



Leading Today

FALL 2016

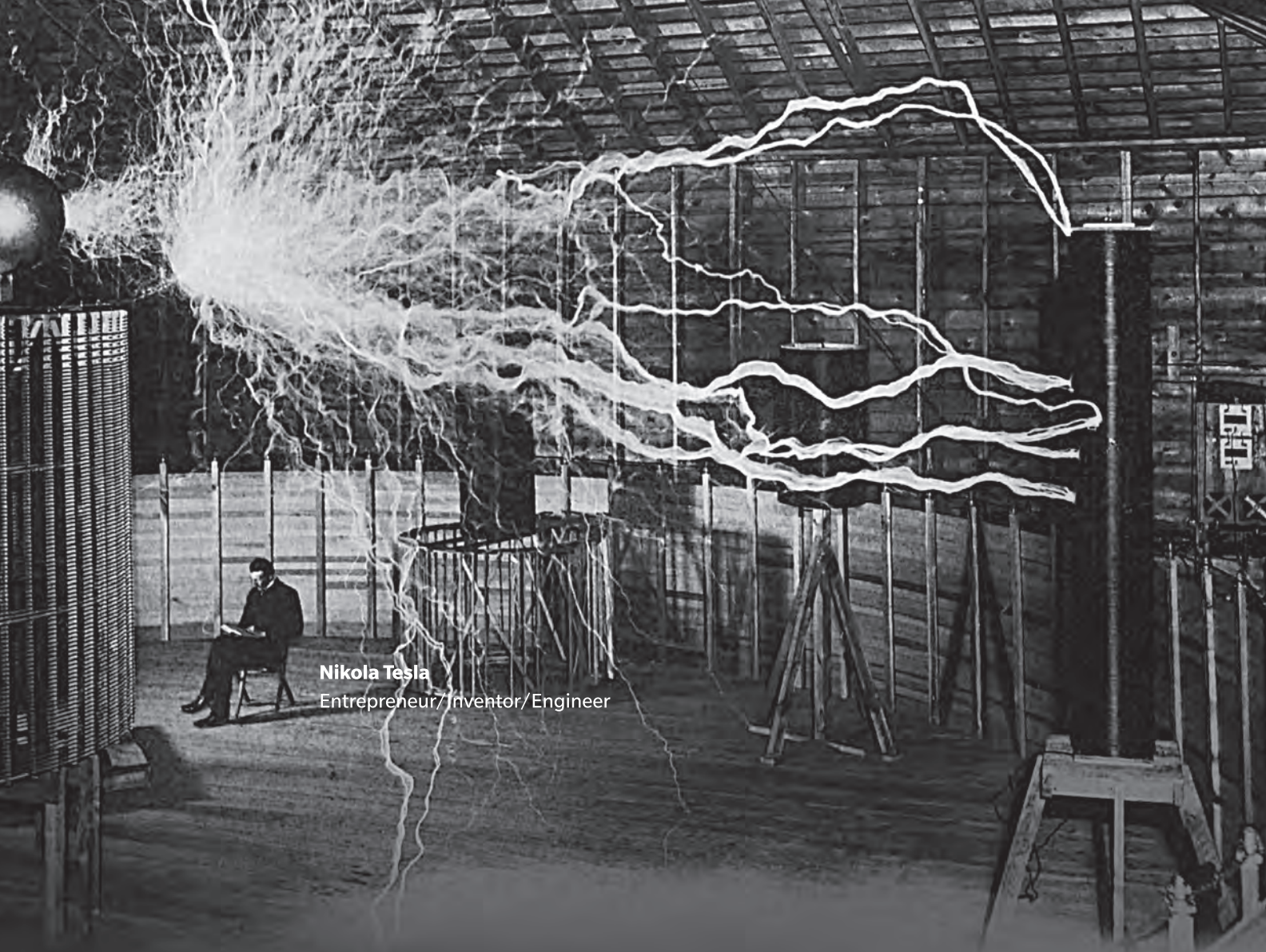
WHO WILL YOU
HIRE
TO HELP
YOUR
COMPANY
GROW?



COULD A
COWORKER BECOME
VIOLENT?

BENEFITS

WHAT WORKERS
REALLY WANT



Nikola Tesla
Entrepreneur/Inventor/Engineer

Solving the mysteries of health care law shouldn't be your life's greatest work.

A gifted mind can achieve incredible things when it's able to focus. At TriNet we embrace that belief wholeheartedly. That's why we've been creating HR management solutions for over 25 years to help CEOs and business owners stay focused and achieve amazing things. In fact, TriNet is the only company of its type building HR solutions specific to your industry's needs. We'll manage your payroll, health benefits, HR compliance and more. Working with TriNet means that your workforce stays happy and your overhead costs are contained. It's time to free your mind from HR and let your genius define your workday.



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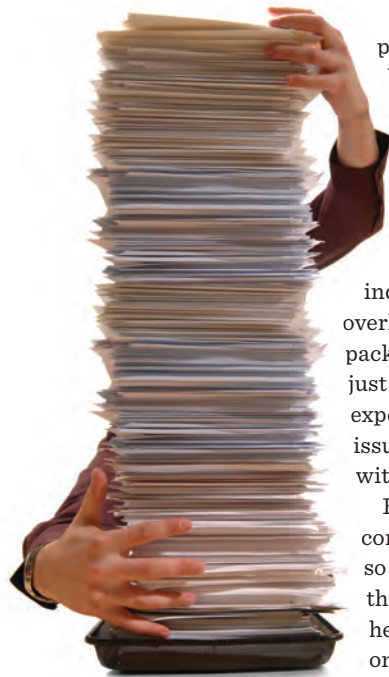
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Productivity, Not Paperwork

Spending time on employee-related paperwork has some real costs attached to it. A recent study by PricewaterhouseCoopers found that small to midsize businesses spend an average of \$2,000 per employee per year on administrative paperwork related to payroll, health-care benefits, and time and attendance. These costs could really add up for a business that is growing or plans to grow in the near future. Furthermore, HR is not likely what you got into business to do.



As a business owner, paperwork may just be one of the daily challenges you face related to your HR administration. Maybe you want to attract the best talent in your industry, but need to overhaul your benefits packages. Or maybe you just want more time and expertise to address issues that often come with being an employer.

Because HR is so complex and is changing so fast, we have created this special issue to help shine the spotlight on some of today's hot-

test topics. Find out what types of benefits your employees are looking for so you can not only attract the best, but also keep them (see "Benefits: What Workers Really Want" on page 6). Also, check out our special section "Who Should You Hire to Help Your Company Grow?," starting on page 11, for tips on building your ideal team when scaling your company.

We hope you enjoy this issue of *Leading Today* and take away some key concepts that will help you focus on what you do best—managing and growing your business.

**Thank you,
The TriNet Team**

COULD YOUR HR USE SOME HELP?

Assess your needs in the areas of talent, compliance, benefits, and more
with our HR Grader at TRINET.COM/HRGRADER

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FOR



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Digital HR Is Red Hot

BEYOND PAYROLL: NEW TECHNOLOGY TOOLS ARE PUTTING THE HR DEPARTMENT AT THE CENTER OF BUSINESS STRATEGY.

44% of companies are using workforce data to predict business performance. ⁽¹⁾

74% of executives say their company's HR decisions need to be more data-driven. ⁽²⁾

Mobile-enabled HR process adoption was 23% in Q2 2015, predicted to grow by **65%** in 2016. ⁽³⁾

More than **50%** of organizations are using new talent acquisition tools outside of their applicant tracking systems. ⁽⁴⁾

93% of Human Capital Management (HCM) solutions providers support mobile applications. ⁽⁵⁾

SOURCES:

1. Deloitte, 2016 Global Human Capital Trends
2. Harris Poll on behalf of Visier, 2015
3. Marketing to Millennials Report 2014
4. Sierra-Cedar 2015-2016 HR Systems Whitepaper
5. Smartphones for the Workforce, Bersin by Deloitte, 2015



4 Letters That Could Save Your Business

IF AN EMPLOYEE CRIES FOUL, EMPLOYMENT PRACTICES LIABILITY INSURANCE (EPLI) CAN BE A COMPANY'S BEST FRIEND.

W

hen it happens, it feels like a bolt from the blue: a notification from the U.S. Equal Employment Opportunity Commission (EEOC) arrives, stating that an employee has filed a formal complaint. Most commonly, such charges involve claims of retaliation or discrimination based on race, disability, or gender.

The unsettling situation—which immediately draws a company into a potentially nightmarish legal, HR, and financial maze—is one that few business leaders foresee. “I’ve heard people say, ‘We’ve never been sued before; why do I need to buy insurance for that? We’re like a family around here,’”

says Gordon Coyle, CEO of The Coyle Group, an insurance and risk management firm in New City, New York.

However, employment-related claims are more common than most people realize. The EEOC, which investigates allegations of discrimination and harassment by employers (and which is

the primary means employees have for seeking redress for such claims), received almost 90,000 complaints in fiscal year 2015 alone.

The results can be devastating for a business, and no industry is immune from such charges. For example, a physician who owned a medical practice faced accusa-

tions of age discrimination after firing an employee who was performing poorly, reports attorney Michael Gottlieb, founder of Momentum Law Group in Gaithersburg, Maryland. “[The former employee] kept filing new claims, keeping us in court for months,” he says. The case resulted in a settlement, which the client had to pay out of pocket, as well as “a fortune in legal fees,” Gottlieb says.

Stories like these are leading more companies to consider a type of coverage called employment practices liability insurance (EPLI). EPLI offers protection from employment-related claims filed by current, prospective, and former employees that are not covered by general liability insurance and other types of policies.

Broadly speaking, EPLI functions as a sort of life raft for businesses that face allegations of wrong-

ful acts, including harassment, wrongful termination, failure to hire, failure to promote, and discrimination. Whether the employer settles, wins, or loses the case, EPLI typically covers the legal defense fees and settlement costs or damages (up to a policy’s coverage limit).

RISKS VERSUS COSTS

Since businesses of all sizes are potentially vulnerable to employment-related claims, all can benefit from EPLI, experts say.

“Whether you have five or 50 or 500 employees, there are significant risks around employment,” says Coyle. “Employment wrongful acts happen every day and they become very costly.” While the “vast majority” of employment-related claims settle, Gottlieb says, “It’s not uncommon for the settlement and defense costs to be in the hundreds of thousands of dollars.”

As a general rule, EPLI

CAN YOUR COMPANY AVOID A CLAIM?

DO YOU HAVE AN EMPLOYEE HANDBOOK? It should inform employees of your company’s antidiscrimination and antiharassment policies, and also include an “at-will” statement (unless prohibited by law), which stipulates that employees can be terminated at any time, for any reason except for reasons that are illegal, such as discrimination, Gottlieb advises.

ARE JOB ROLES CLEARLY DEFINED? Create job descriptions to make clear to each employee exactly what a position entails, the skill level required, and performance expectations, Gottlieb says.

DO YOU KEEP GOOD RECORDS? “Many times, the documentation is lacking when it comes to the termination of an employee or how complaints from a disgruntled employee were handled,” says Ashley Hunter, owner of HM Risk Group, an insurance and risk management brokerage in Austin, Texas.

DO YOU PROVIDE ONGOING EMPLOYEE TRAINING? Have a corporate policy for hiring and fair employment practices, and be sure your HR department and hiring managers are up to date, Hunter advises. Reinforce appropriate workplace conduct by requiring all employees to participate in antidiscrimination and antiharassment training programs.

can either be purchased as a stand-alone policy or in a package with other policies. The cost depends on factors such as the number of employees in a business, how many past claims it has had, and the type of industry it is in.

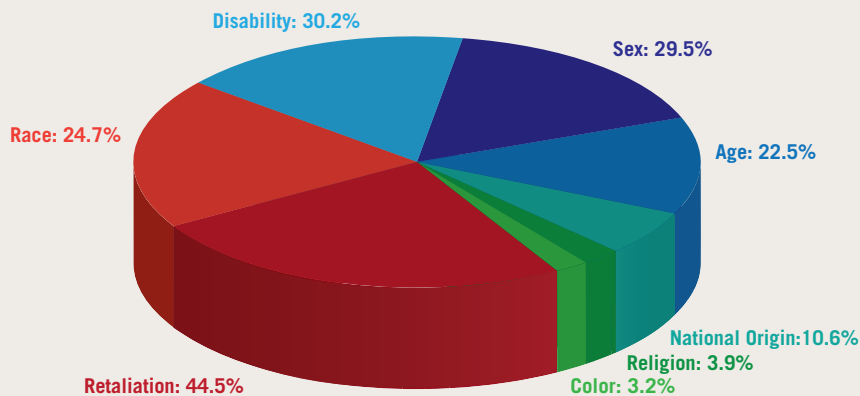
Such policies typically include a deductible, which can be as low as \$1,000 or in excess of \$100,000, Coyle says. Be sure to read a policy carefully before purchasing it to check for any exclusions or limitations, advises Charles Krugel, a Chicago, Illinois-based labor and employment law attorney.

“If you don’t purchase the insurance, you’re betting that you either won’t get hit with a claim, or if you do get hit with a claim, you’ll be able to afford it,” says Krugel. “I’ve handled a number of claims where there hasn’t been EPLI and it’s just a financial drain on the business.”

How much better to be in the situation of one of Coyle’s clients, a professional office, when a group of women alleged that they were paid less than their male counterparts for doing the same jobs. “The employer did have EPLI,” Coyle says, “so they had coverage for the defense costs and ultimate settlement.” **LT**

WORKPLACE DISCRIMINATION: WHAT ARE THE WORST PROBLEMS?

Breakdown of charges of employment discrimination made to the EEOC in 2015:



Numbers add up to more than 100% because individuals often file charges claiming more than one type of discrimination.

BENEFITS

What Workers **REALLY** Want

TOOLS FOR ATTRACTION AND RETENTION IN EVERY AGE GROUP

I

How important are benefits to keeping good employees? In a word: very. A 2015 survey by MetLife found that worker appreciation (including intent to stay and likelihood of recommending their employer as a great place to work) increases as the number of benefits offered does.

However, the *kinds* of benefits workers value most can vary considerably by age and stage of life, as these decade-by-decade guidelines show.

STARTING CAREERS

HEALTH SAVINGS ACCOUNTS: Young people won't be overly excited by top-of-the-line health plans they are unlikely to use. A better approach: a high-deductible health plan coupled with a health savings account (HSA) that allows them to save and grow pre-tax or tax-deductible funds they don't use for health care.

HELP WITH STUDENT DEBT: The average student debt for the Class of 2015 is a little more than \$35,000 per graduate. While only about 4 percent of employers offer student loan repayment programs today, that number is on track to rise to 26 percent by 2018, according to research by advisory firm Willis Towers Watson.

UNSTRUCTURED WORKSPACES. "We're starting to see more of what's called 'hoteling' in the workplace, where employees aren't assigned desks. They take whatever space is free at a given time," observes Bruce Elliott, manager of compensation and benefits for the Society of Human Resource Management (SHRM). This allows young employees to decide for themselves whether they need a quiet or lively space, depending on the job at hand.

PET INSURANCE: Thirty-five percent of millennials—defined as those between the ages of 18 and 34—own a pet, making them the largest pet-owning population in the United States. Willis Towers Watson research says that 36 percent of companies offered pet insurance coverage in 2015, and predicts that the number will grow to 60 percent by 2018.

PLANNING AHEAD: Don't discount the importance of retirement plans to this group. A TriNet analysis found that 29 percent of millennials contributed to company-sponsored retirement savings in 2015, a big jump from 2012, when only 17 percent contributed.



20^s

STARTING FAMILIES, VALUING STABILITY



30^s

LIFE INSURANCE: “Life insurance is going to be more important to this group because they now have the need to protect assets, such as a home and a certain lifestyle for their families,” says SHRM’s Bruce Elliott.

DOMESTIC PARTNER AND EXTENDED FAMILY COVERAGE: More companies are offering benefits to others beyond spouse and children. With domestic partner coverage, unmarried partners receive the same benefits as married couples. (Laws defining committed partners vary by state; check with your HR and legal counsel.) Extended family coverage, which can include care for grandchildren and elderly parents, is also increasing in popularity. Technology companies and unionized companies are the most likely to offer such coverage, according to MetLife research.

INFERTILITY COVERAGE AND NEW-PARENT PERKS: Companies competing for top talent in technology and finance tend to be on the leading edge here, increasing coverage limits for infertility treatments, and offering overnight breast-milk shipping services for new mothers who must travel. Apple and Facebook both cover egg-freezing.

GENEROUS PARENTAL LEAVE: The Family and Medical Leave Act (FMLA) requires public agencies and private sector companies with 50 or more employees to guarantee 12 weeks of unpaid, job-protected leave for eligible new parents. SHRM’s Elliott says many companies are expanding this benefit to attract and keep hard-to-replace talent.

FINANCIAL PRIME TIME



40^s

TRADITIONAL HEALTH BENEFITS: “Medical, dental, and vision coverage become important as this group ages,” Elliott says.

FLEXIBLE WORK ARRANGEMENTS: In truth, flexible work arrangements (FWAs)—which can include flexible hours, compressed workweeks, and working remotely—are valued by all age groups. However, the need in this age group to care for young children or elderly parents increases the urgency for them. Accounting firms have been ahead of the curve with workplace flexibility programs they put in place to retain employees.

UNLIMITED VACATION TIME: A variation of the flexible mindset, this policy allows employees to take as much vacation as they like, as long as they get their work done. While fewer than 2 percent of companies offer the benefit so far, according to SHRM, the practice is beginning to spread from Silicon Valley technology companies to old-line stalwarts like GE and accounting firm Grant Thornton.

RETIREMENT PLANS: “This group was hit hard when the 2008 recession took a toll on their 401(k)s,” Elliott notes. “Although the market has recovered, they have a limited amount of time to catch up on their retirement goals.” Workers in their 50s will stay at or gravitate toward firms with a defined-benefit pension plan, and take a hard look at a company’s 401(k) matching contributions.

50^s

READYING FOR THE NEXT STAGE

PHASED RETIREMENT: As highly skilled and experienced baby boomers retire in larger numbers, employers will face significant knowledge-transfer issues. Employers can keep valuable institutional knowledge from walking out the door and make employees happy “by implementing phased-in retirement plans, where an employee can start to access 401(k) plans and pensions, while also working part-time,” Elliott says.



60^s

ATI ARCHITECTS AND ENGINEERS: Building Relationships

HOW A TOP COMPANY PRIORITIZES HUMAN CAPITAL
FOR SUCCESSFUL PROJECTS



SHOWN: An ATI renovation at California State University, East Bay Oakland Center

When Paul DiDonato, president and managing principal of ATI Architects and Engineers, cofounded the company in 1989, he had a vision: to create a full-service design and construction company that would outperform the marketplace in quality and speed.

It's a vision that has come to fruition for the Danville, California-based firm, which specializes in institutional, industrial, commercial, and civic work. Recent projects include a two-acre main mall at the Orange County Fair and Event Center, renovation and remodeling at the Hyatt Regency San Francisco Airport, and many more.

The company has also created the leading-edge Emily project, a series of prototypical designs that meet California High Performance School Standards and have been preapproved by the California Division of the State Architect. Schools that use Emily designs incorporate sustainable construction principles and save money in the design phase. They also enjoy an accelerated review and approval process for their projects.

A PEOPLE-FIRST CULTURE

Impressive as the company's achievements have been, DiDonato knew from the start that the company's main priority would be its people. "I love bringing complex projects together with a team of very talented people, leveraging the best in the industry," he says. "Human capital is really all about who we are."

ATI prides itself on its company culture, and proudly refers to its staff as "an extended family." Just as one would do for a family, ATI has put together an impressive package of benefits, including comprehensive health insurance, profit sharing, professional memberships, bonus programs, key employee stock ownership, and more. One of the company's core values: "a superior work environment produces superior results."

However, the recent economic downswing threatened the company's ability to maintain those benefits. "Business has been difficult over the last eight years," DiDonato says. "When the



JUSTIN HESSE PHOTOGRAPHY

"I LOVE BRINGING COMPLEX PROJECTS TOGETHER WITH A TEAM OF VERY TALENTED PEOPLE."

—PAUL DIDONATO

recession hit, we were also experiencing tremendous inflation in benefits costs." Rather than cut offerings to the company "family," ATI management began to look into the option of outsourcing its HR function. "But there was a great worry about doing anything that impacts an employee's relationship with the company," DiDonato says.

A WIN-WIN

After examining the options, ATI turned to TriNet for management of HR, including payroll and benefits.

Employees took the transition, which went seamlessly, in stride. "Our employees are truly empowered. They can easily access their own HR account online, and can

reach live people by phone when they have questions," DiDonato says.

ATI continues to have a robust and lively culture with initiatives such as supporting Denim Day during National Sexual Assault Awareness Month, supporting the local chapter of Girls Inc., and welcoming each new employee with a photo and interview on its website and Facebook page. And the company has no plans to slow down.

"My vision for ATI is to deliver larger and more complex projects," DiDonato says. He says he can do that in part because "our benefits management has become so much easier, and cost-containment so much better than it ever was in the past." **LT**



ULTRA MOBILE

Growing in Style

TALK IS CHEAP, BUSINESS IS EXPLODING—AND HR IS A KEY ASSET.



LAUREL HUNGERFORD PHOTOGRAPHY

Tyler Leshney, president

an estimated 40 million foreign-born people live in the United States. While they come from widely diverse backgrounds, just about all of them share one thing: they want to stay connected to family and friends, via phone and text, in their home countries. Convenience and cost-effectiveness are essential—but both were hard to find in the international communications market. That's where Ultra Mobile came in.

Founded in 2011, the nationwide mobile carrier has developed first-of-their-kind mobile phone services, with international communication plans starting at >>

>> \$19 a month. It offers a seamless way to make mobile calls—no access numbers, no PINs, and no calling cards. Ultra Mobile was named *Inc.* magazine’s Fastest-Growing Private Company in America for 2015, having recorded revenue growth of a staggering 100,849 percent (to \$118.2 million) over the previous three years.

As the business took off, so did the pace of operations—and hiring. The company now has two headquarters (in New York and Southern California), and staffers around the country. “In the last 90 days alone, we’ve brought aboard more than 20 people, in 17 different states,” says Tyler Leshney, company president.

“As we grow our top line, one of my biggest challenges is making sure that the bottom line grows, as well,” he says. “It’s important for us to be able to keep costs low so that we can attract the best people in the market. We looked for an HR solution that would really help us grow, and grow effectively.”

CONTROLLING THE CHAOS

Ultra turned to TriNet to handle its rapidly scaling needs. Those 20 new employees? “We integrated them seamlessly into the organization, and we know that we are going to be 50-state compliant with all HR regulations,” Leshney says. “It’s just a peace of mind that I have as a leader, knowing all of that is happening in the background, so we can focus on what we do in our core business.”

TriNet has also helped



Founder David Glickman, left, with Tyler Leshney; below, office fun.

Ultra with Affordable Care Act compliance, and with reining in health-care costs. “We’ve also had the chance to get Fortune 100–style benefits for a company that’s still, on a relative basis, pretty small,” Leshney says. In addition to generous health benefits, Ultra offers unlimited paid time off, flexible work schedules, food and snacks, company bikes, and many other perks calculated to appeal to its diverse workforce.

For Leshney, the HR function goes beyond providing benefits and is about being a true strategic partner. “When you look at your HR department as an asset, as a real method of building your organization in a world-class

“[WE] KEEP COSTS LOW SO WE CAN ATTRACT THE BEST PEOPLE IN THE MARKET.”

—TYLER LESHNEY

way, it changes the way you approach the culture,” he says. “Making sure Ultra looks the same no matter where we are was key for me, and continues to be an asset for us. Having a partner like TriNet is going to be key for us to grow this business beyond where we are today.” **LT**



LAUREL HUNGERFORD PHOTOGRAPHY



Who Should You Hire to Help Your Company Grow?

A TWO-STEP PLAN FOR FINDING THE **TALENT** THAT CAN HELP YOU GET TO THE **NEXT LEVEL**

STEP **1**



DETERMINE YOUR **Direction**

BY JACK KILLION

i

If you're going to hire a high-level, C-suite person, you'd better first have a strategy for growing the business. If you don't, the person is going to get frustrated because he or she won't be working from their strengths, and you're going to be frustrated because the person is not doing what you want.

So before all else, you need to think about the way, or ways, in which you want to grow. These could include: >>

JACK KILLION is a serial entrepreneur who is chief strategy officer of PeopleProductive, a software and consulting firm.

- >> ■ Boosting sales of the existing product line
- Widening the product line
- Targeting new vertical markets
- Pursuing mergers or acquisitions
- Forming strategic alliances
- Opening up new locations
- Going to multiple shifts to meet demand
- Putting together selling arrangements with independent reps
- Creating new marketing efforts

I have grown businesses using all of these methods. Until the direction is set, I wouldn't hire anyone. But I

would be bringing in people, very selectively, to help me make these growth strategy decisions.

BUILDING YOUR BRAIN TRUST

You could put together an advisory team of four to six people to brainstorm viable growth alternatives. The group should include experts in finance and law related to your field, and perhaps a marketing person and a professor of something relevant at a nearby university.

It's highly likely that you already know the right people for this advisory team, or know people

“PUT TOGETHER AN ADVISORY TEAM OF FOUR TO SIX PEOPLE TO BRAINSTORM GROWTH ALTERNATIVES.”

who know them. In your professional life, you have suppliers, customers, and professional advisors; in your personal life you have friends, members of clubs or organizations you belong to, people you went to school with, and parents of your kids' friends. Look at your clusters of contacts to find smart people with relevant interests and experience, whose opinion you really respect.

Ask them if they are willing to meet quarterly or every two months. Treat the advisory council to dinner, or breakfast at a diner. Don't be reticent. These people

STEP 2

HIRE FOR THE Culture YOU WANT



An interview with **PAUL SPIEGELMAN**, chief culture officer of Stericycle, and CEO of Small Giants Community, an international group of business leaders.

W **are in the middle** of an evolution in leadership style. The command-and-control type leadership style that was effective 20, 30, or 40 years ago is on the way out.

Today, the most successful leaders are team-focused and values-driven. They listen to and spend time with their people—and not

just because that's a nice thing to do. There's substantial research to show that companies with inclusive, employee-focused cultures

post better results than those without. The ROI of culture is that people work harder for you and are more productive.

like you, and they like to feel they're making a difference to somebody. You can't pay for this kind of help, but you can reciprocate. Be sure to ask them what you can do for them professionally.

Deciding on a direction requires a good bit of research and fact-gathering. I think it makes sense to retain interns to do that. When I took over a badly failing manufacturing company with big debt, little cash, and limited talent, I worked with teams of Rutgers Business School students who helped me look at specific growth ideas over the course of two years.

“ALWAYS CONSIDER MOVING A CURRENT EMPLOYEE TO HEAD UP A NEW GROWTH INITIATIVE.”

Ultimately, I decided to grow the manufacturing company by having a broader product line and expanding into Latin America. That direction meant we needed to hire a new engineer who had experience with the technical requirements and standards in the countries we targeted, as well as salespeople who had experience selling to international Fortune 500 chemical companies.

To head up the effort, I promoted somebody from within the organization that I trusted and knew would be with me as we grew. Always consider moving a current

employee who really knows the landscape to head up a new growth initiative—then, you can focus on hiring his or her replacement.

If that's not possible, lean heavily on referrals from your network clusters. Go to your employees first; a recent survey showed that 40 percent of all hires come from in-house referrals.

Don't overlook a younger person who has an early-career track record of success and great people skills. If this person has the right attitude and work ethic, and is innately smart, you can develop him or her to be the person you need. **LT**

Assuming that your company embraces that approach, it's critical that a new hire—at any level, really, but especially a leader—be able to help you build and reinforce your culture. Of course, just about any candidate will say that goal is important to them, but how can you really know? Here are a few approaches that have been useful for me.

IN THE INTERVIEW, BE CLEAR ABOUT THE IMPORTANCE OF CULTURE. The CEO should be able to articulate the culture of the organization, what makes it unique, the importance of maintaining or enhancing it, and what the prospective hire's role in supporting and leading the culture would be.

DIVIDE AND CONQUER. Rather than having a candidate do seven interviews and be asked to go through the same history each time, we split up the responsibility. One group of interviewers is primarily responsible

for evaluating the person's skill set and another group is primarily responsible for screening for fit.

SEE THE CANDIDATE IN A VARIETY OF SITUATIONS. We have a 360-degree interview process, where a candidate meets people above, on the same level, and below the position. It's also always good to go out in a social situation, such as having a meal. The way the candidate treats the wait staff is a good indication of how he or she deals with people in general.

ASK A LOT OF QUESTIONS. Dig deeply into people's experience to understand whether these practices have been important to the companies they have worked in. Get specific examples of the person's personal leadership style. How do they manage meetings? How do they manage individual team members? What's their relationship with people in the organization who are beneath them on the organiza-

tional chart, but don't report to them directly?

Listen, too, to the kinds of questions the candidate asks. I am always impressed by someone who has researched my company's culture and has questions for *me*.

Employees, at any level, want three things: purpose, appreciation, and to learn and grow. When I hear a candidate talking about those types of things in relation to how they manage, I know I'm talking to someone who understands team member engagement as a strategy to business success.

The truth is, there are plenty of people who have the skills to do what you want them to do. But skill only accounts for 30 percent of success in a job; 70 percent is fit.

A very wise HR consultant told me many years ago, “Paul, you can always hire people with potential. But if you want to reduce your risk of failure, hire people who have already done what you want them to do for you.” That goes for culture as well as for skill. **LT**

“SKILL ONLY ACCOUNTS FOR 30 PERCENT OF SUCCESS IN A JOB; 70 PERCENT IS FIT.”

PEO as a Valued Resource

HOW NEXT FINANCIAL HOLDINGS STAYS GEARED UP FOR GROWTH



THE ISSUE

HOUSTON, TEXAS-BASED NEXT

Financial Holdings is an employee- and advisor-owned broker-dealer whose strength lies in its empowering culture. So when the stock

market crash of 2008 caused assets to drop by 40 percent, the award-winning company was determined not to conduct layoffs, as so many financial services firms were doing. To meet that goal, however, they needed to cut costs. “We were struggling,” says Karen Eyster, executive vice president, “but we asked everyone in the company to help generate ideas to remain solvent.”

THE ANSWER

One proposal suggested that NEXT review its HR outsourcing strategy. After researching options, Eyster and team concluded that TriNet had the extensive financial industry experience NEXT needed, as well as the capacity to provide numerous extra strategic services. TriNet came aboard as the company’s PEO (professional employer organization) in 2009.

“TriNet came on site and explained tricky areas, such as Social Security options, PTO, and benefits open enrollment,” Eyster says. “They’ve been an active resource partner.” NEXT also uses TriNet’s Talent Acquisition service, which provides dedicated search consultants to help NEXT find top-performing hires.

THE OUTCOME

Not only did NEXT avoid layoffs; the company’s staff has grown by 20 percent since TriNet came onboard. Eyster says NEXT has also benefited by allowing executives to focus on growing the business. “We don’t want upper management spending their time on administrative and compliance issues,” Eyster says. “Whatever number of hours of work TriNet saves me, I would multiply that number by 10 in terms of ‘headache hours’ saved. And that, to me, is priceless.” **LT**



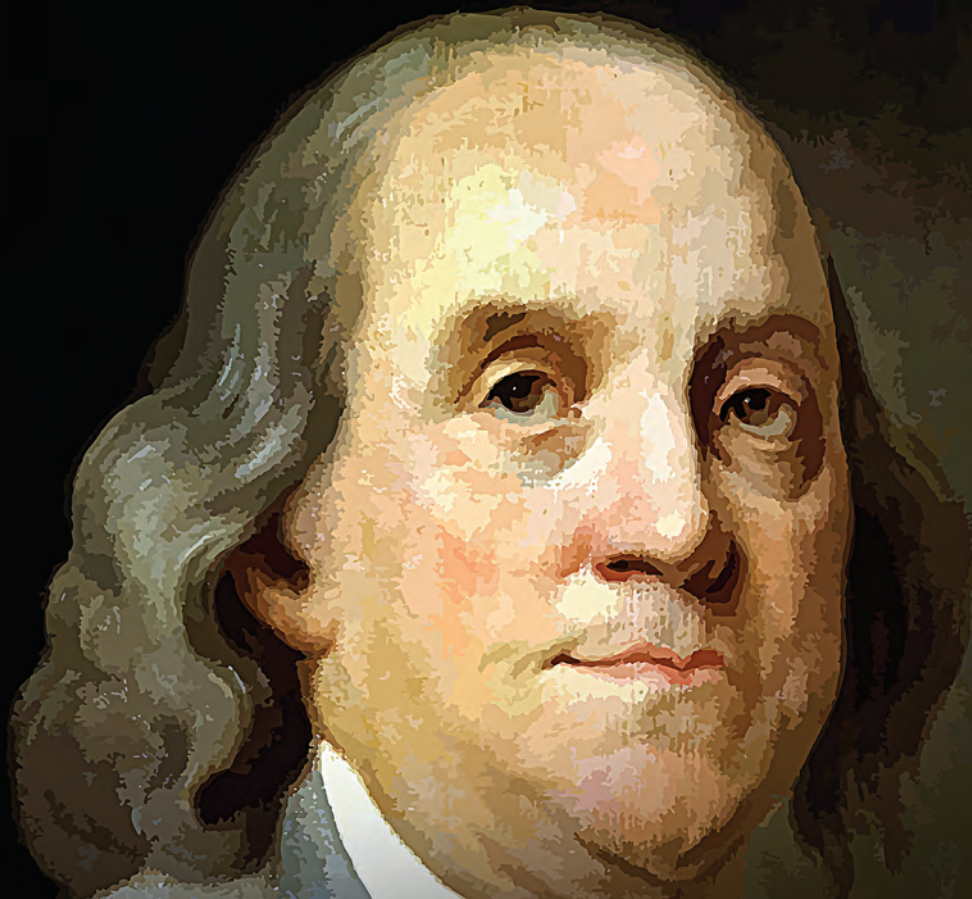
WHY CHOOSE A PEO?

TIME SAVING: By becoming the “employer of record,” a PEO is able to provide administrative services, including sponsoring and administering benefits; managing workers’ compensation and unemployment claims; providing HR manuals; assisting with improved employment practices, compliance and risk management; and more.

COST SAVING: A PEO can help contain costs by helping your company tailor a benefits package to your specific industry; encourage consumerism among employees to help save money; take advantage of technology to keep a lid on administrative costs; and more.

EXPERT HELP: Let’s say you want to start or revamp a company 401(k) plan. Or you need to hire a talented foreign worker for your U.S. operations. Or find your company facing an employee claim of discrimination. A solid PEO will have experts on hand to help you with these and a wide range of challenges and opportunities.

PRO TIP: Be sure the service provider you choose is a member of the National Association of Professional Employer Organizations (NAPEO) and is accredited by the Employee Services Assurance Corporation (ESAC).



Benjamin Franklin
Entrepreneur/Inventor/Founding Father

If Benjamin Franklin had spent his days worrying about payroll, you'd be reading this under candlelight.

Celebrated for discovering electricity, Ben Franklin accomplished much. At TriNet, such a mind is inspiring. That's why we've been creating HR management solutions for over 25 years to help CEOs and business owners stay focused and achieve amazing things. In fact, TriNet is the only company of its type building HR solutions specific to your industry's needs. We'll manage your payroll, health benefits, HR compliance and a whole lot more. Partnering with us means that your workforce stays happy and your overhead costs are contained. So, you can praise Ben for his astounding achievements, we'll cheer your strive to accomplish the same.

TriNet
HR reimaged



Could a Coworker Become Violent?

HOW TO IDENTIFY CONFLICT BEFORE IT TURNS INTO A CRISIS



In September 2013, a government contractor shot and killed 12 people at the Washington Navy Yard in Washington, D.C.

In September 2014, a telecommunications employee, upset about the prospect of a transfer to another location, cut cables and set a fire in the basement of the Chicago Air Route Traffic Control Center.

In August 2015, a reporter and videographer in Roanoke, Virginia, were shot and killed during a live broadcast by a disgruntled former coworker.



Statistics show that the workplace in the United States is, overall, a safe environment. Nonetheless, events like these have a ripple effect throughout many businesses. They inspire not only horror, but a creeping uneasiness among leaders and employees alike: “Could it happen here?”

DEFINING THE PROBLEM

Workplace violence has a broad definition, including not only actual violence (physical assaults, homi-

cide) against workers, but the threat of it, and verbal abuse as well, according to the U.S. Occupational Safety and Health Administration (OSHA).

A common form of abusive conduct is workplace bullying, defined by the Workplace Bullying Institute (WBI) as “repeated mistreatment: abusive conduct that is threatening, intimidating, humiliating, work sabotage, or verbal abuse.” More than a quarter of respondents in a 2014 WBI survey said they had experienced such conduct, and 21 percent said they had witnessed it. In a 2015 survey of 250 IT professionals sponsored by cloud-hosting provider Connectria, 55 percent of respondents said they had been bullied by a coworker.

Such bullying can be overt, such as yelling and slamming doors, or insidious, such as “character assassination, petty humiliations, and small interferences, any one of which might be insignificant in itself, but taken together over a period of time, poison the working environment for targeted individuals,” according to research published by Gary Namie, Ph.D. and Ruth Namie, Ph.D., cofounders of the WBI.

A type of psychological violence, workplace bullying has detrimental effects on morale and productivity, and can quickly escalate. “Bullying can be a lead-in to a physical event; it can start online,” says Armistead Whitney, CEO of Atlanta, Georgia-based business continuity solutions provider Prepara, noting the prevalence of digital communications in technology-intensive jobs.

HOW COMMON IS COWORKER VIOLENCE?

Physical abuse by coworkers is rare, but the exact numbers are hard to pin down. In 2013, the latest year for which the U.S. Bureau of Labor Statistics has data, there were 404 workplace homicides, the vast majority of which (322) were caused by intentional shooting. To put that number in context, there are currently approximately 123 million full-time workers in the United States.

Further, the 404 homicides include acts by all types of perpetrators, not just coworkers—for example, robbers, abusive spouses, and customers or clients. Overall, just 14 percent of workplace homicides are caused by coworkers, according to research by the Bureau of Justice Statistics.

Homicides, of course, are the tip of the workplace violence iceberg. The Occupational Safety and Health Administration estimates 2 million workers annually are victims of workplace violence, broadly defined to include verbal abuse, bullying, and nonfatal physical assaults. (Again, this number includes attacks by nonemployees.) Experts say that estimate may be low, since not all incidents are reported, and since social media channels have given bullies new outlets for anonymous abuse.

PREVENTIVE MEASURES

“Employers should educate themselves on how broad violence in the workplace is, so they can better prepare to deal with it,” says Mark J. Neuberger, an attorney who is part of the labor and employment team Foley & Lardner LLP, a global law firm.

Management bears the burden of being the first line of defense, taking the initiative to be aware of what is going on within their area of control, says Neuberger. If friction increases among coworkers, it should not be ignored as mere tension in the office. “It is too easy for a manager to sit behind his desk and say, ‘That’s a problem between Jane and Joe and I’m not going to get involved,’” he says.

The U.S. Department of Labor (DOL) advises managers to create a “professional, healthy, and caring work environment” that includes open communication and impartial and consistent discipline, and maintains mechanisms for complaints and concerns. Some tools for creating that environment include:

- **TRAINING IN CORPORATE ETHICS**, values, and policies, as well as having a person or team dedicated to ethics and compliance.
- **EASY ONLINE ACCESS** to policies and employee education.
- **EMPLOYER-PROVIDED RESOURCES**, such as an Employee Assistance Program, that a victim can turn to for help.
- **A PROCESS FOR REPORTING CONCERNS** about a coworker or boss. >>

➤ While you might prefer your workers to “go up the chain of command” and speak to their immediate supervisor first, in a majority of cases the boss *is* the bully, according to the WBI survey. Technology solutions can provide a means for anonymous hotline reporting of bullying via phone or online.

ALARMING BEHAVIOR

Even with the best processes in place, figuring out how and when to step in can be tricky for employers—particularly if an employee seems unstable, says John Sarno, president of the Employers Association of New Jersey, which specializes in employment and labor law. While the Americans with Disabilities Act does not protect employees who exhibit or threaten violence, it does require certain accommodations for mental illness or impairment.

“The key is the employer has to have an objective belief [that there is reason for concern], based on observable conduct or a credible witness,” Sarno says. Anonymous notes from coworkers alleging these actions have occurred will not suffice, he says, so employers should provide a way for employees to report incidents to the company.

Some observable acts—such as an employee behaving in a zombie-like state; an employee who habitually yells, barks, or talks to himself; and an employee who sleeps or weeps on the job—may be grounds to require psychological exams, Sarno says. An employer might even request a release from a psychiatrist to show that the employee can function

without posing a threat to coworkers or customers.

Be prepared if you fear an employee may lash out when confronted or terminated, he advises. “The meetings should not be one-on-one—there should always be someone else in the room,” he says. “I’ve had employers call the local police to let them know they were firing someone.”

Finally, it’s critical to create a plan for physical

security at the workplace. Whitney suggests forming crisis response teams at every office location, which can be the same personnel who oversee fire safety at the company.

Have a threat assessment done by a security consultant, and put physical controls in place that can be changed to limit access. “In my office, you can’t get past the lobby unless you have an electronic fob to open

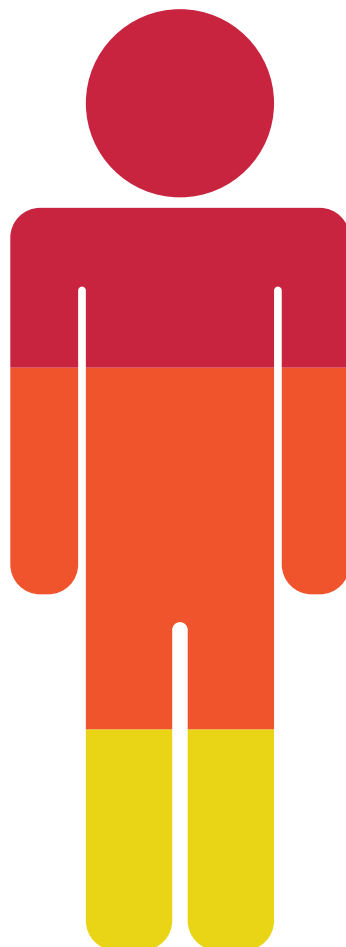
locked doors,” Neuberger says, which can particularly important if an agitated employee is terminated from his job.

“No employer is immune from workplace violence and no employer can totally prevent it,” the DOL acknowledges. But experts agree that awareness and compassion—from the front line to the CEO’s office—are powerful tools for minimizing a company’s risk. **LT**

EMPLOYEE ANGER ON THE BOIL

SPOT THE SIGNS

Go to the U.S. Department of Labor site (dol.gov) and search for “DOL Workplace Violence Program” to learn more about these causes for concern and how businesses can best respond.



LEVEL
03

Further Escalation

USUALLY RESULTING IN AN EMERGENCY RESPONSE

THE PERSON DISPLAYS INTENSE ANGER RESULTING IN:

- Suicidal threats
- Physical fights
- Destruction of property
- Display of extreme rage
- Utilization of weapons to harm others

LEVEL
02

Escalation of the Situation

THE PERSON:

- Argues with customers, vendors, coworkers, and management
- Refuses to obey agency policies and procedures
- Sabotages equipment and steals property for revenge
- Verbalizes wishes to hurt coworkers or management
- Sends threatening notes to coworkers or management
- Sees self as victimized by management (me against them)

LEVEL
01

Early Warning Signs

THE PERSON IS:

- Intimidating or bullying
- Discourteous or disrespectful
- Uncooperative
- Verbally abusive

Outsourcing Opens Opportunity

HR HELP ALLOWS MCCABE'S NURSERY & LANDSCAPE CONSTRUCTION TO BLOSSOM



INSET: Helene and John McCabe



THE ISSUE

In 2002, John and Helene McCabe followed a lifelong passion by opening McCabe's Nursery & Landscape Construction. The Temecula, California-based company boasts a 10-acre nursery and fulfills

clients' landscaping dreams with multiple designers, maintenance crews, and construction crews.

However, time-consuming HR tasks were creating trouble in paradise. "One of the major challenges we have always had is the cost of worker's compensation and

[keeping up with] human resources law," says Helene McCabe. "It really required a full-time person, which we couldn't afford to hire."

THE ANSWER

In the course of looking for more affordable worker's

compensation insurance, the McCabes learned about TriNet's comprehensive HR solutions. "I was skeptical at first—it was more than I was looking for," Helene says. But after further research, "I realized how easy it was to process the payroll [with TriNet]. They [also] process worker's comp claims. They answer unemployment claims."

THE OUTCOME

Knowing that a multitude of HR tasks are being dealt with efficiently and in compliance with all laws and regulations has lifted a huge burden from Helene. It has also enabled her to focus on McCabe's Nursery & Landscape Construction's core business. "Now I don't have to do any of the time-consuming paperwork that I used to have to do. I have a sense of ease when it comes to our payroll and HR needs that I never had before," she says. "Had I known about TriNet years ago, I would have saved myself a lot of money, a lot of time, and a lot of headaches."

WHY TURN TO HR OUTSOURCING?

HR is a business function so critical that the idea of outsourcing it used to seem counterintuitive. Now, however, for many reasons—including the increasing complexity of compliance; the need to manage legal exposure; the desire to delve into human capital analytics; and a tight labor market for top talent—it is a major and growing trend.

When making this choice, companies can customize an outsourcing solution to suit their particular needs. That may mean seeking specialized expertise, or guidance in transferring HR processes to cloud platforms. It could also mean a more comprehensive solution, such as forming a co-employer relationship with a Professional Employer Organization (for more information, see page 14).

A first-class provider will be able to help any company identify when and how it can best outsource HR. In all cases, three results should occur:

- The client company should save money on the cost of benefits administration.
- The client should benefit from the use of best practices in HR, such as reduced employer risk.
- Personnel with key HR competencies should have their time freed up from burdensome tasks so they can focus on major strategic and growth initiatives.

Regrettable Terminations

REASONS TO THINK TWICE BEFORE FIRING THAT SQUARE PEG

THESE EMPLOYEES WERE in the wrong place at the wrong time, or they didn't have allies. Maybe some of them were a pain in the neck. Whatever the reason was, they were cut loose. But that didn't mean they had nothing to contribute to the business world.

LEE IACOCCA Let Go

The Ford Motor Company president was fired in 1978 as a result of a power struggle with Henry Ford II, the company's CEO at the time. Promptly recruited by Chrysler, Iacocca steered that company from bankruptcy to profitability, and launched the first minivans, revolutionizing family transportation.

KATHRYN MINSHEW Cut Loose

In 2010, four friends, all McKinsey analysts, banded together to found Pretty Young Professional, a website about careers for young women. Less than a year later, following business and personal disagreements, two of the other cofounders cut Kathryn Minshew loose. Minshew is now cofounder and CEO of The Muse, a career site development platform, which has quadrupled in size (to 80 employees) in the last year and gets 4+ million visitors per month.

MARK CUBAN >> Kicked to the Curb

As a retail salesperson at Your Business Software in Dallas, Texas, Cuban was terminated when he disregarded his boss's orders and went to a client's office to close a sale, getting a coworker to cover his in-store duties. Cuban, now best known as an investor on television's *Shark Tank*, went on to create MicroSolutions, which he sold for \$2 million. He later sold Broadcast.com for \$5.6 billion.

MICHAEL BLOOMBERG >> Dismissed

At 39, Michael Bloomberg was pushed out of Salomon Brothers investment bank in a leadership struggle following a merger. "Nobody offered me a job, I was probably too proud to look for one, and I said, 'Why not start your own company?'" he recalled. Within three months, he had used his \$10 million sever-



ance to cofound Bloomberg, L.P. The global business and financial news and information leader had \$9 billion in revenue in 2014.

SALLIE KRAWCHECK Downgraded

Krawcheck, once known as "the most powerful woman on Wall Street," was "restructured" out of her position as the head of wealth management at Bank of America in 2011. Krawcheck is now owner and chair of the Ellevest Network, a women's networking organization with more than 34,000 members, and CEO and cofounder of the just-launched Ellevest, a digital investment platform for women.

BERNIE MARCUS AND ARTHUR BLANK Booted

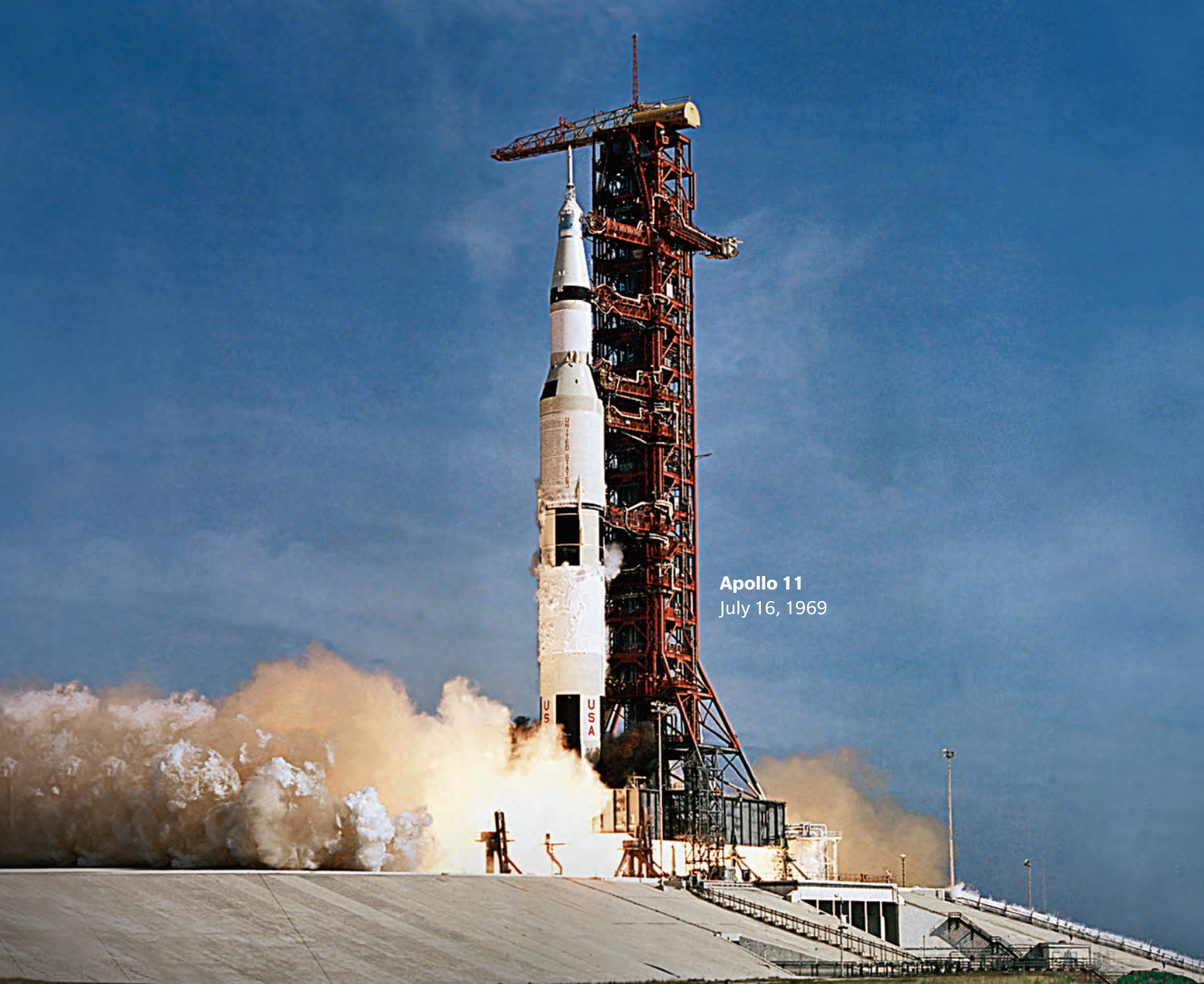
In the late 1970s, Marcus and Blank were executives at Handy Dan, a successful California hardware chain. Then a turnaround artist bought Handy Dan's parent company, and Marcus and Blank were out. The two teamed up to found The Home Depot, now the world's largest home improvement specialty retailer, with more than 2,200 retail stores. Handy Dan went out of business in 1989. **LT**





Structuring healthcare benefits all day keeps the impossible from happening.

Throughout history, we have achieved some truly remarkable things. We've conquered the skies, walked on the moon and illuminated the night. At TriNet, we celebrate that visionary spirit. That's why we've been creating HR management solutions for over 25 years to help CEOs and business owners stay focused and achieve the amazing. In fact, TriNet is the only company of its type building HR solutions specific to your industry's needs. We'll manage your payroll, health benefits, HR compliance and more. In turn that means that your workforce stays happy and your overhead costs are contained. Achieving incredible things isn't easy, but with our help even the impossible can become the routine.



Apollo 11
July 16, 1969

May the heights of your achievements eclipse the stacks of payroll on your desk.

Achieving the impossible is attainable when the mind is unhindered. At TriNet we subscribe to that notion. That's why we've been creating HR management solutions for over 25 years to help CEOs and business owners stay focused and achieve amazing things. In fact, TriNet is the only company of its type building HR solutions specific to your industry's needs. We'll manage your payroll, health benefits, HR compliance and much more. Working with us means that your workforce stays happy and your overhead costs are contained. So, the next time that you want to reach for the moon, there will be nothing there to stray your trajectory.