Aspire to Inspire
Tools for Inspirational Leadership

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Three Ways to Improve Your Benefits ROI
The Changing Face of Employee Recognition and Reward
Data is the Key to Improving Your Talent Search
Three Ways to Improve Your Benefits ROI

People change with the times, and the same should be true for benefits. It’s easier than you think to keep up with the needs of your employees by personalizing your benefits mix to today’s multigenerational workforce.

Aspire to Inspire: Tools for Inspirational Leadership

You work hard and you expect your employees to do the same. As a business owner, you have a built-in incentive for wanting to succeed. But how do you pass your passion on to the people who work for you? In this article, we share some key characteristics that make a leader inspiring.

Data is the Key to Improving Your Talent Search

If you could increase the odds of finding your best candidates, you’d do it, right? See how data analytics can help you take recruitment from good to great.

Make Your Business Accessible to Disabled Individuals

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Three Ways to Improve Your Benefits ROI

We’ve come a long way since the early days of benefits when all that was offered was major medical and hospitalization coverage. Today’s benefits are a sophisticated mix of rewards that may include medical, dental, and vision coverage, as well as life insurance, savings plans, time off and leaves, emotional health, learning opportunities, and employee discounts. The range of benefits can be overwhelming for some small- and medium-sized businesses to manage. Then throw in employee preferences for when, where, and how to access and manage their benefits, and it feels like you need a full-time staff just to handle benefits.

Still, personalizing your benefits package to your workforce is possible, and it doesn’t have to be complicated. Here are three easy ways to refresh your benefits strategy.

You offer an assortment of benefits because you’re expected to, right? But what if it’s the wrong assortment? How do you know if candidates are rejecting you or current employees are leaving because of your benefits mix — or the lack of it? You may be surprised to learn how easy it is to tailor your offerings to your multigenerational workforce and earn a nearly instant return on your investment.
1. Find out what your employees really want

It’s not enough to say, “Good morning, Sharon,” and “How’s your golf game, Dave?” Knowing an employee’s name and hobbies is just scratching the surface. If you want to learn what benefits your employees value most, you have to ask.

Cultivating a more engaged staff isn’t only about what goes on in the workplace. It’s also about what goes on at home and how workers are able to balance their home life with their work life. Are they working on a degree, trying to have a baby or adopt, caring for young children or elderly parents, or saving for a house? Of course, you don’t want to get too personal or violate any privacy statutes, but you can learn what kinds of benefits your employees want by simply asking.

Be sure to integrate feedback into your HR process, and use your onboarding and annual enrollment seasons as initial and continuous engagement opportunities. You can also send out questionnaires, hold town-hall meetings, or host informal roundtables to better understand your employees’ needs.

2. Personalize your benefits mix

For the first time in history, there are four distinct generations in the workforce: baby boomers, Gen X, millennials, and Gen Z. Millennials are now getting a lot of attention as they make up a third of American workers and are increasingly moving into management positions. Research suggests that millennials will make up 75% of the global workforce by 2020.2

Different generations have different needs and expectations, and the roughly 18-year spread between the oldest and youngest within a generation means one flavor of benefits doesn’t necessarily fit all. For example, older millennials are more interested in prescription drug coverage and retirement savings plans than younger millennials.3

What does your data tell you?

Your own employee data can tell you a lot. While it doesn’t replace actual employee feedback, your records can serve as a good starting point. Determine what your employees use, what they don’t use, and what they value to guide you in shaping your benefits program.

Start by segmenting your population in the aggregate by age, gender, marital status, and whether they have children. In aggregate, this information can tell you where your employees land on the life stage spectrum and, for example, whether:

- Retirement savings plans are valued.
- Dependent Care Flexible Spending Accounts are needed.
- Prescription coverage might be important.

<table>
<thead>
<tr>
<th>Generations by the numbers</th>
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<tbody>
<tr>
<td><strong>Traditional</strong></td>
</tr>
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</table>

Depending on your workforce demographics and culture, discretionary benefits (also called lifestyle benefits) may be just as important as nondiscretionary or traditional health benefits.
These nuggets of data can help you identify benefits gaps and determine where your business might be overspending. Use the worksheet to create a snapshot of your workforce. This information can help you determine which types of benefits may be the most appropriate for your employees.

Visit bit.ly/2nLOuIk to download a printable copy of the worksheet.

Work with your insurance carriers to find out participation rates and utilization. If feasible, look to add a centralized digital solution that tracks employee eligibility, performs benefits calculations, schedules communications, and manages workflow.

Give them what they want!
Here’s a roundup of what employees value in the workplace.²,⁴,⁵

Pay
Money is a key motivator across generations, particularly among millennials and Gen Xers who are looking to change jobs. Baby boomers want to be paid fairly for their current job.

Benefits
Younger workers favor education-related perks and paid maternity/paternity leave, while baby boomers are more interested in employee discounts and wellness programs.

Flexibility
All employees strongly value a work/life balance. However, millennials place a higher value on being able to build downtime into their work schedules compared to Gen Xers and baby boomers.

Recognition
Regardless of age, employees consider financial rewards the best form of recognition. Other types of rewards (such as praise and Employee of the Month awards) are less meaningful to baby boomers.

Wellness programs
With medical costs continuing to rise, workplace wellness programs have gained popularity. These types of preventive care programs may include gym memberships, onsite health screenings, and access to wellness experts. These programs have been especially embraced by millennials.

Company leadership
Millennial workers greatly value company leaders who inspire their employees to succeed. Likewise, having company leaders who aim for transparency is also important to millennials, but less so to Gen Xers and baby boomers.
3. Don’t just administer your benefits; market them

For many companies, benefits represent their second-largest workforce expense. Yet, aside from annual enrollment periods, many companies don’t take the time to promote the various aspects of their benefits package. But keeping your benefits top of mind can help increase usage rates and improve employee retention.

You may find it useful to create a calendar and promote at least one benefit a month. Maybe all employees are eligible for discounts for local fitness centers or weight loss programs. Maybe they can earn points for healthy activities through your medical plan — points they can later spend on fitness-related goods and services. Remind them to get a flu shot, schedule their preventive care visits, and spend down their Flexible Spending Accounts.

As for how to get the word out, employees want communications to be timely, relevant, personalized, and to the point. They also want employers to adapt to current technologies. Be sure to use the formats your employees prefer, including mobile, texting, social tools, video, and, of course, face-to-face meetings. Lastly, make sure your managers are prepared to answer questions and know where to direct employees for more information.

Research tells us that lifestyle benefits are nearly as important to today’s worker as health benefits. Use lifestyle benefits to differentiate and promote your employment offerings to both current employees and candidates. By crafting a meaningful employee experience overall, you set yourself apart and improve your chances of attracting and engaging the people you need the most — now and in the future.

Make the most of your benefits with ADP®

Benefits can be a major factor in retaining your employees and recruiting new talent. ADP can help you collect employee data and benefits needs, and compare them with your competition to help you determine the mix of employee benefits you should be offering. With ADP’s HR Outsourcing solutions, your employees will have access to competitive benefits program choices that match their needs — and ADP handles the benefits administration, enrollment, and employee benefits education on your behalf.

1 ADP Spark 2016, Attract, Engage and Retain with Multifaceted Benefits Plans.
2 Thomson’s 2015 Global Employee Benefits Watch.
3 MetLife Employee Benefits Trends Study.
4 Aon Hewitt 2016 Workforce Mindset Study.
5 ADP 2016 Employee Engagement Study.
Aspire to Inspire: Tools for Inspirational Leadership
Every company wants employees who are committed to achieving goals, managing expenses, and delivering results. After all, an inspired, productive workforce is a powerful differentiator in the marketplace. The ability to inspire doesn’t come naturally to everyone, but if it’s a trait you aspire to, it can be developed. Yet, according to a Gallup Poll, only one-third of U.S. workers are truly inspired at work — and that figure hasn’t changed in more than a decade.¹
What inspires today’s workforce?
Before that question can be answered, business owners and leaders need to understand that, even though overall worker engagement hasn’t changed in a decade, the employment landscape has. These changes include:

A shift from “product” to “consumer experience,” which can be defined as the interaction a customer has with a product and the people representing it.

Increased employee collaboration and work autonomy as key employment differentiators that strongly factor into engagement.

A shift to self-motivation. Gallup studies show that employees work hardest when they believe in their company’s mission and values.2

These changes demonstrate the need for inspiring leaders. Managers can no longer rely on paychecks, traditional leadership skills, and simply issuing directives to drive performance. The ability to inspire employees is a critical attribute of successful leadership.

Seven inspiring habits
Effective leaders have the ability to energize those around them and cultivate engagement. They inspire their teams, and that inspiration extends to the front line. In today’s marketplace, strengthening your ability to inspire will give you an edge on the competition.

In his book Fire Them Up, speaker/author Carmine Gallo notes that the most inspiring leaders exhibit seven key habits that build more engaged teams. Here’s how to I.N.S.P.I.R.E.

1. **Ignite your enthusiasm**
   Determine what you’re most passionate about and communicate that in all your conversations.

2. **Navigate a course of action**
   Express your vision in simple terms. Make it easy for people to internalize your vision.

3. **Sell the benefit**
   Help people see what’s in it for them. How can your goals help them achieve their dreams and ambitions?

4. **Paint a picture**
   Incorporate storytelling into your workplace. Make the stories educational and motivational.

5. **Invite participation**
   Solicit feedback … listen to it … and incorporate it into your plan. Employees want to feel appreciated for the impact they are making.

6. **Reinforce optimism**
   Inspiring leaders are more optimistic than average. They acknowledge short-term challenges, but keep their focus on the possibilities ahead.

7. **Encourage potential**
   When employees know you’re committed to helping them grow as individuals, they will respond with respect, loyalty, and commitment.
In addition to the INSPIRE actions, take a look at the Bain Inspirational Leadership model that follows. Leaders who want to become more inspiring should identify the traits in this chart they already possess and work to develop new traits that can help them achieve their goals.

The Bain Inspirational Leadership Model

While inspiration is an intangible, it’s an important part of the package. Along with inspiring words, be sure you also provide a work experience that leads to tangible productivity. Leadership is critical to any successful business, but the ability to inspire can propel you to a higher level. When you inspire your workers, you encourage every member of the team to want the business to succeed as much as you do.

Need more inspiration?
ADP® can help you create a more inspiring workplace. From leadership training to culture revitalization, you can partner with us to learn and leverage proven strategies.

1 Gallup Business Journal 2016, Do Employees Really Know What’s Expected of Them?
Human resource professionals have long considered annual performance reviews the gold standard for leaders who want to retain talented employees. But that’s changing.

**The importance of employee feedback**

According to a recent survey by Clutch, a leading B2B ratings and reviews website, just 15% of large business employees report not receiving any feedback from their manager. In contrast,
42% of small- and medium-sized business employees say they don’t receive feedback or accurate, consistent evaluations from management. Not surprisingly, half of these employees feel “unfulfilled” in their jobs, leading to low morale and complacency — sure-fire productivity killers.

Regardless of employer size, one thing is clear: feedback is important to employees. But two stats in particular show the disconnect between managers and employees when it comes to giving and receiving feedback:

<table>
<thead>
<tr>
<th>65% of employees</th>
<th>58% of managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>say they want</td>
<td>think they give</td>
</tr>
<tr>
<td>more feedback.</td>
<td>enough feedback.</td>
</tr>
</tbody>
</table>

The takeaway:
Managers must adjust to the fact that there’s no such thing as “enough feedback” if they hope to retain top employees.

**Millennials forging a new norm**
It’s only natural for employees to crave recognition and reward. And most employers over the years have made an honest effort to fill that need — typically in the form of performance reviews and rewards, as well as picnics, parties, and plaques. But many policies and incentives that have worked in the past are no longer effective. As such, companies that don’t adapt and find new ways to attract talent may face a shortage of motivated employees.

If you’re a small- or medium-sized business owner, think about performance management over shorter time periods, such as quarterly or monthly, to more accurately gauge performance. In addition, there are other opportunities to recognize employees. Due largely to millennials — an entire generation that grew up on immediate and continual feedback through social media — there’s a growing expectation for managers to provide far more frequent reviews and more elaborate reward systems. Considering that “one out of every three U.S. workers is a member of the millennial generation” — replacing Gen Xers as the largest segment of the labor force — the move toward more immediate gratification in the workplace could take root. Therefore, employers of all sizes should reconsider how to best manage and reward talent.
knowledge, and increase visibility, all while making them feel valued and appreciated.

**Trendier incentives catching on**

Non-monetary rewards are gaining in popularity. Perhaps the most highly valued such reward is a flexible work arrangement. In a recent study of employee wants, 46% of workers said that having more control over their time is one of the most important factors when looking for a new job.  

Social recognition platforms are motivating to millennials as well. According to *Entrepreneur* magazine, 71% of this generation say that they engage in social media — including posts, photos, blogs, email, and texting — for about 5.4 hours a day. Considering that something as minor as a picture-perfect cannoli gets posted online, imagine the delight of sharing significant work-related recognition with peers and professional networks.

Finally, at some organizations, employees who find ways to save the company money get 10% of the savings back as reward points, which they can redeem for sports tickets and products from major brands. Gift cards are also an especially popular employee incentive, even over vacation and leisure packages.

**Embracing the shift**

Ultimately, all employees want the same thing — a kind word for a job well done. The key is how you deliver it. Depending on the makeup of your workforce, the best approach may be to blend both old and new methods of recognition and reward that encourage employees to remain engaged and productive members of your team.

**Implement what works for your company**

With ADP® as your HR partner, we’ll work with you to design a performance management program that works. We’ll help you redefine how your managers offer feedback and provide them with proper training to make it part of your company’s DNA. We can also help you build or refine an employee rewards program to reinforce the award-worthy behaviors of your employees.

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1 Clutch HR Employee Feedback Survey, 2016.
3 Millennials surpass Gen Xers as the largest generation in U.S. labor force, May 11, 2015.
4 Blackhawk Happiness Study, April 2015.
5 Why Workplace Flexibility Is The Linchpin to Employee Happiness, June 29, 2015.
6 Millennials Spend 18 Hours a Day Consuming Media And It’s Mostly Content Created by Peers, March 10, 2014.
Data is the Key to Improving Your Talent Search

You may not realize it, but inside your HR files are the keys to successful recruiting and talent management. Big companies have been doing this for years. And now, more small- and medium-sized companies are using data to reshape recruitment into strategic and evidence-based processes that lead to more successful hires.

Why businesses are turning to data
Using information from multiple sources to analyze, process, manage, and optimize the way you acquire talent is one of the latest ways companies are connecting the data dots. Businesses are leveraging data intelligence and technology to fully understand and maximize their recruitment strategies.

Mining your employee data gives you insights into what characteristics make a great hire, why your great hires stay with you — and why they don’t.
To maximize recruitment costs
Knowing how and where you’re spending your recruiting resources can help you uncover ways to trim costs and improve effectiveness. Start by asking these questions:

- Which talent sources bring in the most qualified applicants?
- Which ones yield the best candidates with the highest retention rates?
- Which resources offer the best user experience for candidates?

It’s also important to confirm you’re getting the best value from your talent acquisition dollars. According to research from the Society of Human Resource Management (SHRM), you’ll spend $4,129 on average to fill an open position.\(^2\) What goes into this investment? Here are a few examples:

<table>
<thead>
<tr>
<th>External costs</th>
<th>Internal costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Third-party fees, such as agencies</td>
<td>• Salary, benefits, and training of recruiters</td>
</tr>
<tr>
<td>• Advertising costs, including job boards and social media</td>
<td>• Talent acquisition system costs (hardware and software)</td>
</tr>
<tr>
<td>• Job fair and campus recruiting costs</td>
<td>• Other fixed costs, such as employee referrals, government compliance, etc.</td>
</tr>
<tr>
<td>• Travel expenses for recruitment</td>
<td>• External assessments, background checks, and drug tests</td>
</tr>
</tbody>
</table>

To fill open positions faster
On average, it takes 42 days to fill an open position, according to the SHRM study. Using benchmark data, you can compare your company to the national average and — more importantly — to the competition to see how you stack up. If it’s taking you longer to fill a position, dig deeper to learn why. For example, your benefits package may fall short of your competitors. If that’s the case, adjusting your benefits could shorten the time to hire key talent and increase your productivity.

To avoid recruiting in the first place
It’s hard to watch talented employees leave before you’ve had a chance to recoup your hiring investment. Using data to examine why people stay and why they leave can help you retain the talent you’ve worked so hard

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Talent tops companies’ wish lists
Having highly skilled employees is the number one priority for:

- 84% of small-sized businesses
- and
- 80% of medium-sized businesses.\(^1\)
ADP® can help you hire smarter
ADP helps you apply rigor behind your hiring practices that your competitors can’t match. We can unlock your employee data and combine it with ADP’s competitive benchmarks to help you attract and hire the right employees. ADP certified recruiters can also help you target the right job candidates by managing some, or all, of your recruitment tasks.

Did you know that:
• One-third of new hires quit after six months.
• 45% of referred employees stay for at least two years.
• 33% of employees know within the first week if they’ll stay with their new company.

Using data to explore the relationship between hiring, onboarding, performance management, and retention makes good sense. What are the trends in your company? What’s working and what isn’t? Where are the opportunities to make adjustments? Collecting and analyzing data about your company’s recruitment methodology puts science behind what your experience and instincts already tell you.

Industry experts weigh in on using data analytics in recruitment

“While the average small business has less self-generated data than big players like Google or Facebook, this doesn’t mean big data is off limits. In fact, in many ways, big data is more suited to small businesses because they’re generally more agile and able to act more quickly on data-driven insights.”

BERNARD MARR, author of Big Data for Small Business for Dummies

“Talent analytics is an incredibly predictive tool, a trustworthy future-caster, HR’s own crystal ball.”

MEGHAN BIRO, Forbes magazine

1 LinkedIn Talent Solutions, Small and Mid-Sized Business Recruiting Trends, 2017.
3 DataInformed, 6 Clever Ways Small Businesses Can Use Big Data, by Bernard Marr, October 21, 2016.
5 BAI Banking Strategies, Predictive Analytics for Hiring, by Katie Kuehner-Hebert September 6, 2013.
6 TNLT Talent and HR, November 30, 2015, 9 Employee Retention Statistics That Will Make You Sit Up and Pay Attention, by Maren Hogan.
Make Your Business Accessible to Disabled Individuals

When was the last time you measured the slope of the curb ramp leading from your parking lot to your facility? Do you have the International Symbol of Accessibility on your storefront and bathroom door? Does it include Braille? Have you recently measured the access aisles of your parking spaces?

If you have not checked your facility for compliance with the Americans with Disabilities Act (ADA) accessibility guidelines, essentially a Congressional-imposed building code, a “professional” plaintiff may do it for you. Accessibility lawsuits are rapidly growing:
• In 2016, 6,601 ADA Title III lawsuits were filed in federal court — 1,812 more than in 2015 — a 37% increase.
• There were more than 250 lawsuits filed in 2016 about allegedly inaccessible websites and/or mobile apps. This does not include the hundreds, if not thousands, of demand letters plaintiffs sent to businesses asserting accessibility claims.

You should protect your business now, as an ounce of prevention will decrease and may even eliminate the risk that your business will be the next bull’s eye.

**ADA accessibility guidelines**
Congress enacted the ADA in 1990. Title III of the ADA sets standards for access to public accommodations and commercial facilities for people with disabilities. It prohibits discrimination based on disability in the full and equal enjoyment of the goods, services, facilities, privileges, advantages, or accommodations of any place of public accommodation by any person who owns, leases (or leases to), or operates a place of public accommodation.

Title III of the ADA covers public accommodations (i.e., private entities that own, operate, lease, or lease to places of public accommodation), commercial facilities (including office buildings, factories, and warehouses, whose operations affect commerce), and private entities that offer certain examinations and courses related to educational and occupational certification. Places of public accommodation include millions of private establishments, including:

• Restaurants
• Hotels
• Theaters
• Retail stores
• Hospitals/doctors’ offices
• Private schools/daycare centers.

Entities controlled by religious organizations, including places of worship, are not covered. In addition, private clubs are not covered, except to the extent that the facilities of the private club are made available to customers or patrons of a place of public accommodation.

**Building accessibility standards**
Title III contains two separate standards regulating building accessibility. The first pertains to facilities existing before January 26, 1993, and requires removal of architectural barriers where removal is “readily achievable” and able to be carried out without much difficulty or expense. Examples of barrier removal measures include installing ramps, making curb cuts at sidewalks and entrances, rearranging tables, chairs, vending machines, display racks, and other furniture, widening doorways, installing grab bars in toilet stalls, and adding raised letters or braille to elevator control buttons.
The second pertains to facilities constructed or altered after January 26, 1993, and requires that facilities be readily accessible and comply with the accessibility guidelines. For example, at least 50% of all public entrances must be accessible by those with disabilities. In addition, there must be accessible entrances to enclosed parking, pedestrian tunnels, and elevated walkways. And an accessible route must connect accessible public transportation stops, parking spaces, passenger loading zones, and public streets or sidewalks to all accessible features and spaces within a building.

**Grandfathering**

Many businesses are under the mistaken impression that if they owned or leased their building since before January 26, 1993, and have not made substantial physical changes to their premises, they are “grandfathered” under Title III (i.e., they have no obligation to make their business ADA accessible). However, the language of the ADA applies to “existing” public businesses and requires that they remove structural barriers “where such removal is readily achievable.” Even when not readily achievable, the business must provide access “through alternative methods if such methods are readily achievable.”

**Website accessibility**

When the ADA was enacted in 1990, the internet as we know it today did not exist. Americans now use the internet in their daily personal, professional, civic, and business lives. Businesses and educational institutions frequently provide goods and services to the public through websites. Similarly, many state and local governments use websites to provide the public access to their programs, services, and activities. While the ADA does not expressly apply to websites, the U.S. government has interpreted it to do so and has suggested the following steps:

1. Establish a policy that your web pages will be accessible and create a process for implementation.
2. Ensure that all new and modified web pages and content are accessible.
3. Develop a plan for making your existing web content accessible.
4. Ensure that in-house staff and contractors responsible for web page and content development are properly trained.
5. Provide a way for visitors to request accessible information or services by posting a telephone number or email address on your home page.
6. Periodically enlist disability groups to test your pages for ease of use.

**What can a plaintiff recover?**

Under the ADA, a plaintiff alleging a business has failed to make the physical changes necessary to comply with the ADA can seek only injunctive relief, which is an order from a court instructing a business to do something. Plaintiffs typically request an injunction against the business to make it accessible to persons with disabilities. A few plaintiffs have also requested a temporary injunction or restraining order to shut the doors of a business pending ADA compliance. Normally,
this type of request is simply included for shock value.

In addition to injunctive (nonmonetary) relief, the ADA allows an award of attorney’s fees to successful plaintiffs. Attorney’s fees, costs, expert fees, and litigation expenses can quickly amount to tens of thousands of dollars.

Prevention
Often, the first time a landlord or business owner learns it is not ADA-compliant is when it is served with the lawsuit. Business owners agree that if they were notified of noncompliant conditions before a lawsuit, they would cure the defects as soon as possible. That, however, could deprive the attorneys and plaintiffs of fees, which often seems to be the actual goal of accessibility lawsuits.

To protect your organization, it’s best to be proactive and take the opportunity to hire a code-consultation firm or architect specializing in ADA accessibility to visit your facility and conduct a review. Many fixes can be low or no cost, sometimes as easy as moving a few tables or adjusting the height of a sign. These fixes will make your facility more accessible to disabled individuals, deter professional plaintiffs, and save potentially tens of thousands of dollars in liability and defense costs.

In addition, a critical and often overlooked component of ensuring success is comprehensive and ongoing staff training.

Not sure where to start?
ADP® is committed to assisting businesses with employment-related Department of Labor and Equal Employment Opportunity Commission compliance requirements. We’ll help you determine how regulations impact your business, and the actions you’re required to take.
Business optimism is on the upswing. Against this backdrop, many small- and medium-sized companies are looking to implement strategies to propel their growth higher. Consider these tips to maintain your business agility as you ramp up new initiatives.
Confidence by the numbers
According to a survey among business owners with generally one to 100 employees, optimism about the economy rose to a 12-year high following the November 2016 election. More specifically, the National Federation of Independent Business (NFIB) Index of Small Business Optimism reached its highest level since 2004 in December 2016. The increase from the prior month was also its biggest monthly increase since July 1980, and the largest month-over-month change since the Index began.

The NFIB’s Small Business Optimism Index consists of 10 components

<table>
<thead>
<tr>
<th>Index Component</th>
<th>Seasonally Adjusted Level</th>
<th>Change from Last Month</th>
<th>Contribution to Index Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plans to increase employment</td>
<td>16%</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Plans to make capital outlays</td>
<td>29%</td>
<td>5</td>
<td>6%</td>
</tr>
<tr>
<td>Plans to increase inventories</td>
<td>4%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Expect economy to improve</td>
<td>50%</td>
<td>38</td>
<td>48%</td>
</tr>
<tr>
<td>Expect real sales higher</td>
<td>31%</td>
<td>20</td>
<td>25%</td>
</tr>
<tr>
<td>Current inventory</td>
<td>-3%</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Current job openings</td>
<td>29%</td>
<td>-2</td>
<td>-3%</td>
</tr>
<tr>
<td>Expected credit conditions</td>
<td>-6%</td>
<td>-1</td>
<td>-1%</td>
</tr>
<tr>
<td>Now is a good time to expand</td>
<td>23%</td>
<td>12</td>
<td>15%</td>
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<tr>
<td>Earning trends</td>
<td>-14%</td>
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<td>8%</td>
</tr>
<tr>
<td>Total change</td>
<td>+80</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

Based on survey of small and independent business owners. Column 1 is the current reading; column 2 is the change from the prior month; column 3 (the percent of the total change accounted for by each component).

According to the survey, these business owners feel particularly optimistic about the outlook for business conditions and real sales gains. Those two categories alone accounted for 73% of the gains. The report speculates that if the optimism continues, it will translate into spending plans and ultimately result in hiring, inventory purchases, and capital outlays.

Tips for business agility as you grow
Growth for a small- and medium-sized businesses can be challenging. On the one hand, your organization is ready for enterprise features, particularly in terms of software, HR and company-wide knowledge sharing capabilities. But new support systems introduce new commitments. If companies don’t invest in the right partners and processes, they may feel prematurely sidetracked. Consider these tips to boost your organization’s agility during periods of rising growth:

1. Run experiments before deploying initiatives in full
Are your team members pushing for a new marketing program or a new hire? Before making such a commitment, encourage existing team members to run experiments on the job and start collecting data. For instance, if your sales staff is pushing for automation software, consider running some one-off campaigns to understand which platform and partner will be the best long-term solution.
2. Hire contractors before bringing on full-time employees

Not sure if you need an in-house marketing leader or accountant? Consider hiring a contractor or freelancer to fill the role before opening the position on a permanent basis. You’ll be better positioned to understand whether a full- or part-time employee will be a better fit, what the role will entail, and which skills are necessary for success. Professional social networking sites are a great place to find individuals looking for these types of opportunities, and to evaluate whether they have the skills your organization needs.

3. Build processes early

During periods of growth your time is best spent pursuing new markets, customer bases, and product lines. If you’re stuck backtracking to implement bookkeeping and expense reporting processes, for example, you may miss out on key market opportunities. Build processes early, before your company has a chance to let new opportunities slip through the cracks. It is often beneficial to craft essentials like brand identity and accounting systems early on, so you won’t have to focus on those needs when more valuable opportunities arise. It’s vital to have the right foundations in place for growth to help you focus on your future as an organization.

QUICK TIP

Consider outsourcing certain administrative functions so you can focus on building your business. These organizations are available to assist with writing policies, developing an employee handbook, creating a recognition/benefits plan, and more.

Business agility is not simply an attitude, it’s a key capability that must be planned for. If you’re not careful, you risk making the wrong long-term decisions. At the same time, if you’re too careful you risk holding your organization back from capitalizing on growth opportunities. Strike the right balance by running experiments before building initiatives in full, making smaller talent commitments before hiring additional full-time employees, and building essential processes as early as possible.

Is growth in your future?

ADP® is your ticket to simplification, efficiency, and business risk mitigation. We can help you put a growth plan in place that maximizes your agility, as well as keeping the eye on the ball regarding ever-changing federal and state regulatory updates.

Federal and State Employment Law Updates

ADP® assists clients in meeting their compliance challenges. Timely communication, clear action plans, and helpful resources allow ADP clients to focus on their business objectives, while helping them mitigate risk associated with employment law compliance. The following is a summary of recent significant federal and state HR compliance developments:

Federal Employment Law Update:
OSHA Issues Walking-Working Surfaces Rule
The Occupational Safety and Health Administration (OSHA) released its final rule on Walking-Working Surfaces aimed to reduce work-related injuries resulting from slips, trips, and falls. It incorporates advances in technology, industry best practices, and national consensus standards to provide effective and cost-efficient worker protection. The final rule provides employers greater flexibility in choosing a fall protection system to protect workers.

Effective Date: The final rule was effective January 17, 2017. However, OSHA has extended the compliance dates for some of the new requirements.

State Updates:
Arkansas, California, Florida, Maine, Massachusetts, Nevada, and North Dakota Pass New Marijuana Laws
Seven states have joined the growing list of states legalizing the use of marijuana for medicinal and/or recreational purposes. Employers must continue ensuring a safe work environment while also trying not to violate employees’ rights in the process. To this end, employers should remain informed of their obligations and responsibilities under their respective state’s marijuana use laws and federal regulations, and ensure that employees know and understand the employer’s policy on this matter.

Effective Date: Various dates depending on the state.

California Employers Must Comply with the State’s Workplace Violence Prevention in Health Care Rule
California enacted standards specifically aimed at protecting health care workers against workplace violence. All California employers operating health care facilities, home health care programs, drug treatment programs, emergency medical services, and outpatient medical services for correctional and detention settings must: (1) establish, implement, and maintain an effective workplace violence prevention plan; (2) provide training to address workplace violence risks that employees are reasonably anticipated to encounter in their jobs; and (3) comply with increased recordkeeping requirements.

Effective Date: April 1, 2017, although California/OSHA has extended the compliance dates for some of the new requirements.

New York Issues Final Minimum Wage Regulations
The New York State Department of Labor has adopted regulations implementing increases to the state minimum wage and identified required salary levels for exclusions from overtime pay for executive and administrative employees. The new law fractures the state into three different geographical regions (each with a separate minimum wage), as well as sets different minimum wage rates for employers in New York City that depend on the size of the employer and whether the employer is deemed a fast food employer. The minimum wage rates are scheduled to increase each year on December 31 until they reach $15.00 per hour.

Effective Date: Currently in effect.

Oregon Requires Additional Details on Pay Statements
Oregon signed into law Senate Bill 1587, which expands the information that must be included in the itemized statements provided to employees with each payment of wages. This includes any payment of wages, on regular paydays and at other times when payment of wages, salary or commission is made.

Effective Date: Currently in effect.

Philadelphia Employers Cannot Ask Prospective Employees About Their Wage History
The city of Philadelphia will become one of the rare jurisdictions to prohibit employers from asking about or relying on — subject to limited exceptions — a prospective employee’s wage history in setting employee compensation and benefits. The law is currently written to apply to employers who do business in the city of Philadelphia and it makes no reference to whether such employers must employ any employees within the city’s limits.

Effective Date: May 23, 2017

This content provides practical information concerning the subject matter covered and is provided with the understanding that ADP® is not rendering legal advice.
In today’s highly competitive business environment, it’s imperative to have ready access to data and strategic insights to gain a competitive edge. Yet many smaller companies do not have the resources and HR expertise to maximize their opportunities. The HR professionals at ADP® can draw from their expertise and experience to provide a “bigger picture” view of an organization’s challenges. They can also provide actionable solutions to maximize one’s workforce, capitalize on opportunities, and remain compliant.

“One of the things they [ADP] bring to the table is perspective. And that’s not something you can get without looking at the bigger picture.”

Tracey Attis, Director of HR & Operations, Marc Fisher Footwear

“With the human capital management insight we gain from ADP, we’re able to stay up-to-date with all of the latest emerging trends...so we can be on top of the game 24 hours a day.”

Chris Farrell, CEO, Tallie

To learn more, go to: bit.ly/29R60Is
Employees of small- and medium-sized organizations often wear multiple hats. And while this may help to keep costs down, it can be challenging to keep up with HR tasks and the ever-changing regulatory environment. Many organizations throughout the country turn to ADP to help them develop and implement HR strategies that are tailored to their specific needs. In particular, they can rely on their ADP business partner to provide valuable insights on HR-related issues and help them remain compliant. With ADP in their corner, they can then focus their efforts on growing their business.

“Through strategic partnerships with ADP, we’ve been able to get higher productivity and to run a more efficient organization without having to increase our headcount.”

Jeff Wright, CEO, Urban Ministries, Inc.

“If you don’t have the expertise...you need to be able to go out and get it. And that’s what ADP has done for us.”

Angela Kelley, CFO, Cooperative Business Services, LLC

Maintaining a highly engaged and motivated workforce is imperative to take one’s organization to the next level. And communication is a key element to drive employee satisfaction, improve productivity, and retain key talent. However, many small- and medium-sized companies don’t possess the tools and infrastructure to effectively communicate with their employees — especially if they work in multiple locations. ADP offers a robust technology platform, including a user-friendly portal and mobile apps to keep employees in the loop and engaged. With this partnership, they can unlock their employees’ true potential.

“Unifying your workforce means communication with your employees... We’re able to use ADP’s portal as that source of communication.”

Bob DeBiase, Owner/Partner, DeBiase & Levine Associates, Inc.

“One other piece of the technology is the ADP mobile app. It has had a massive impact on employee engagement.”

Derek Smith, Owner, Rio Grande Fence Company of Nashville

To learn more, go to: bit.ly/1M2kjb9

To learn more, go to: bit.ly/1U1drhq
When work is something you look forward to, the alarm clock gets a whole lot friendlier. Because when your employees look forward to their jobs, what they produce can be truly inspiring. ADP’s workforce solutions help you craft a more engaged and efficient workplace.

Visit adp.com or call 1-800-447-3237 and see how we can provide a more human resource for your business.