range will become broader the higher up the position is in your organization.

It can also be a good idea to establish sub-segments of the salary ranges for high and low priority candidates or talent demographics to simplify the hiring process. Then when you are bringing in new talent, all you will have to do is determine which preset level of priority they fall into in order to figure out their salary offer, instead of having to come up with an individualized offer for each recruit.



## Look Beyond Salary

Your compensation strategy shouldn't just affect your salary ranges, nor should you try to attract top talent with salary alone. You may find that other forms of compensation are more effective at attracting and retaining talent, and give you more flexibility to accommodate the needs of individual employees or recruits.

Based on the priorities you established in your compensation strategy and identified employee needs, it can be a good idea to optimize your benefits package. Increase benefits that align with your strategy while cutting back on those that do not. You can also offer employees greater flexibility with health insurance tiering, which lets employees opt-in to comprehensive but high-premium plans.

You may also want to establish PTO ranges for different positions or amounts of tenure at the company, or even examine alternative approaches to PTO such as unlimited vacation time or periodic sabbaticals for long-term employees. Flexible work options, such as flexible scheduling or remote work, can also help you attract and retain better talent at limited to no cost.

# HR Administration



When it comes to the employee HR experience, balance is key.

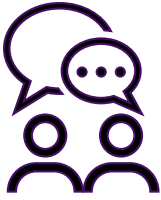
It's important to be methodical in order to protect the company from liability, ensure compliance with labor laws, and provide a physically and socially safe workplace for your employees. But at the same time, you want to be able to treat your employees as people, building a human connection with them, and generally avoid the unfortunate stereotype of HR being a bureaucratic nightmare.

How do you achieve this balance? The key is to provide as streamlined an HR process as possible both for your employees and for your HR team. A simplified, centralized approach will ease the employee experience, ensure that employees understand and take advantage of the benefits offered to them, and free up time for the human side of HR.

One way to streamline your HR is to leverage HR technology. Using HR technology can help you easily manage benefits administration and enrollment, as well as payroll and other key HR functions. Providing your employees with a self-service portal can also help them manage and enroll in their benefits, as well as apply for and take time off.

Streamlining doesn't stop at technology, though. It's a good idea to establish clear and intentional HR processes and workflows to make your job easier, and the jobs of your entire HR team. Also, you should try to design your HR processes with scalability in mind so that you can provide a consistent, stable HR experience for your HR team members and employees as your company grows.

# Employee Performance and Engagement



Engagement is especially important as it is largely responsible for employee performance and retention.

In addition to attracting and retaining talent, the main function of HR is to engage current employees and maximize their performance as individuals and as a team. Engagement makes sense, engaged employees work harder and will stick around, while disengaged employees slack off and eventually jump ship because they don't see any reason not to. So how do you get your employees engaged and keep them that way?

## Make Work Meaningful

Providing employees with meaningful work is a serious challenge for HR professionals these days. It boils down to showing employees the “why” behind their projects and daily tasks. Most employees are not satisfied to work for a paycheck anymore, they want to be contributing to something greater. By putting your company mission/vision and culture at the center of everything that you do, employees will see how their work feeds into everything that the company is trying to achieve.

## Communication and Transparency

Continuous communication is central to any employee engagement effort. The fact is that annual reviews aren't enough, and you need to provide your employees with basically constant feedback in order to keep them engaged in their work. Otherwise, employees start to feel as though they are working in a void, and that their work lacks meaning or impact. If they don't see the consequences of over or underperforming, they'll stop performing at all.

At the same time, transparency fosters a sense of fairness and honesty that is invaluable to employee engagement. When employees can see what their teammates are doing, what the team is doing as a whole, and what the company is trying to do, they can honestly evaluate their own efforts as well as seeing how they fit into the big picture. Which, of course, leads to meaningful work.



# Employee Performance and Engagement Continued

## Clear Paths of Advancement

Transparency also helps ease tensions over advancement, since it should be clear why people are being promoted or passed over. But that's also not quite sufficient. You want to provide your employees with clear career trajectories and help them advance as far along that path as they choose to go. People can only be so engaged in a job that isn't going anywhere, and will eventually explore other opportunities unless you show them how they can develop their career within your organization.

## Engage and Empower Managers



Your managers are your point people and the face of the organization for their teams.

As such, the success of any business or HR initiative relies on the buy-in of the managers. In order to engage your employees, you're going to have to engage their managers first. Make sure that their needs are being met, that they have meaningful work, continuous feedback, and clear career paths. And, above all, provide them with the training and resources they need to do their jobs effectively and engage their employees. Not doing so will not only lead to disaffected and ineffectual managers but will also cause resentment from their team members. Treat your managers right, and they'll do right by their teams.

The number one contributing factor to employee engagement, though, is company culture. Let's examine it in our next section.

# Company Culture

Every company has a culture, whether it knows it or not. Company culture defines and is defined by how employees interact with each other and with the company. It touches upon every aspect of the employee experience, and a healthy culture will do wonders for your engagement, talent acquisition, and retention efforts. But a toxic, neglected culture will undermine all of your other HR efforts. Which is why it is so crucial to develop and proactively maintain an intentional company culture.

## Creating Culture

The first step to creating an intentional culture is deciding what kind of culture you want to create. When doing so, draw your inspiration from the company mission and vision. This will ensure a genuine culture that will effectively inspire your employees and be easier to maintain. Also, try to involve as many key stakeholders as possible in this process. Ask your C-Suite and your managers what your company does and should stand for, and then work with them to develop the culture that reflects that vision.

The second step is to examine each process, policy, and promotion to ensure that they are aligned with the culture you have decided to create. The company culture needs to be ingrained in every aspect of the company.

## What Culture Should You Create?

Since an effective culture will be based on your mission/vision, each will be different. That said, certain values and practices are generally parts of productive cultures that encourage employee engagement:

- Attitudes of trust
- Transparency
- Vulnerability and authenticity
- Learning and development
- Autonomy
- A bottom-up leadership approach
- Inclusion

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# Company Culture Continued

## Maintaining Your Culture

Creating your culture isn't enough – left untended, it will degrade and lose its power to engage and inspire your employees. It will become unfocused and even could become detrimental. That's why it is important to make the effort to maintain the culture you've worked so hard to create.

One of the best things you can do to maintain your culture is to make your employees the stewards of the culture. Giving them ownership over and responsibility for the culture will not only help ensure that the culture survives but will also maximize the effect that it has on your employees.

It is also a good idea to enlist the help of your managers in cultivating and sustaining the company culture. Make them the standard-bearers of your culture, responsible for fostering and maintaining it in their teams. As with every HR initiative, the life of your culture will ultimately come down to the investment of your managers. Which another reason to involve them in the creation of the culture so that they are bought into it from the get-go.



Finally, it's important to regularly review whether your current goals, processes, and priorities still reflect the culture that you set out to create.

You can also keep up with the culture's lived reality by surveying your managers and employees.

# Analytics and Employee Satisfaction



Nowadays, just about everything in business is driven by data and HR is no exception.

Analytics are just as useful in making decisions and evaluating the success of initiatives in HR as in any other part of a business but their importance to HR is frequently overlooked. Implementing an objective and measurable approach to HR and tracking employee satisfaction will help you in a number of ways.

First off, analytics allow you to identify challenges and opportunities that will help you develop your HR strategy. Once you've developed that strategy, the same metrics will allow you to track your impact on the challenges and opportunities you identified.

Analytics will not only provide you with the data and feedback that you need to do your job effectively but will also help you communicate with your non-HR counterparts and higher-ups. In particular, they can make a world of difference in your conversations with the CFO and CEO, unless you happen to be a CFO or CEO in charge of HR. Objective metrics are an incredibly powerful tool in your efforts to prove ROI and get the funding you need for your HR initiatives.

So what kind of things should you be tracking? Some useful metrics include the cost of turnover, the expense of bringing on new employees in general, and revenue generated per employee. Additionally, you can survey employees to determine engagement, knowledge and appreciation of benefits, and time or effort spent navigating HR tasks.

If that sounds like a lot, a great place to start is with an employee Net Promoter Survey or eNPS. This survey will ask your employees to what extent they would recommend working at your company on a scale of 1-10 and what they think the company could do differently to become a better place to work. While it is far from comprehensive, and eNPS can give you a good sense of where you stand from an HR perspective and provide surprisingly valuable insights into employee needs and sources of dissatisfaction. It's actually a pretty simple but extremely powerful way to start optimizing your HR strategy and creating a workplace that draws top talent, keeps its best employees around, and gets the most out of its team members.

# Enlisting Outside Help

If HR is just one of your many responsibilities, it's not always a good idea to do it alone.

Enlisting expert third-party help can make your job a lot easier and actually decrease the cost of HR administration for small businesses compared to expanding the size of the HR team. HR and benefits consultants or brokers can help you conduct assessments, develop tailored compensation plans that meet employee needs while controlling costs, and ensure your business meets compliance regulations.



## Learn More

Please visit [www.launchways.com](http://www.launchways.com) to learn more about our solutions for HR and Employee benefits.