



Preparing for the unknown: 5 HR strategies for creating the agile and resilient SMB workforce of tomorrow

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Introduction

The global pandemic has brought upon unprecedented challenges for businesses across the globe. Small and medium-sized businesses have been especially hit hard but they have shown their resiliency and determination as they navigate these difficult times.

Today, the same business leaders coming off a decade of economic expansion now look to a different future, one in which the only constant is change. In fact, 90% of executives believe the COVID-19 crisis will fundamentally shift how they do business in the next five years, according to recent research from McKinsey & Company.¹

And where there's change, there's opportunity.

The global pandemic has inspired businesses — particularly SMBs — to assess their workforce, pivot and adjust to meet the demands of the future. Those who succeed will be the ones who rethink their approach and retool their teams for the years to come.

Here are five strategies to equip an SMB to build an agile workforce.

¹<https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/innovation-in-a-crisis-why-it-is-more-critical-than-ever>

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1

Embrace change

Creating an environment that encourages risk with business decisions can be rewarding and can be conducive to growth. Failing fast and learning faster can lead to more breakthroughs over time, and those are areas in which SMB leaders and teams have an edge. They can pivot quickly and adjust their business model to meet the needs of their customers. Whereas it is not always easy for larger companies to make the rapid shift.

To identify where a trend is headed and what it could mean for your business, consider customer needs and pain points. Even a company with an airtight business model can find itself with eroding profits if a competitor emerges with a better solution and an attractive value proposition. Understanding and meeting the needs of your customers is crucial and will help build you a viable business.

There are helpful frameworks such as a SWOT analysis that can provide a team a platform to document their strengths, weakness, opportunities and threats. Having the complete picture on one piece of paper is a valuable exercise. Continuous improvement is the goal, and to improve, you must be willing and able to change.

Nintendo is a classic example of a company that changed its focus to meet the needs of its customers. In the late 1980s, long before video games were on anyone's radar, Nintendo got its start manufacturing playing cards. As technology progressed and customer tastes changed, the company diversified into the gaming titan it is today.

The moral of that story? Be like Nintendo. Embrace change.

Questions to ask to create a SWOT analysis

- What is our company's biggest asset/strength?
- What is our unique selling proposition?
- What makes us stand out?
- Why do customers choose us over competitors?
- Where do we win? What are we known for doing well?
- Why might customers switch to a competitor?
- What are our biggest complaints from customers?
- What are common complaints from employees?
- What slows us down? Are there bottlenecks in our processes?
- Are there any areas of the business that could benefit from improved technology?
- What consumer trends helped us this year? Which ones harmed us?
- What new markets could we identify for our products/services?



2

Assess your talent

HR leaders are in a unique position to influence the culture a company embodies over time. Personality is an important consideration in talent acquisition, and each new hire can have an incremental impact on company culture. Look for the following personality traits when recruiting innovative leaders for the future:

- Continuous learner
- Experimental
- Voracious reader
- Self-starter
- Open to constructive criticism
- Collaborative, team-oriented

Similar traits can also be identified internally with existing talent. Create a success profile for each key role within the organization. Criteria can include competencies, experiences, personality traits and other intangibles that thrive in an uncertain environment. Continue until you have a strong grasp of the ideal fit for each position. This process provides you with a clear outline of who you are looking for and potential talent gaps, so you can have the right person in the role with clear expectations.

Self-assessment can prompt insights as well. Some companies encourage their employees to complete a career profile, which acts as a professional roadmap for each employee. This document can help identify otherwise dormant skills and previous experiences. Especially in the work-from-home era, personal career profiles can help identify untapped potential across geographic locations. And the aggregated data offers a glimpse into the future state of your talent pipeline.

Questions to ask

- Does our current talent pool sufficiently fill critical roles?
- Are there missing capabilities that must be addressed immediately?
- What net-new roles are required to achieve new strategic objectives?
- Are there workers in adjacent roles available to fill the gap?
- Do workers need additional training to fill the gap?
- What adaptations are required to accommodate working on-site, or remotely on a temporary or indefinite basis?



3

Reskill/upskill workers

The continuous groundswell of technological innovation has the ability to create a multitude of new opportunities for employees across all industries. But many will need training to level up in their careers, with the World Economic Forum estimating that 54% of all employees will need significant reskilling or upskilling by 2022.²

Investing in upskilling is a trend that is gaining momentum among businesses of all sizes. In their latest report, the Association for Talent Development found that the average organization spent \$1,299 per employee on direct learning expenditure³ in 2018.

It is clear companies are recognizing the importance of empowering employees with enhanced skills in order to meet the needs of the organization as it continues to evolve and grow.

Reskilling equips your team with the skills necessary not just to do their jobs, but also to adapt to changing environments and evolving best practices. Much of a company's agility comes down to the adaptability of individual employees, and they are more likely to embrace change if they have the skills they need to take on something new.

Investing in employees also helps with retention and morale as employees are afforded the chance to progress in their careers and pursue opportunities that help them grow professionally. A recent analysis from Gallup found that actively disengaged employees were nearly twice as likely as engaged employees to seek out opportunities outside their current company.⁴ Employees who can spot internal opportunities also tend to have higher levels of engagement and productivity, which is another win for a small to medium-sized business.

Questions to ask

- How do we currently train employees?
- Are we training for soft skills, as well as hard skills or job-specific duties?
- Are we promoting continual learning?
- Are employees engaged with our existing learning and training efforts? Do they know what is available to them? What feedback have we received?
- How do we follow up and test to see if training has been effective?
- What budget is currently allocated for training? Should this be reassessed?
- How can we continue effective training using remote working practices?
- What incentives are we providing for continuous learning and professional development?
- Are we creating individual learning paths for each employee? Do these paths align with our strategic needs as an organization?

²http://www3.weforum.org/docs/WEF_Future_of_Jobs_2018.pdf

³<https://www.td.org/research-reports/2019-state-of-the-industry>

⁴<https://www.gallup.com/workplace/236351/star-employees-slipping-away.aspx>

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4

Reduce operational drag

Before you can adapt, you first need to create flexibility. This is where small to medium-size businesses have an advantage: These companies are less likely to support inefficient management structures, red tape or other redundancies, making them better able to pivot quickly to adjust to the changing needs of their customer base or to the changes brought on by macro trends. In larger companies, these measures are often implemented as a means of risk management, but overreliance on them can have the opposite effect and lead to missed opportunities and overall operational drag.

Often on smaller teams in SMBs employees have a chance to work cross-functionally. Responsibilities are shared, and the employee who wears multiple hats can use that visibility to make connections that would not otherwise present themselves. As technology has become more vital to the way we do business, cross-functional collaboration has become a hallmark of digital success: MIT and Deloitte found that more than 75% of technologically advanced companies incentivize cross-functional teams and collaboration because they understand its value in keeping them ahead of the game.⁵

Adopting a cross-functional approach does require some balance. Employees have their own unique talents, after all. But be willing to experiment with each team's individual capabilities and flexibility to broaden their scope. Expect some bumps along the way when streamlining workflows.

Questions to ask

- How are we actively fostering collaboration across teams and departments?
- How can we continue to promote collaboration and communication with a remote workforce?
- How do we encourage innovation within our organization? How are departments communicating with each other to share new ideas and create solutions?
- Do our teams feel empowered to work autonomously and self-direct? If not, what can we do to change that?
- Are our teams structured effectively to promote nimble working and problem-solving?
- How often do we review our internal processes?
- Have we identified the bottlenecks impeding our ability to move and scale quickly?

⁵<https://sloanreview.mit.edu/article/why-your-company-needs-more-collaboration/>

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5

Keeping employees connected and involved

To many, social distancing has shifted much of the typical interaction associated with building a team, mentoring and forming a culture. But, while many of the normal venues — water cooler conversations, meet and greets, in-person seminars — are on hiatus, there are other valuable opportunities for interaction.

The work-from-home revolution has made digital tools such as video conferencing and virtual break rooms a viable option for internal engagement. More than 90% of employees desire communication at least once a week from their company, and nearly 30% prefer daily communication, according to Harvard Business Review.⁶ Plus, employees care more when they feel connected to something greater than themselves. Just a few minutes a day can make a difference over time.

Encourage employees to keep up with the changes in your industry by participating in peer networking groups and professional forums. While large physical gatherings may not be possible at this time, virtual gatherings can help employees make connections with like-minded people and strengthen their skills for future opportunities.

Questions to ask

- How has remote working impacted our employees? Are they more or less productive? More or less engaged? More or less stressed?
- How are we investing in our employees? Has this reduced or increased? Are these initiatives visible and accessible to all employees?
- How can we maintain internal networking opportunities while working remotely?
- Are we listening to our employees? What processes do we have in place to gather feedback?
- Are we acting on that feedback? How quickly?

⁶<https://hbr.org/2020/05/how-ceos-can-support-employee-mental-health-in-a-crisis>

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Conclusion: Take action

An unprecedented global healthcare crisis such as the COVID-19 can cause strain on a business and its employees. At the same time, it also offers powerful opportunities for future growth. The key is, you must be both willing and able to change. When companies actively anticipate change, they are better placed to mobilize and invest in the future.

As the economy navigates its way forward, dedicate some time to brainstorming within your organization. Take note of major trends and try to follow them six to 12 months down the road. Where does your company fit within that landscape? What can you do to prepare? The answers to those questions can act as a natural litmus test, gauging your company's current and future viability. Once you have a vision in hand, work backward to determine the potential talent shortfalls, and be willing to invest to address them.

And you don't have to go it alone. TriNet is a [professional employer organization](#) that provides small and medium-size businesses (SMBs) with full-service HR solutions tailored by industry.

If you're struggling to find time to take a step back and look to the future, TriNet offers access to human capital expertise, benefits, risk mitigation and HR compliance, payroll and real-time technology.

As we navigate this ever-changing health crisis, the welfare of small to medium-size businesses and their employees is more important than ever. Visit www.trinet.com to view the free resource library and see how they can help support your organization today, tomorrow and beyond.