

# The Definitive Guide to Building a Strong People Foundation

Strategies to help you drive employee engagement and performance



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# Introduction

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Management consultant Peter Drucker remarked in his book in 1999 that “the most valuable asset of a 21st-century institution, whether business or non-business, will be its knowledge workers and their productivity.”

Today, [knowledge workers](#) represent a rapidly increasing proportion of the workforce in the US. They play important roles across many industries and are a company’s greatest asset.

To maximize their potential, it helps to build a strong people foundation supported by cloud-based technology, people-centered HR practices and processes, and effective management practices.

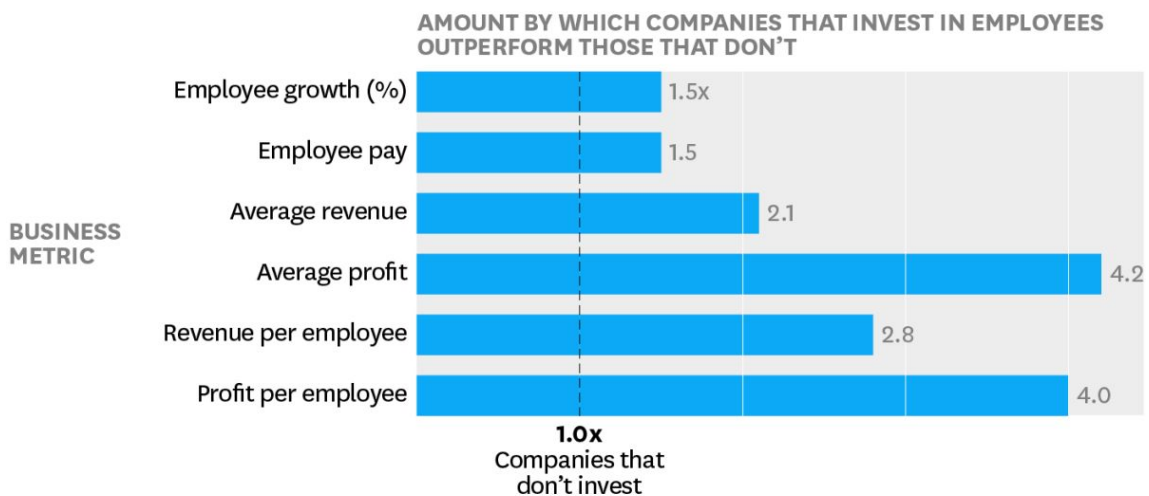
A strong people foundation ensures that your organization attracts, hires, engages, develops, and retains the right talent to help your organization achieve its business goals.



# Why a strong people foundation matters

A growing body of research ([Workhuman and IBM](#) and [Jacob Morgan](#)) shows that companies that invest in their people and provide a positive employee experience outperform those that don't on important financial metrics such as revenue, profit, and return on assets.

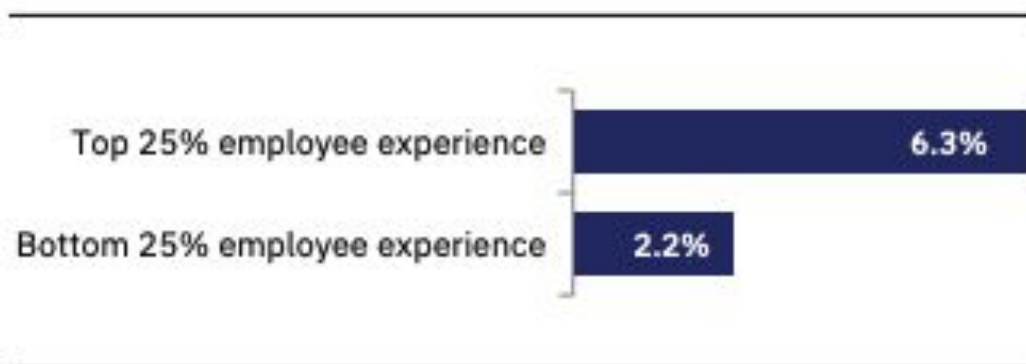
Figure 1. Amount by which companies that invest in employees outperform those that don't



SOURCE THE EMPLOYEE EXPERIENCE ADVANTAGE, BY JACOB MORGAN (WILEY, 2017)

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Figure 2. Employee experience and ROA



**Source:** IBM and Workhuman 2016 WorkTrends Survey  
(n=113 organizations)

The results from these researches have certainly garnered the attention of top CEOs in America.

In fact, the Business Roundtable (a group of CEOs representing 200 corporations around the country) has now [changed their mission statement](#) to encourage companies to invest in their employees.

This is what the new mission statement is suggesting companies should do to invest in their employees:

***“This starts with compensating them fairly and providing important benefits. It also includes supporting them through training and education that help develop new skills for a rapidly changing world.”***



# What exactly is the people foundation?

People foundation is the entire set of technology, processes, practices, and values that impact how you recruit, hire, engage, support, develop and inspire your people.

The business case for building a strong people foundation is definitely compelling. But building a strong people foundation is not a simple undertaking.

It requires broad and deep expertise and knowledge in many areas, including benefits and compensation, culture, employee relations, policies, talent strategy, people-centered HR practices and processes, technology, leadership development, and more.

This guide provides fresh insights and introduces ideas that can inspire you to start building a strong people foundation for your organization.



# Be intentional about company culture

Fewer than one third of people believe they have a strong company culture, but 75 percent of employees agree that company culture drives their active engagement at work.

Furthermore, Glassdoor's Mission & Culture Survey 2019 found that over 77% of adults would consider a company's culture before applying for a job there.

People spend a significant portion of their day working, so it's important that your work culture help your employees feel comfortable, connected, and happy.

Happy employees leads to higher productivity, engagement, and low turnover. All of these are key factors in building a strong employer brand, which then helps you attract, hire, and retain talented professionals.

The thing is, different people will be drawn to different types of cultures.

Someone who's a good fit for Zappos' culture, where they might be interrupted by a mid-day office parade, probably isn't going to be the right fit for Amazon's culture of high standards, where employees are expected to maintain a sense of urgency.

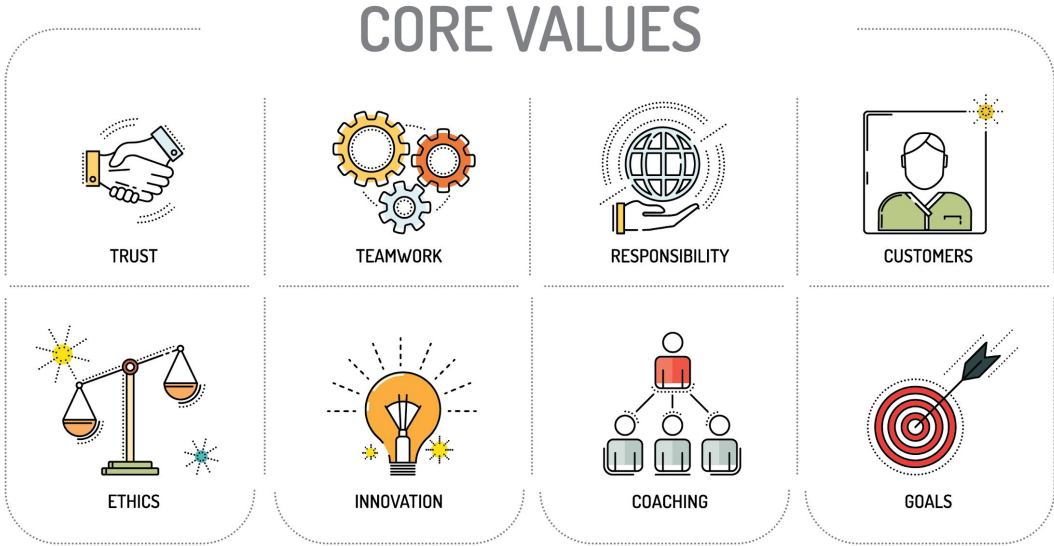
That is, one person may appreciate—or even be recharged by—some random fun, while another may not be able to fathom the interruption.

Being intentional about your company culture ensures that you attract, engage, and retain the right talent to help you achieve your business goals.

If you haven't done this from the beginning, don't fret. It's never too late to assess your current culture, and drive necessary changes to get it to where you'd like it to be.

In fact, your company culture should change and evolve over time as new people join your company. It needs to evolve to adapt to new realities and meet the needs of your current employees.

# Consider your ideal company culture and define your values



As Zappos says, “Identifying and defining core values are the foundation of your company culture.”

If you're still early in your company's lifecycle, consider what qualities your employees should have and what behaviors they should demonstrate toward one another and toward customers and partners/vendors.



If your company is already growing, ask your employees how they would describe their team, and what it's like to work at your company.

Then work these into a set of values that are unique to your organization. These values form the backbone of your company culture, as they integrate into your work practices, processes, policies, management decisions, and business goals.

For example, Zappos has 10 core values which range from “Deliver WOW through service” to “Create fun and a little weirdness.” Customer service is of the utmost importance, and leading with this core value reinforces that.

They're well known for expecting all new hires to spend several weeks answering phones in their call center to learn how to respond to customer needs. This ensures that all employees understand what the customer's needs are, and how to address them—regardless of their department.

## **Offer a competitive benefits package that reflects your company culture and values**

Does your company's [benefits package](#) align with your organization's values? It's one thing to talk about employee happiness and well-being. But do you actually provide the benefits that serve your employees' needs and well-being?

It starts with listening to your people. What challenges do they face and what can you do to improve their lives and happiness? So rather than spending money on superficial perks, offer them something they truly want and is meaningful to them.

## Provide these basic benefits

At the minimum, your benefits package should cover the basics such as medical and dental insurance, discounts on prescriptions, a 401K plan, paid holidays, paid vacation, and sick leave. If possible, consider offering vision coverage, disability coverage, life insurance plans, company matching for 401K, and stock grants.

## Go above and beyond with value-aligned benefits

To highlight your company values and show appreciation for your employees, go above and beyond by offering additional benefits that align with your company's values.

Doing this might just tip the scale in your company's favor when it comes to recruiting and retaining talented professionals.

### Here are some examples:

- **Health and wellness** - Health and wellness today covers the physical, mental, financial, as well as the emotional aspects. Taking a holistic approach to health and wellness can make a big impact on your employee's happiness and engagement.

You can offer discounted memberships to gyms, yoga studios and/or a monthly stipend to be used for whatever self-care activities (e.g. massage) the employee wants.

Also, don't neglect their [mental health](#). Consider offering your employees employee assistance and mental health programs, especially if they work in a high stress environment. In recent years, some companies even offer [mindfulness training](#) to their employees to help them better cope with stress.

- **Innovation and excellence** - To foster a culture of innovation and excellence, you'd need to invest in the right training and development programs. Some of the ways you can support your employees' development include offering access to online programs (e.g. Udemy), hosting lunch and learn or educational events on relevant topics (i.e. [design thinking](#), [emotional intelligence](#), analytics for business, etc). You may also offer professional development stipends.

Additionally, having an [appreciation and recognition program](#) to recognize their accomplishments and successes can further motivate them to continue to put in their best efforts.

- **Work-life balance** - Millennials now make up the majority of the workforce and they highly value work-life balance. Some of the things you can do to offer them work-life balance include having a robust maternal/paternal leave policy, flexible work arrangements, and generous PTO for vacation and sick leave.
- **Community involvement** - Offer volunteer paid time off and matching gift programs.
- **Fun** - Organize regular happy hours, team outings, and events.

The bottom line is that in order to attract top talent and improve employee engagement and retention, your benefits package should be competitive and reflects your company culture and values.

The return on investment will show in your company's financial results for years!

# Create policies that support the desired culture

Your company's policies should define the rules and clearly communicate the behaviors expected from your employees. Clear communications and fair enforcement of company policies are key to fostering a culture of trust.

You should especially have policies in place to prohibit destructive behaviors that may undermine your culture, especially these:

- Sexual harassment
- Bullying
- Verbal and physical abuse and threat toward other employees and toward customers, partners, and vendors
- Discrimination

If you see complaints or evidence of toxic and disruptive behaviors, it's critical that you investigate the complaints promptly and take appropriate remedial action.

In addition, the policies should also reflect the needs of the employees. For example, if your organization promotes health and wellness, you should have policies in place to support this value.

Similarly, if innovation and creativity are important to your culture, what policies can you put in place to support these values?

# Share your values and culture

Once you've defined a set of values, instill them into daily life to make them a part of your culture. For example, AirBNB values “unique travel experiences” and gives employees a \$2,000 annual travel credit to use on their site. This undoubtedly helps them engage and retain talent that will provide unique travel experiences to customers, as well.

It's also worth sharing your values and culture externally, to attract more culture-fit candidates. This may include your:

- Career site: Include information about your culture, in addition to jobs, like [Netflix](#). As a best practice, many companies will also briefly share culture information in job descriptions, pointing to the career site culture page to learn more.
- Career blog: Share stories about life at your company, featuring your team, like [Hootsuite](#).
- Glassdoor page: Monitor and manage your company's Glassdoor page, adding in employer branding content that shows candidates what it's like to work at your company. [Dropbox](#) does this well, through company updates, videos, photos, and responding to reviews.
- Social media accounts: Share information about your company culture, values, and team through your company's social accounts.

Some companies even choose to create a culture book or manifesto, like [Zappos](#) and [Hootsuite](#).



## Hire for values and cultural alignment

Hiring for skill fit isn't enough. In fact, [91 percent](#) of managers said a candidate's fit with the organizational culture is equal to or more important than their skills and experience.

Be honest about your company culture throughout the recruitment process to attract the right people —and help the wrong people self-select out. This begins with your external communications, and extends into your interview process.



# Reinforce your values to continuously build your culture

Finally, it's important to continuously reinforce your values and build your company culture.

It starts with the leadership team. Your leadership team must set the tone. They must live and breathe your core values through their behaviors and decision making as examples for employees to follow.

In addition, it's important for leaders to be authentic, transparent, fair, and honest in their communications and actions. A lack of communication and a habit of hiding things can create an atmosphere of insecurity and uncertainty.

Next, look at how you can embed or strengthen your culture in your processes and work practices.

For example, during employee onboarding, share more information about your company culture and values with new hires. Part of your onboarding program should be regular manager check-ins, which should extend throughout the employee's tenure. These are a great opportunity to recognize each employee for exemplifying the company values.

Many organizations also implement a peer recognition program so feedback can be given more regularly, and from different angles. This feedback, along with that from manager one-on-ones, may also be shared during a company all-hands meeting to show all employees what it looks like to live the company culture.

When values are reinforced regularly, employees will be more likely to live them and encourage colleagues to do so.

# Leverage technology to transform HR practices

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Regardless of the size of your business, technology can help you streamline vital HR processes, improve services, and help your HR department function more effectively.

By improving the efficiency of your HR operations, your HR team can have more time to focus on strategic initiatives to drive employee engagement and performance.

Modern cloud-based software and applications can help you administer core activities such as tracking employee time and attendance, maintaining records, managing payroll and benefits, automating administrative HR tasks, tracking compliance, and much more.

Some platforms even provide a complete solution that include modules to manage strategic initiatives related to recruiting and hiring, onboarding, performance management, learning and development, people analytics, and employee engagement.

Before selecting the platform and applications you want to implement, think about which features are most important to your organization. This can depend on your processes, work practices, culture, budget, company size, and the needs and preferences of your employees.

Regardless of what you implement, at the minimum, they should be intuitive and easy to use, accessible by mobile devices, provide reporting and analytics, and support employee self-service.

Here are some of the key software or applications you should implement for a happier and more productive workforce.

## 1) HRIS (Human Resource Information System)

An HRIS helps store, organize, and track key data such as employee profiles, attendance records, and more. It is also an essential tool that ensures important HR, benefits, and payroll processes are automated and managed to improve services and compliance.

Most HRIS have integrations with other 3rd party tools such as an ATS or a performance evaluation tool.

**For small and medium businesses, here are a few quality HRIS that can help your HR department function more smoothly:**

- ADP
- Cezanne
- Namely
- BamboorHR
- Zenefits
- Gusto

## 2. Applicant Tracking System (ATS)

In the knowledge economy, your organization needs talent to compete and thrive. To recruit and hire the right talent, you'd need to have the right [talent strategy](#) and process, and an [ATS](#).

An ATS helps you streamline the recruiting and hiring process. You can post and manage job postings, accept resumes, source candidates, schedule interviews, manage candidates and more. This tool saves you the hassle of manually managing and tracking everything yourself.

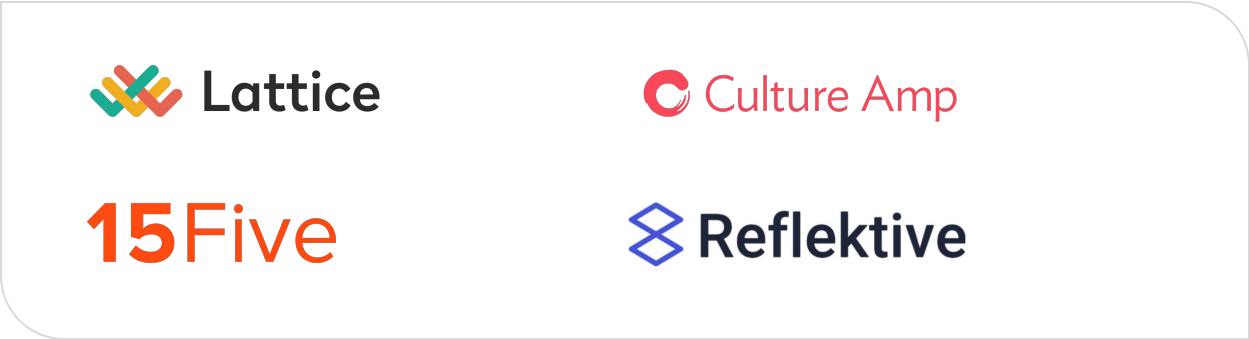
Here are some popular ATS in the market for small and medium businesses:



**3. Performance Management tool**

Performance management is a continuous process of setting goals that align with the strategic objectives of your organization and providing feedback. The right tool and a company culture that focuses on employee growth and development can help drive higher productivity and business performance.

Here are a few of the top performance management tools in the market today:





# Reimagine your HR processes and practices

[Gartner's 2019 Future of HR Survey](#) reveals that creating a positive employee experience is now among the top three priorities for HR leaders.

In addition to culture, your HR processes and practices have a big impact on the employee experience and the success of your business.

At the highest level, employee experience is everything that your people encounter, observe, or feel over the course of their time with your company. And today's employees expect more from their work experience.

Gallup's approach to creating a compelling employee experience centers on seven key stages where employees interact with their organization in a "pivotal way".

## Employee Experience: Their Journey With Your Organization



GALLUP

Gallup also discovered that “an employee’s interaction with their manager is one of the most important factors for success in all seven stages of the employee journey.”

[Jacob Morgan](#), a best-selling author, speaker, and thought leader on employee experience, believes employee experience is the “intersection of employee expectations, needs, and wants and the organizational design of those expectations, needs, and wants.”

Jacob also added, “Employee experience involves a complete redesign of the organization that puts employees at the center. In other words, instead of trying to force people to fit into outdated workplace practices, organizations must redesign their workplace practices to fit with their people.”

**“Employee experience involves a complete redesign of the organization that puts employees at the center. In other words, instead of trying to force people to fit into outdated workplace practices, organizations must redesign their workplace practices to fit with their people.**

**-Jacob Morgan**

Here are some of the HR practices and processes you can reimagine or incorporate to improve the employee experience:

# Ramp up new hires faster with a structured onboarding process



A structured onboarding process is critical for making a strong first impression on your new employees, setting them up for success, and improving the odds of retaining them for years to come.

[Research by the Brandon Hall Group](#) shows that companies with a structured onboarding process improve new hire retention by 82% and productivity by over 70%.

To start the relationship with your new employee on a positive note, here are some of the little things you can do that don't require a lot of effort—but can make a big impact:

- **Create an onboarding plan for each new hire:** HR and the hiring manager can collaborate to develop a plan that is customized for the individual, taking into account the role and level. It should cover what's expected in the first week, the first 30 days, and the first 90 days. It includes information related to training, schedules for 1-1 meetings with key members, and anything else that is important for setting the new employee up for success. Some tools you can use to create checklists and track the onboarding progress of your new hires include: [Trello](#), [Asana](#), [Slack](#), [Boardon](#), and [Clickboarding](#).
- **Start onboarding early:** Share information about your team, culture, values, policies, mission and vision, and history before the new hire's start date, so they can begin to feel like part of the team. On the back end, prepare your new hire's computer, phone, email, keys, software subscriptions, new hire forms and documents, and desk, so everything is ready for their first day.
- **Make introductions:** Take your new hire on an office tour, and allow them to meet the rest of their team so they get a feel of what everyone does. To help your new hire ramp up faster, you should also schedule meetings for your new hire to meet with the key members in Product, Engineering, Sales/Marketing, and HR/Benefits.
- **Set expectations:** The onboarding process should include time to review the new hire's role, goals, timelines, so they have clarity on their responsibilities, objectives, and how their works are connected to the company's goals and mission. Regular check-ins throughout the employee's first 90 days and beyond ensure they remain aligned with their managers. This is also a great time to discuss career pathing and professional development, to ensure a long and mutually beneficial tenure for your employees.

# The right way to handle employee feedback

For employees to feel valued, their voices must be heard. Continuously observe and listen to deeply to understand your people's challenges, wants, and needs in their day-to-day work.

Tools like [design thinking](#), [employee journey mapping](#), [Employee Net Promoter Score \(eNPS\)](#), and [engagement pulse survey](#) can help!

Be sure to capture both the quantitative data as well as qualitative feedback (responses to open-ended questions).

HR, along with the leadership team, should then follow up with an action plan to implement the necessary improvements to simplify work, improve the employee experience, and drive productivity and engagement.

## Flexible and remote work is one of the most desired perks

Flexible and [remote work](#) is a highly desired perk among knowledge workers. And in the age of pandemic, it is important for companies to implement the [right practices, policies, and technologies](#) to enable remote work for your employees, without sacrificing team collaboration, culture, security, and productivity.





# Empower your people with the right tools and technologies

New technologies such as AI, cloud computing, mobile, virtual reality, and big data are transforming the way we work. By providing your employees with the right tools and technologies, their productivity, efficiency, performance, and collaboration will improve dramatically to produce amazing results.

Jacob Morgan, author of the [Employee Experience Advantage](#), suggests that the technologies and tools you provide provide to your employees should meet their needs, and not just your business' requirements.

People are used to using intuitive apps and products such as the Iphone, Uber, Doordash, etc. They expect similar experience from the technologies and tools they use at work.

That means they want consumer-grade technology that enables them to get their jobs done more efficiently. This includes everything from hardware and software, to apps and peripherals.



# Reimagine your performance management system to generate better outcomes

According to [Gallup](#), “Only 14% of employees strongly agree their performance reviews inspire them to improve.” Yet, lots of organizations continue to do the same dreaded annual performance review just for the sake of doing it.

Like with every other work and HR practices, you should assess how your performance review process fits with your people, culture, values, business goals, and today’s dynamic business environment.

[Josh Bersin](#), an industry analyst and HR thought leader, recommends making performance management “continuous, flexible and focused on outcomes.”

[Gallup](#) and the [Society of Human Resources Management](#) (SHRM) both agree that whatever performance management system your organization decides to implement, it should encourage continuous feedback, coaching, and constructive conversations between the manager and the employee.

Additionally, rather than having a “one-size fits all” approach, your organisation should consider implementing different systems for different segments of your workforce. What works for engineers may not work for sales people. Likewise, what works for creative professionals may not work for technical professionals.



“I hear your performance is roaring!”

# Continuously train managers on soft skills

Gallup discovered that “an employee’s interaction with their manager is one of the most important factors for success in all seven stages of the employee journey.” Yet, according to a [study by Grovo](#), a whopping 87% of managers wish they were given more management training when they became managers.

Clearly, lots of managers are unprepared for their job!

Since managers have significant influence over the factors that impact the employees’ happiness, performance, and growth, it’s critical for managers to be trained on proper and effective ways to motivate, delegate, coach, develop, give feedback, and communicate with their employees.

Training in soft skills such as [emotional intelligence](#), effective communication, [coaching](#), and [strategic thinking](#) can help managers become more effective in their job.





# Final thoughts on building a people foundation

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The world of work is rapidly changing. Employees today think differently and have higher expectations from their employer regarding workplace culture, work-life balance, and growth and development.

To compete and sustain your business in the knowledge economy, your organization must be able to not only attract and hire the right talent, but also engage, support, inspire, and develop your people.

To accomplish all of that, it helps to build a strong people foundation.

We hope that this guide will inspire you to evolve your culture, technology, HR and work practices, HR services, and management practices.

This should be a continuous and dynamic process. If your organization commits to this, the benefits can be immense in terms of employee engagement, productivity, and financial performance!



# ABOUT MELITA

For the last 25+ years, the Melita Group has been helping small and medium businesses grow and succeed with our high-touch HR, Payroll, Benefits, and Compliance services.

Today, Melita Group continues to deliver the same quality HR, Payroll, and Benefits services and support, but with a greater focus on helping your organization build a strong people foundation to drive business performance.

We believe that people are your organization's most valuable asset. To maximize their potential and productivity, it is critical to have a strong people foundation built on modern people-centered technologies, culture, processes and practices.

Our team has broad and deep expertise in a wide variety of HR functions: Talent management, employee benefits & compensation, payroll, organization culture, employee relations, HR technology, diversity and inclusion, people analytics, performance management, and leadership and organization development.

If you are ready to build a truly great company and you recognize the value of building a strong people foundation, [contact us](#) to get started or visit us at [www.melitagroup.com](http://www.melitagroup.com) to learn more.