

Ensuring a Strong Organization Today and Tomorrow



A more human resource.™

People are the backbone of any company – and they are critical to the success of your business. Having the right talent to meet your needs today and tomorrow is challenging, especially for small businesses. In today's job market, you may find that even when struggling to hire talent for current positions, you may need to ensure leadership for tomorrow. You may need to look at growing existing talent into future leaders. Does your business have in place the processes to not only identify, hire and grow talent, but also to develop the next generation of leadership for your business?

It Starts with Hiring the Right Talent

Hiring the right talent for your company is critical to your success. Replacing the wrong hire can cost as much as 150% of that person's annual salary¹ – so getting it right the first time is important to your company's bottom line. And while you'll find a lot of advice on how to select the right hire, it typically boils down to three things.² Does your candidate have:

1. **Practical experience that you need to grow your business?** You need to look at what your business needs are today as well as in the future.
2. **Specific strengths that you'll need for the position?** Think not only about the position, but also about filling your team's skill gaps.
3. **The right cultural fit for your organization?** Don't underestimate the importance of selecting someone who fits your culture and your team. You can hire the right person on paper, but if it isn't a culture fit, the hire will probably not be successful.

Hiring can be a time-consuming process, but don't lose your talent before you get them in the door. Make sure you:

- **Offer benefit plans that compete.** Make your benefits a strength in your hiring process by offering attractive benefit plans. If you aren't sure how your benefits stack up, ADP TotalSource® can show you how your offering compares with other companies in your industry and location. We also can show you what employees are choosing in your region.
- **Create a hiring process that attracts candidates.** Do you have a single point of contact for candidates? Or is every interaction with your company coming from someone different? Remember, while you are evaluating a candidate, they are evaluating your company too. If your organization appears disorganized and scattered, you could lose a high-potential candidate before you can make an offer.

Make Your Benefits Count
A recent survey showed that pay and benefits top the charts as differentiators for a company.*
Make sure your benefits help your business stand out.

**Aon Hewitt, 2016 Workforce Mindset™ Study.*

Recruiting by the Numbers

Thinking about recruiting support? Then look for a company with a proven track record for results. A recent review by the online job board Monster showed that job posts by ADP TotalSource's Recruiting Solutions group received significantly higher views and responses per job post when compared to the average. That provides you with a broader pool of talent to choose from next time you're hiring.

¹Lucas, Suzanne, "How Much Employee Turnover Really Costs You," August 30, 2013, www.inc.com/suzanne-lucas/why-employee-turnover-is-so-costly.html.

²Kaiser, Mary, "How to Hire the Right Person for the Job," *Entrepreneur*, June 3, 2015, <https://www.entrepreneur.com/article/246903>.

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Equipping the Next Generation Today

As baby boomers continue to retire from the workforce, many companies are finding that they don't have enough leaders in the following generation (Generation X, or those age 38–51) to fill the open positions. The result is that companies are now looking to younger generations to step into leadership roles sooner than would have been expected in the past, so the challenge becomes how to prepare this next generation of leaders.

Good leadership is crucial to business success. Yet 82% of the time, companies fail to choose the individual with the right management talent. Only 1 in 10 people are natural leaders, and another 2 in 10 can be coached to be good leaders. What's more, a poorly prepared manager can cost your business: managers can account for a 70% variance in employee engagement scores. And good managers contribute about 48% higher profit to their companies than average managers.³ With this kind of impact on your business, helping your emerging talent develop leadership skills can ensure your company's mid- to long-term success.

With good leaders playing such a critical role in your business, it's important to identify and grow potential leaders now. These steps offer a good start:

- **Talk about career goals.** First, it's important to find out if a high-potential employee is interested in management or leadership. People shouldn't feel pressured into these roles, but rather it should be something they would enjoy doing. If someone turns you down, that's OK. Keep checking in with them to see if their goals change as they mature in their job. There's always room for a great employee, even if they don't want to manage or lead.
- **Create a mentoring program.** This isn't a new idea, but it's effective: younger generations (such as millennials – those age 20–37) like the one-on-one feedback and attention. And mentoring programs can be both cost-effective and relatively easy to implement, making them practical for companies of any size.
- **Use special projects to test and build leadership skills.** Special projects offer important “stretch” opportunities for less experienced employees, while giving your senior leaders the opportunity to see how potential leaders handle different challenges. As you look at using special projects to develop millennials, be sure to give millennials frequent feedback on their leadership skills. They typically respond well to – and expect – regular feedback and coaching.

Once you've identified your potential leaders and you're mentoring and training them, retention of that talent is critical. You've invested in your company's future ... don't let your competitor get the glory by stealing them away. Make sure your rewards programs are attractive, helping you keep those high-potential employees.

- **Take advantage of the ADP TotalSource Employee Benefits Satisfaction Survey.** Through employee survey responses, you can learn about your employees' health behaviors, what drives their plan selection, and whether they understand their benefits. This insight can help you craft a benefits offering that maximizes your ROI.

³Beck, Randall and Harter, James, “Why Good Managers Are So Rare,” *Harvard Business Review*, March 13, 2014, <https://hbr.org/2014/03/why-good-managers-are-so-rare>.

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- **Ensure employees know their benefit options.** Our surveys of ADP TotalSource worksite employees show that employees' awareness of the benefits available to them could be higher. This presents a tremendous opportunity for your business to uniquely connect its employees to benefits that can improve their quality of life and physical health while also increasing their appreciation for your financial investment in your benefits package.
- **Consider workplace options that appeal to younger workers.** Younger workers are looking for workplace flexibility, a fun place to work, and stimulating work, just to name three. Consider offering flexible work hours or the ability to work remotely – two ideas that are popular with younger employees and won't break your budget. And look for ways to build fun into everyday work; while it's popular with younger workers, everyone else will enjoy it too.

Identify tomorrow's leaders early, before you need them to step up. Then give them the time and opportunities to build the needed skills ... and ensure you have the right leaders at the right time.