

# PEO INSIDER

PUBLISHED BY THE NATIONAL ASSOCIATION OF  
PROFESSIONAL EMPLOYER ORGANIZATIONS\*

THIS MONTH'S FOCUS

## WORKFORCE

EMPLOYEE  
EXPECTATIONS

EMPLOYEE  
ENGAGEMENT

TALENT RETENTION  
& ACQUISITION

COVER STORY

# MEET DAVID FEINBERG

NAPEO'S 2024-2025 BOARD OF DIRECTORS CHAIR

THE SOURCE FOR PEO EDUCATION\* 707 NORTH SAINT ASAPH STREET, ALEXANDRIA, VA 22314 [WWW.NAPEO.ORG](http://WWW.NAPEO.ORG)

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OCT 2024

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Napeo's 2024 board of directors chair

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# ADDING VALUE: HOW PEOs ENABLE SMBs TO BE EMPLOYERS OF CHOICE

BY DAVID FEINBERG

**P**icture this. You started a business in 2020, you have 7 employees, solid sales, and you're ready to scale.

You want smart, talented, capable people on your team to help grow this business, and in order to get them, you need to offer candidates an attractive and sustainable comp and benefits package. But, your company is still young, and you might not be able to exceed market salary benchmarks. You're a small business and the health insurance premiums you can offer on your own are high. Yet, you need to compete with the companies offering a full benefits suite in order to bring the best people onto your team, and your company into its next phase.

Sound familiar? This is the SMB experience without a PEO.

It's no secret that the power of a PEO is in its DNA—the co-employment model. SMBs banding together to act as one entity to secure more attractive and affordable coverage is one of the primary values our industry offers. But, the real edge in benefits is in how PEOs tailor what they offer SMBs beyond typical

health insurance. Here are some considerations PEO leaders can keep in mind:

**1. Know your audience**—What types of SMBs do you serve? What's important to them, and what's non-negotiable to the talent they're hoping to attract? Where are they based, and what are the state regulations around ancillary benefits in the regions you're predominantly serving? These are just a few of the questions PEO leaders should always be asking.

**2. Prioritize**—Once you have an idea of what the “table stakes” benefits are for the industry(ies) you serve, which are the *most important* ones? Financial wellness (like 401k), industry-leading safety programs, access to fitness benefits? The goal is to nail the “table stakes” ones, and to offer a curated benefits package, ideally with some flexibility to your SMB customers. Offering thoughtful optionality is much more valuable (and less overwhelming) than offering *everything*. And, continuously evolve, build upon, and refresh these options so the SMBs on your

PEO—stay up with and ahead of market and cultural trends.

**3. Look ahead**—SMBs are always thinking about how they can compete, and ultimately win, against large companies when vying for talent. As their HR partner, PEOs can think ahead to build modern, even trend-setting, benefits packages to help them do that. Given the fact that we serve smaller companies, we can iterate quickly. But, the foundation of our role as a true partner to SMBs is trust—it's important to balance experimentation with reliability.

The value of a PEO may start at its co-employment core, but the potential for specialization is limitless and up to you. By leveling the playing field with economies of scale and impactful benefit packages, PEOs can help SMBs become true employers of choice for top talent. ■



**DAVID FEINBERG**

2024–2025 NAPEO Chair  
SVP of Risk & Insurance  
Justworks

KUDOS

## DAVE LAWRENCE NAMED TO NATIONAL SMALL BUSINESS ASSOCIATION LEADERSHIP COUNCIL

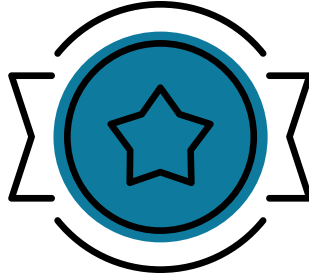
Dave Lawrence, president of NAPEO member Delta Administrative Services, was recently named to the National Small Business Association (NSBA) Leadership Council. NSBA is the nation's oldest small-business advocacy organization and operates on a staunchly nonpartisan basis. "As a small-business owner, I see daily the importance of being involved and active when it comes to laws and regulation. Joining NSBA's Leadership Council will enable me to take our collective small-business message to the people that need to hear it most: Congress," Lawrence said in a news release. Congratulations!

WORKFORCE

## SURVEY SHOWS WORKERS PLAN TO CHANGE JOBS SOON

According to a new FlexJobs survey, 67% of people indicated they intend to change jobs in the next six months. Respondents listed a pay raise (38%), allowing for remote work (34%), and improved workplace culture (33%) as the leading factors that would lead them to remain with their current employers. The report polled over 3,000 U.S. professionals about their perspectives on the job market and career decisions in today's changing world of work. Here are some survey highlights.

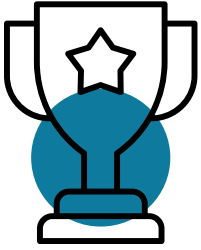
- 46% of people believe the job market is worse today than it was this time last year
- 25% have been a victim of a job scam
- 35% know someone who has quit or is planning to quit because their employer is requiring them to return to the office
- 57% would "absolutely" look for a new job if they were not allowed to continue working remote.



CONGRATULATIONS

# EIGHT NAPEO MEMBERS LAND ON INC. MAGAZINE'S LIST OF 5,000 FASTEST GROWING BUSINESSES

We're proud to share that eight of our members have been named to Inc. magazine's list of the 5000 fastest-growing companies in the United States. Compiled annually, the 2024 Inc. 5000 recognizes the significant and continued revenue growth of AspenHR, Engage PEO, G&A Partners, Lever1, Optimum Employer Solutions, Prestige PEO, Regis HR Group, and Samuel Hale. In addition to announcing this year's list, the September issue of Inc. magazine also features a special section on PEOs. Congratulations to our members on this achievement!



NICE WORK

# EXTENSISHR WINS TWO STEVIE® AWARDS

NAPEO member Extensishr announced recently that it has received two bronze Stevie® Awards for “Employer of the Year” and “Achievement in Organizational Culture.” The Stevie® Awards celebrate excellence in the workplace and honor the human resources professionals, teams, accomplishments, and HR-related products and suppliers who help create and drive great places to work. “These awards underscore the strength of our company and the incredible efforts of our entire team,” said David Pearson, Extensishr’s senior vice president of people and culture. “We strive to foster a strong, inclusive environment that champions collaboration, transparency, and continuous improvement, and it’s truly gratifying to see the Stevie® Awards recognize and validate our approach.”

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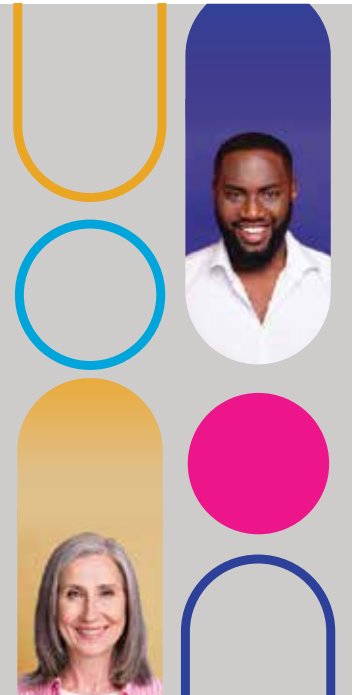
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## QUICK HITS

### LEADERSHIP

## PAYROLL FUNDING COMPANY EXPANDS PARTNERSHIP DEVELOPMENT TEAM WITH NEW VP APPOINTMENTS

NAPEO associate member Payroll Funding Company (PFC) recently announced that Leah Cowperthwaite and Lana Antillon-Sciolla have joined the company, expanding PFC's partnership development team. Cowperthwaite was brought on board in March as vice president of partners and alliances, and Antillon-Sciolla became part of the team earlier this month as vice president of business development. "We are thrilled to welcome Leah and Lana to our team," said Susannah Albright, CEO of Payroll Funding Company. "Their combined experience and strategic insights will be invaluable as we spread our mission of helping small businesses grow with both existing and new financial solutions. The appointment of Leah and Lana underscores PFC's commitment to fostering collaborative relationships and delivering exceptional service to its partners and clients alike."

### C-SUITE

## TRINET ANNOUNCES EXECUTIVE CHANGES

NAPEO member TriNet announced recently that Sidney Majalya will serve as the company's new senior vice president, chief legal officer, and secretary as of September 16. Majalya succeeds 2021-2024 NAPEO board member Samantha Wellington, who is departing TriNet after eight years with the company to pursue another opportunity. "I am pleased to announce the appointment of Sidney as our new chief legal officer," said TriNet President and CEO Mike Simonds. "With his knowledge of TriNet and strong track record in legal, risk, and regulatory compliance, Sidney is uniquely qualified to step into this role. Beyond his technical expertise, Sidney is a strong, collaborative and inclusive leader who will be a terrific addition to our executive team. I look forward to partnering with him as we continue to grow our business in a high-quality and compliant way."

### NAPEOPAC

# NAPEO PAC CONTINUES TO ADVOCATE FOR PEOs

As the election draws nearer, NAPEO PAC continues to advocate for PEOs by building relationships with policymakers. We're busy attending events and meetings with industry allies to explain how PEOs help small businesses thrive. Through the relationships we build now, we can ensure the industry has a strong footing when Congress moves the largest tax legislation package since 2017 next year. The PAC is a key tool in our comprehensive government affairs strategy to advance the industry's interests. You can learn more about NAPEO PAC and get involved at [www.napeo.org/pac](http://www.napeo.org/pac).



Alex Milliken attended an event for Republican nominee Brandon Gill (R-Texas) with a special guest, Speaker Mike Johnson (R-LA), pictured above.



Alex with Rep. Lloyd Smucker (R-PA), a member of the Ways and Means Committee.



Thom Stohler attended an event for Rep. Randy Feenstra (R-IA).



Alex with Rep. Suzan DelBene (D-WA), the chair of the Democratic Congressional Campaign Committee.



Thom with Rep. Greg Steube (R-FL).



M&A

## ENGAGE PEO ACQUIRES SYNCHRONYHR

NAPEO member Engage PEO recently announced that it has merged with MO-based SynchronyHR, also a NAPEO member. This marks the seventh acquisition for Engage PEO in two years. "We could not be more excited about this transaction," said Jay Starkman, CEO of Engage PEO. "Engage and SynchronyHR share the same customer-focused service philosophy and go-to-market strategy centered on partnering with insurance brokers. This acquisition is an exceptional opportunity for Engage to expand into new markets and add a hub in the heart of the Midwest. I am particularly excited to work again with Kyle Kelly, SynchronyHR's CEO. Kyle is a long-time colleague, friend and a successful PEO and insurance industry executive. His leadership expertise, PEO savvy and knowledge of the region will be invaluable to Engage as we continue to grow together." ■

C-SUITE

## INSPERITY ANNOUNCES EXECUTIVE CHANGES

NAPEO member Insperity recently announced that its executive vice president of finance, chief financial officer and treasurer, Douglas S. Sharp, has elected to retire in November after having served as Insperity's chief financial officer for 21 years. Insperity also announced the appointment of James D. Allison as Sharp's successor, effective November 15. "It has been a great honor to have served as Insperity's CFO for these years and I am proud of the difference that Insperity has made for thousands of small and medium-sized businesses and the communities in which they operate." said Sharp. "Having had the privilege of working directly with Jim for my entire 25 years at Insperity, I believe that his deep understanding of the company's business and our industry, along with his strong financial and senior leadership experience, will enable him to help the company to capitalize on the opportunities that lie ahead."

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# EMPLOYEE EXPECTATIONS



# BEYOND A PAYCHECK: UNDERSTANDING MODERN WORKFORCE DEMANDS

BY SHAWN WEINBERGER

In recent years, the landscape of employee expectations has undergone significant transformation. The modern workforce is no longer satisfied with traditional employment models that prioritize profit over people. Instead, employees are seeking more holistic and fulfilling work experiences. This shift is driven by several key factors, including technological advancements, generational changes, and the impact of global events such as the COVID-19 pandemic. Understanding these evolving expectations is crucial for employers who wish to attract and retain top talent. As PEO leaders, we can embrace these changes, implement them internally and focus on sharing what works with our clients. Their growth is just as important as our own.

## FLEXIBILITY AND WORK-LIFE BALANCE

One of the most significant changes in employee expectations is the demand for flexibility. The pandemic demonstrated that remote work is not only possible but can also be highly productive. Employees now expect options for remote work, flexible hours, and the ability to balance their professional and personal lives more effectively. Companies that offer flexible working arrangements are more likely to attract and retain employees who value work-life balance.

## CAREER DEVELOPMENT AND GROWTH OPPORTUNITIES

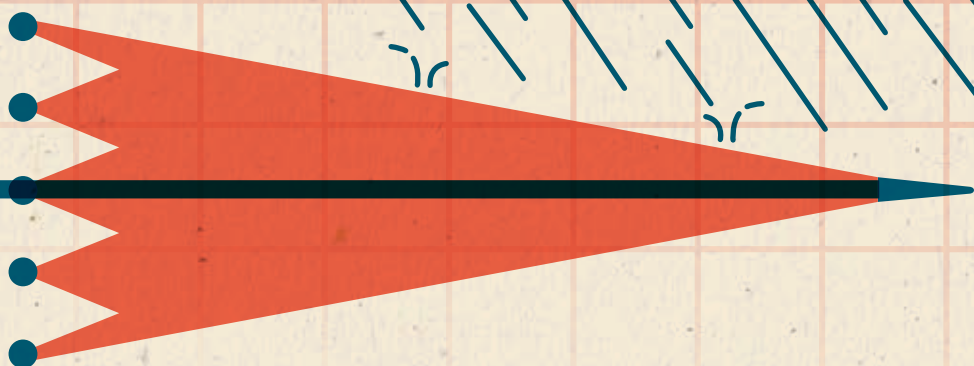
Employees today are keen on continuous learning and career advancement. They

expect their employers to provide opportunities for professional development, such as training programs, mentorship, and clear career progression paths. Organizations that invest in their employees' growth are seen as more attractive and are better positioned to retain their top employees.

## POSITIVE COMPANY CULTURE

A thriving company culture isn't just a nice-to-have—it's your competitive edge. It boosts employee engagement, sparks innovation, and drives business growth. Employees want to work in environments where they feel valued, respected, and part of a community. Diversity, equity, and inclusion (DEI)





initiatives are crucial in creating such a culture. Employees are also looking for workplaces that prioritize mental health and well-being, offering support and resources to help them thrive. Invest in your culture, and watch your team and company soar to new heights.

### COMPREHENSIVE BENEFITS

Modern employees expect benefits packages that go beyond basic health insurance. They value comprehensive benefits that support their overall well-being, including mental health resources, wellness programs, and financial planning services. Benefits such as paid parental leave, childcare support, and flexible spending accounts for healthcare can make a significant difference in an employee's decision to join or stay with a company. Employers who offer robust benefits packages demonstrate that they care about their employees' health and well-being, which can lead to higher job satisfaction and loyalty.

### PURPOSE AND MEANINGFUL WORK

Many employees, particularly of the younger generations, are driven by a sense of purpose. They want to work for companies that align with their values and contribute positively to society. This means that employers need to clearly articulate their mission and demonstrate their commitment to social responsibility. Employees want to see how their work makes a difference and contributes to a greater good. Companies that can provide meaningful

work and show their impact on the community and environment are more likely to attract and retain passionate and dedicated employees.

### ADAPTING TO EVOLVING EXPECTATIONS

To meet these evolving expectations, employers must be proactive and adaptable. Here are some strategies to consider.

**Embrace Flexibility:** Develop clear guidelines for remote work, including expectations for communication, productivity, and availability. Allow employees to choose their start and end times within a set range, accommodating personal commitments. Combine in-office and remote work to provide a balance that suits different roles and preferences.

**Invest in Development:** Offer regular workshops, courses, and seminars to help employees develop new skills. Pair employees with mentors who can provide guidance, support, and career advice. Create and communicate clear career progression paths, outlining the steps and skills needed for advancement.

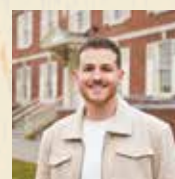
**Foster a Positive Culture:** Implement diversity, equity, and inclusion programs to ensure a welcoming environment for all employees. Provide access to mental health resources, such as counseling services and wellness programs. Conduct regular surveys to gather feedback and identify areas for improvement in the workplace culture. Encourage open communication and feedback to continuously improve the workplace environment.

**Enhance Benefits:** Offer programs that promote physical and mental health,

such as gym memberships, wellness challenges, and mental health days. Provide resources to help employees manage their finances, such as retirement planning and financial counseling. Allow employees to customize their benefits packages to better meet their individual needs.

**Communicate Purpose:** Clearly articulate the company's mission and values, and ensure they are reflected in everyday operations. Implement corporate social responsibility programs that allow employees to participate in community service and environmental sustainability efforts. Regularly share stories and updates about the company's impact on society and the environment, highlighting how employees' work contributes to these efforts.

Adapting to evolving employee expectations requires a proactive and flexible approach. Something we can lean on in the PEO industry. Understanding that these expectations have changed is crucial to understand and embrace, not only as a PEO owner or leader, but as a manager of people. Being someone who genuinely cares about others' well-being and eager to try new ideas that help enhance the lives of team members or people in the community, I'm not sure there's a greater feeling. ■



**SHAWN WEINBERGER**

Operations Manager  
KEENA  
Queensbury, NY





# LEAD BY EXAMPLE: STRATEGIES TO NAVIGATE CHANGING EXPECTATIONS

BY CONNOR CROSS

**T**oday's workplace, like most things in our world, is changing and evolving at a faster pace than ever before. One specific area of today's modern workplace that has significantly shifted is employee expectations. As the leader of the people function at a PEO that is also a small-to-midsize employers itself, I find myself in a unique position to not just observe the shift in employee expectations but to actively participate and respond to these shifts internally. The dual role many PEOs play as both a service provider and an employer gives us a unique perspective to address these changes in the workplace and to lead by example with our clients.

## THE CHANGING LANDSCAPE OF EMPLOYEE EXPECTATIONS

Over the past few years, there has been a significant change in how employees view their relationship with their work, their employer and their direct manager. Several trends have emerged, and employers need to be prepared to meet the needs of the modern workforce.

### **Flexibility is Non-Negotiable.**

Flexibility has moved from being a perk to a standard expectation for many workers. The biggest push from workers is flexibility related to where the work can be performed, like remote and hybrid work arrangements. While remote and

hybrid work arrangements may not be possible in some workplaces, there are other ways for employers to meet the expectations of their employees when it comes to flexibility. Things like flexible scheduling, condensed workweeks, parental time off, paid leave and PTO, and positive work cultures are all ways to be flexible outside of remote/hybrid work.

**Focus on Well-being.** With a global focus on mental health, it is no surprise that employers are having to look for ways to fill the gaps when it comes to the overall wellbeing of their employees, both at work and in their lives outside of the workplace. While employees are





expecting employers to provide health and wellness related benefits outside of standard medical plans (i.e., gym memberships, Employee Assistance Programs, mental health resources, financial wellness tools, etc.), they are also expecting their leadership to provide them support, psychological safety and a positive workplace culture.

**Career Development and Growth.**

Not only are employees prioritizing career development and professional growth, but they also expect to have a voice and to be allowed an active part in shaping their career path. It's important to note that not everyone wants to be a people-leader or take on a supervisory role as part of their career pathing. Employers must think of career development beyond "climbing the ladder" and provide equal development and growth opportunities for those not interested in taking on leadership roles. Ultimately employees are looking for employers who invest in their professional growth.

**Mission-Driven Work.** More than ever before, employees are looking for ways to feel connected to their organization's mission and values. They want their work to have meaning, and they want to feel like they are contributing to something bigger than themselves. Understanding an organization's mission and learning how

employers give back to their community have become an increasingly important consideration for job seekers before applying for a position.

**Transparent & Authentic Leadership.** There is a growing expectation for open, honest communication from leadership, especially during times of change. Employees want to be a part of decision-making processes when possible. They want to feel like they have an active role in shaping the company's future and prefer to be in the know when it comes to internal and external factors impacting their jobs and their employer. They want to listen, but they also want to be heard, making official feedback channels extremely important.

**THE UNIQUE POSITION OF PEOS: LEADING BY EXAMPLE**

As a PEO, we find ourselves in a unique position. We're not just advising our clients on how to navigate these changes. We are living them ourselves. In my role as the HR Director for our PEO, I often find we need to "go first" in implementing new policies or programs. This means we're not just speculating about best practices. We are actively trying them within our own organization. This approach allows us to gain first-hand experience of what works and what doesn't, which ultimately builds credibility as we





develop solutions and recommendations for our clients. Being able to empathize with our clients and speak from experience has been instrumental in maintaining our role as our client's trusted partners.

There are several key strategies that PEOs can employ to help their clients navigate the changing landscape of employee expectations.

**Develop Flexible Service Models.**

PEOs must create scalable service solutions that can be customized to meet the diverse needs of their clients. Just as a one-size-fits all approach does not work with employees, it is not effective as a PEO service model.

**Promote Strategic Partnership.**

PEOs must promote their partnerships with technology platforms, vendor partners and community resources. Beyond promoting existing partners, PEOs should encourage clients to invest in partnerships that enhance the employee experience.

**Embrace Continuous**

**Improvement.** PEOs must embrace a culture of continuous improvement not just with internal operations but with how they partner with their clients. They must be proactive and stay ahead of trends. This knowledge and experience can then be shared with clients, positioning PEOs as valued partners.

**Integrate Mission and Values.**

PEOs must integrate their mission, vision

“**Employers must think of career development beyond “climbing the ladder” and provide equal development and growth opportunities for those not interested in taking on leadership roles.**”

and core values into every aspect of their business from how they lead their employees to how they service their clients. Talk about it frequently, create marketing campaigns around it and ensure all partners are aligned.

**Prioritize Communication.** PEOs must develop strong communication channels both internally and with clients. Regular check-ins, surveys, and client care meetings can help identify emerging needs and concerns, while also modeling how to effectively build and maintain feedback channels.

**EMBRACING THE OPPORTUNITY FOR GROWTH**

The changing landscape of employee expectations presents both challenges and opportunities for PEOs and their

clients. The future of work is being shaped by these changing expectations, and PEOs have the opportunity to be at the forefront of this transformation.

By remaining flexible and leveraging our dual perspective, we can help our clients not just adapt to these changes but thrive in a constantly evolving environment. In doing so, we not only secure our position as valued partners to our clients but also contribute to creating more fulfilling and engaging work environments for employees in the communities we serve. ■



**CONNOR CROSS**

*Director of Human Resources and Payroll  
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# REDEFINE, TRANSFORM, REIMAGINE: MEETING EVOLVING EMPLOYEE DEMANDS

BY DEANNA M. MARTIN

**R**edefine. Transform. Reimagine. Many companies use these words to define the changing workplace landscape, such as how the pandemic accelerated the adoption of remote work and flexibility in scheduling. What was once considered a competitive advantage, has now become a standard expectation that is driven by changing attitudes, technological advancements, and shifting societal values.

For businesses to remain attractive employers and retain top talent, understanding and adapting to evolving employee demands is crucial. At G&A Partners, we understand what employees value in a work relationship. Therefore, we strive to create an engaging and enjoyable work environment by establishing a culture that responds to these evolving employee demands in key areas.

## DESIRE FOR FLEXIBILITY AND REMOTE WORK

The traditional approach to finding a job used to mean centering your life around the parameters of the job's hours and location. Today's employees now desire a career that supports their lifestyle,

centering more around flexibility in work schedules and, if they work on location, how far they have to commute. For employees, this flexibility allows the necessary balance between their work and personal life.

At G&A, we have not only answered the question, "To commute or not to commute?" by allowing employees to be a part of the discussion, but we have also adopted flexible work policies allowing for both remote and hybrid approaches. Clearly defining expectations for remote work (and providing the necessary resources to do so effectively) ensures that remote and hybrid workers have access to communication and collaboration tools to maintain productivity and engagement. And being keenly aware that everyone's life and needs are different ensures that the human in human resources is realized.

## DEMAND FOR TRANSPARENT AND ETHICAL LEADERSHIP

Trust in leadership is closely tied to transparency and ethical behavior. Employees expect leaders to act with integrity, which includes being open about company practices and decisions.

Transparency is demonstrated through a company culture that encourages sharing information and accountability at all levels of leadership.

At G&A, we foster a culture of honesty and accountability by communicating openly about company performance, decisions, and changes. We also lead by example, demonstrating ethical behavior and sound decision-making to set a positive standard for the entire organization.

## INVEST IN PROFESSIONAL DEVELOPMENT

I once had a friend who quit her job every 2.5 years in an effort to move up. (She is now an executive at the company she works for.) While she has been successful in her endeavors, it made me wonder, "Why did she feel the need to do that? Are companies properly investing in the professional development of their employees?"

According to studies, the average cost to hire a non-management employee is between \$4,000 to \$7,000, whereas the average cost to develop an existing employee is between \$1,000 to \$4,000.

At G&A, we recognize that employees want to grow within their roles and careers. We foster this growth by





At G&A we offer training opportunities that not only promote initiatives that foster diversity and inclusion -- they also ensure representation across all levels of the organization.

### SOLICIT AND ACT ON EMPLOYEE FEEDBACK

At the end of a customer service call, you're often asked to take a short survey

and respond accordingly. Gathering this information results in improvements such as better employee benefits plans, but it also ensures that our organizational goals are aligned with the employee experience.

Improving the employee experience is not a one-time effort, but an ongoing commitment. Retaining and attracting talent involves envisioning and implementing new

**A diverse and inclusive workplace is no longer a trend, it's a critical expectation. Creating a culturally competent environment helps all employees feel respected, valued, and included regardless of their background.**

providing access to workshops, courses, and seminars that align with both individual career goals and organizational needs. Developing clear paths for advancement within the company has improved engagement and retention because our employees see a future for themselves in the organization.

### DESIRE FOR INCLUSION AND DIVERSITY

A diverse and inclusive workplace is no longer a trend, it's a critical expectation. Creating a culturally competent environment helps all employees feel respected, valued, and included regardless of their background.

about your interaction with the representative. Normally you are presented with a range of ratings to express your satisfaction level. But how often are these survey results utilized? In my experience, I rarely see a change in my future experiences and interactions with that company.

At G&A we recognize the unique opportunity presented when an employee is engaged enough to respond to a survey about their work experiences. Surveys allow us to gauge employee satisfaction, identify areas for improvement, understand employee needs and preferences,

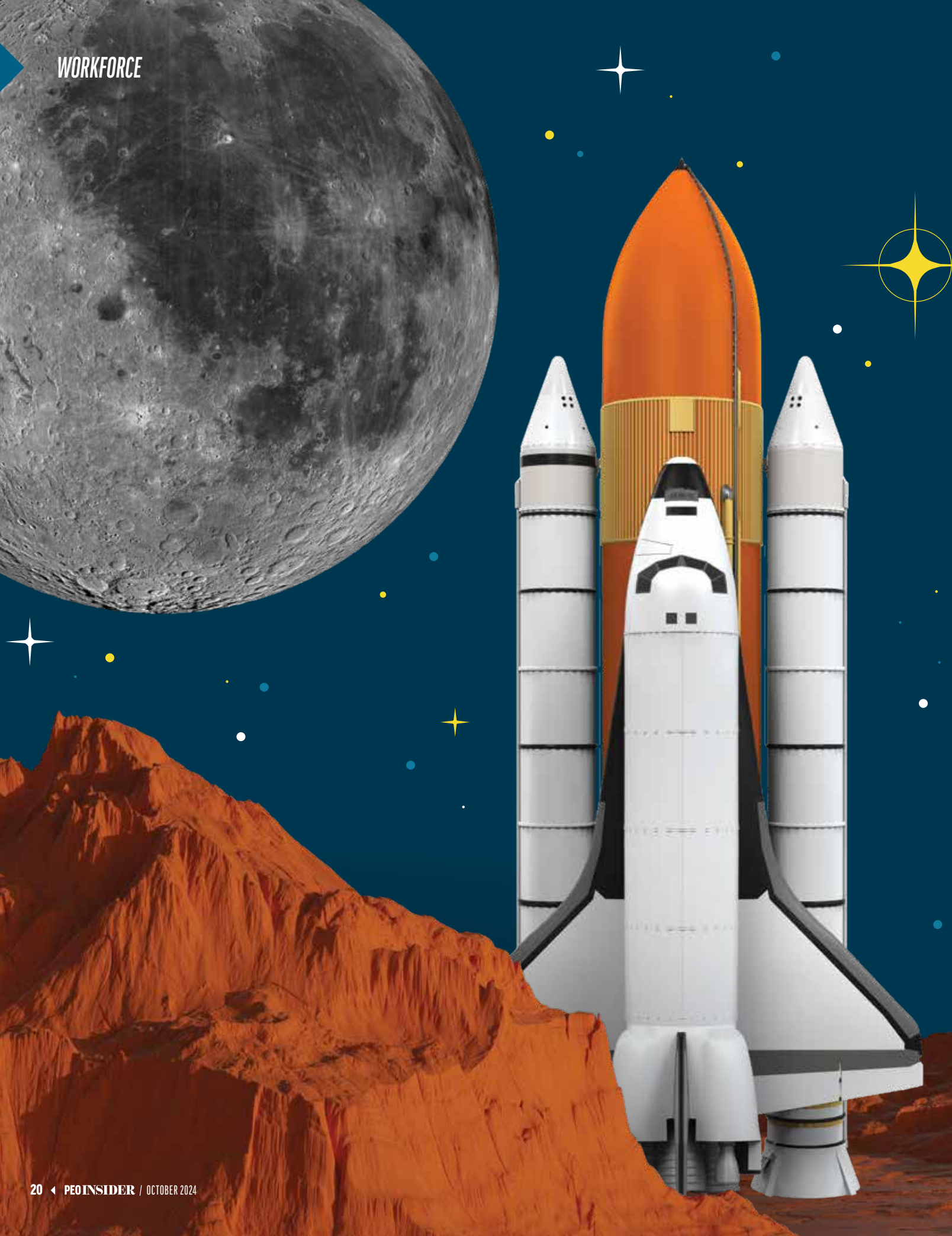
ways to enhance and transform how work is done, where it is done, and how people interact within the work environment. It means adapting to the evolving needs and expectations of employees while leveraging technology, work-life balance, and inclusivity. And it means that we must continuously evaluate the workplace landscape. Then redefine, transform, and reimagine. ■



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# GALACTIC GUIDANCE

## For Stellar Employee Engagement

### KEY AREAS IMPACTING TODAY'S WORKFORCE AND THE IMPORTANT PART PEOs PLAY

BY DAVID PEARSON

All eyes are on employees as workplace engagement is part of what can make or break a company's longevity. Consequently, business leaders have amped up their strategies to ensure job and benefit satisfaction in an effort to maintain growth. With these specific areas continuing to impact the job market, many companies have turned to the expertise of their PEOs to stay aligned with industry trends and employee expectations. As PEOs, we can guide employers on where to focus their efforts and identify key areas in which we can help them succeed.



## PRIORITIZING EMPLOYEE SATISFACTION FOR RETENTION PURPOSES

Although the workforce has evolved past the Great Resignation (for now), attention to employee retention shouldn't be left on the back burner. The current job market is making it harder to find talent, meaning keeping employees happy all the more important.

Investing in employees by providing a positive company culture and a clear path to professional growth can keep businesses competitive when the tide shifts yet again. Though employee negotiations still weigh heavily on recruiting and retention, leaders need to consider other ways to hang on to their most valuable employees.

Two main measures of employee satisfaction are leadership development and salary expectations. When deciding where to focus efforts first, these areas are a good place to start.

## LEADERSHIP SKILL DEVELOPMENT

When employees feel they're facing a dead-end at their job, they'll start looking elsewhere to continue their career path. Businesses need to provide leadership training and development to align with employee goals.

To help address this need, a PEO partner can help clients create programs for: career development opportunities, employee recognition programs, work-life balance and boundaries initiatives, competitive compensation and benefits, and mentorship and coaching.

Additionally, clients are also turning to their PEOs for resources to help them gauge employee sentiments through job satisfaction surveys and regular check-ins. ExtensisHR, for example, leverages a partnership with 15Five to boost employee engagement within our own workforce and for our customers. Rather than

guess what employees value most, companies can get answers straight from the source.

## SALARY TRANSPARENCY

Meeting employee expectations is key to maintaining retention. This starts with salary transparency. It sets a tone for job candidates (and active employees looking to advance in their roles) to feel accurately informed when applying for a new position or being recruited.

Salary transparency provides a built-in sense of trust and aligned understanding which is carried throughout the entire hiring process. Furthermore, salary transparency is required by law in certain states to promote pay equity. Whether it's market rate reviews, pay equity assessments, or other related factors, there are many aspects of pay transparency that can be embraced.

Clients depend on us to provide resources like compliant job description and offer letter templates, as well as assistance in effectively telling their unique story. So, while compensation will always be a priority for job candidates, finding the right cultural fit has become a deciding factor as well.

Though this is valuable in the recruiting phase, it should extend through onboarding and an employee's integration into the company if businesses expect to retain employees long-term.

## MANAGING EMPLOYEES' MENTAL AND FINANCIAL HEALTH

The demand for mental health and financial wellness benefits has become the standard in today's job market. In the past, these have barely skimmed the surface of what employees wanted or expected from their benefits package. Now, for many modern employees, these types of benefits are non-negotiable.

## Mental Healthcare

The state of employees' mental health cannot be overlooked as it greatly affects their job satisfaction, not to mention their work productivity



and personal relationships. A report by the American Institute of Stress reveals that 83% of U.S. workers say they suffer from daily work-related stress, with 50% admitting to not being engaged at work, leading to a loss of productivity.

Therefore, businesses need to incorporate benefits allowing for better work-life balance. This may include flexible work schedules, remote work opportunities, and more accessible and affordable care like counseling and other behavioral health services.

### Financial Wellness Benefits

Retirement plans remain high on the list of sought-out benefits for employees. Knowing how best to safeguard earnings for the future can feel overwhelming and complex. Businesses offering financial wellness benefits can ease these concerns and serve as an advantage for recruitment and retention. These may include: Retirement/401(k) plans, financial education and counseling, savings programs (HSAs, FSAs), employee discount programs, student loan repayment assistance or long-term care and/or life insurance.

We've seen an uptick in clients requesting and leveraging these resources, particularly employee assistance programs (EAPs), which provide mental health and financial wellness services including free, confidential assessments and short-term counseling.

Furthermore, PEO partners can help businesses develop benefit education and policies that align with industry trends and allow for flexibility as employee demands change.

### CATERING TO FIVE DIFFERENT GENERATIONS

Employers also face the challenge of having five generations in the workforce. Many workers can't afford to retire to the standards they had anticipated, and older employees are returning to work, albeit in different capacities. Additionally, data from the Employee Benefits Research Institute (EBRI) shows when the job market is at its strongest, an employee's tenure tends to be the shortest as they seek other opportunities.

As a result, employers must be cognizant of how this spectrum affects recruiting, retention, and retirement best practices. Working with a PEO partner focusing on customization can better encompass the needs of all workers as they enter different phases of their careers through:

#### Tailored Benefit Plans

A younger employee may be more interested in student loan assistance, whereas an older employee may be focused on a 401(k) retirement plan or saving for a child's college tuition. Following benefit trends matters but understanding the unique needs of each specific work population is what makes a difference.

It's our responsibility to evaluate and update benefit offerings as workplace demands shift. This ensures business leaders have peace of mind knowing their plans remain aligned with employees' evolving work and life needs.

#### Professional Development Programs

Implementing training and leadership development opportunities gives employees a chance to grow within their

company. It also provides a pathway for mentorship and knowledge transfer programs. This helps to keep employees engaged and encourages cross-channel and cross-generational experiences and shared expertise.

#### Clear Communication Strategies

Diverse and consistent communication systems are necessary to appeal to various generational preferences, such as a mix of digital platforms and in-person meetings. Meanwhile, handbook compliance is essential to maintain a written and documented understanding for all employees.

A PEO can help companies establish which types of benefits and programs would be the most well-received by their employees. Plus, they can work with executive leaders to update company handbooks, which outline organizational policies, procedures, and core values to protect the business and ensure employees are clear about work rules and expectations.

Understanding the current workforce landscape is essential, but the market can shift at any moment. As PEOs, helping our clients constantly refine best practices to maximize employee satisfaction will always be on trend. By staying proactive and adaptable, we can ensure these businesses are equipped to meet changing demands and maintain a satisfied, engaged workforce. ■



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# 7 WAYS TO BUILD A WORKPLACE TO MEET EMPLOYEES' CHANGING NEEDS

BY KARYN RHODES, SPHR, SHRM-SCP

**I**n an era marked by a global crisis, business model shift, and a new generation entering the workforce, it's no surprise that employees' needs have evolved. Today, employees are prioritizing their well-being like never before. They want clearer boundaries between work and personal life. They want a sense of purpose. And they want to be part of an organization that shares its values and, by extension, provides a shared connection and sense of community.

In short, work is now viewed as a subset of employees' lives versus separate from it. As a result, workers are looking for greater fulfillment – and for their employer to help them find it.

Here are seven strategies to assist your clients in creating a workplace culture that caters to the evolving needs of their employees.

## 1: OFFER RELEVANT BENEFITS

Rather than automatically renewing the same offerings each year, organizations should strive to understand what employees really want from their benefits. With inflation driving employees' concerns about the cost of living, they may also be concerned about their financial well-being or having extra protection in the event of illness or injury. For enhanced well-being,

which employees now view as an expectation and not a luxury, it could be flexible workweeks or better mental health support. Ask employees what they want and use the data to tailor and deliver relevant benefits.

## 2: ELEVATE THE EMPLOYEE EXPERIENCE

When isolated surveyed HR leaders, they found that the top area of opportunity for HR is improving employee engagement and experience. Instead of employee satisfaction being an afterthought, employers today should make it a priority. To do that, focus on every aspect of the employee journey, both tangible and intangible, to ensure the work environment meets their needs and enriches their experience. Start by seeking feedback, then proactively implement changes that will improve their work life today and promote their future happiness with the company.

## 3: FOSTER RELATIONSHIPS

Employees want deeper connections at work and want to feel valued as people, not just workers. Since understanding your talent is more important than ever, be accessible and make a point of spending time with employees and getting to know them on a personal level. Ask them about their motivations and goals, and what may be standing in the way of them. Actively listen and follow through with





In short, work is now viewed as a subset of employees' lives versus separate from it. As a result, workers are looking for greater fulfillment – and for their employer to help them find it.

actions on the issues to show that your organization is people centric. It's also important to foster work relationships by offering opportunities like peer coaching, greater collaboration across teams, or virtual social platforms.

#### 4: UPDATE YOUR VALUE PROPOSITION

As employees – especially Gen Z – increasingly reflect on what makes them happy and satisfies them, a sense of meaning and purpose at work can be critical. In fact, according to isolved's 2024 HR Trends Report, 88% of employees say it has become more important to have a job they find personally fulfilling. To give employees an answer to the question, 'why do I do what I do,' reconsider your value proposition. Beyond pay and perks, align your goals and values with what current and prospective workers are looking for today to feel invested. Then clearly define and promote it to help create a sense of belonging and satisfy employees' quest for something greater than themselves.

#### 5: IMPROVE INTERNAL COMMUNICATION

isolved's Third-Annual Voice of the Workforce research cites improving internal communication as the number

one way to improve culture. Make sure your communication is clear, honest, and timely, especially when what you're sharing can impact their jobs. When possible, provide the rationale behind any changes and ask for their feedback. Show you value their input by acting on it. This will also help further a culture of respect, which can enhance employees' job satisfaction. So can responding to requests in a timely manner.

#### 6: TRUST YOUR EMPLOYEES

Employees today want to feel respected and empowered. They want more control over their work – not just over when and where it gets done but also to have the freedom to manage projects the way they want. Rather than controlling and micromanaging employees, trusting them increases workplace happiness and can also promote motivation, innovation, and leadership. Just be sure to outline expectations at the outset and maintain a framework or structure for communication so employees continue to feel engaged.

#### 7: FOCUS ON LEARNING AND GROWTH

While record job movement is due to many factors, a key driver is employees'

search for career growth. To satisfy this need, offer increased learning and development opportunities that will help employees reach their full potential in the workplace and achieve their goals. Start by creating a career development plan for each worker that identifies the skills and competencies they want and that can help them move to the next level. Then provide a mix of offerings, from online modules to programs that offer the chance to engage and develop connections such as mentorships, stretch assignments with other departments, and in-person conferences.

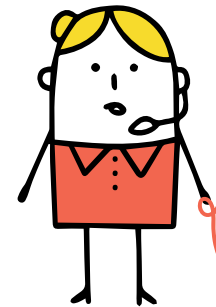
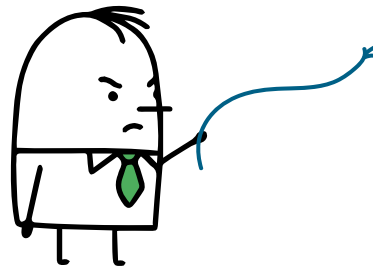
As employees continue to rethink their organization's role in their well-being, employers should realign their priorities to reflect workers' evolving expectations. These seven steps will help you support your clients' employees in today's world and, in turn, lead to organizational success. ■



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# TALENT RETENTION & ACQUISITION



## EMERGING RISK OUTLOOK: TALENT MANAGEMENT RISK

BY DAFNI LEFLORE

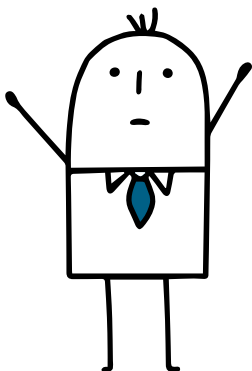
**A**re Taylor Swift and Beyoncé true country music artists? What they both present to the genre has been historic and perhaps even necessary. Social media might agree, and Reba McEntire might disagree, but there is an essence to this question that companies should consider: do current talent meet the needs of what the business aspires to accomplish to remain competitive in the near future? Adversely, do companies understand workforce expectations well enough to mitigate the risks associated with evolving perceptions?

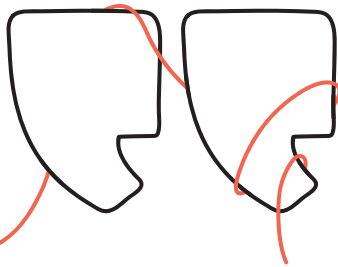
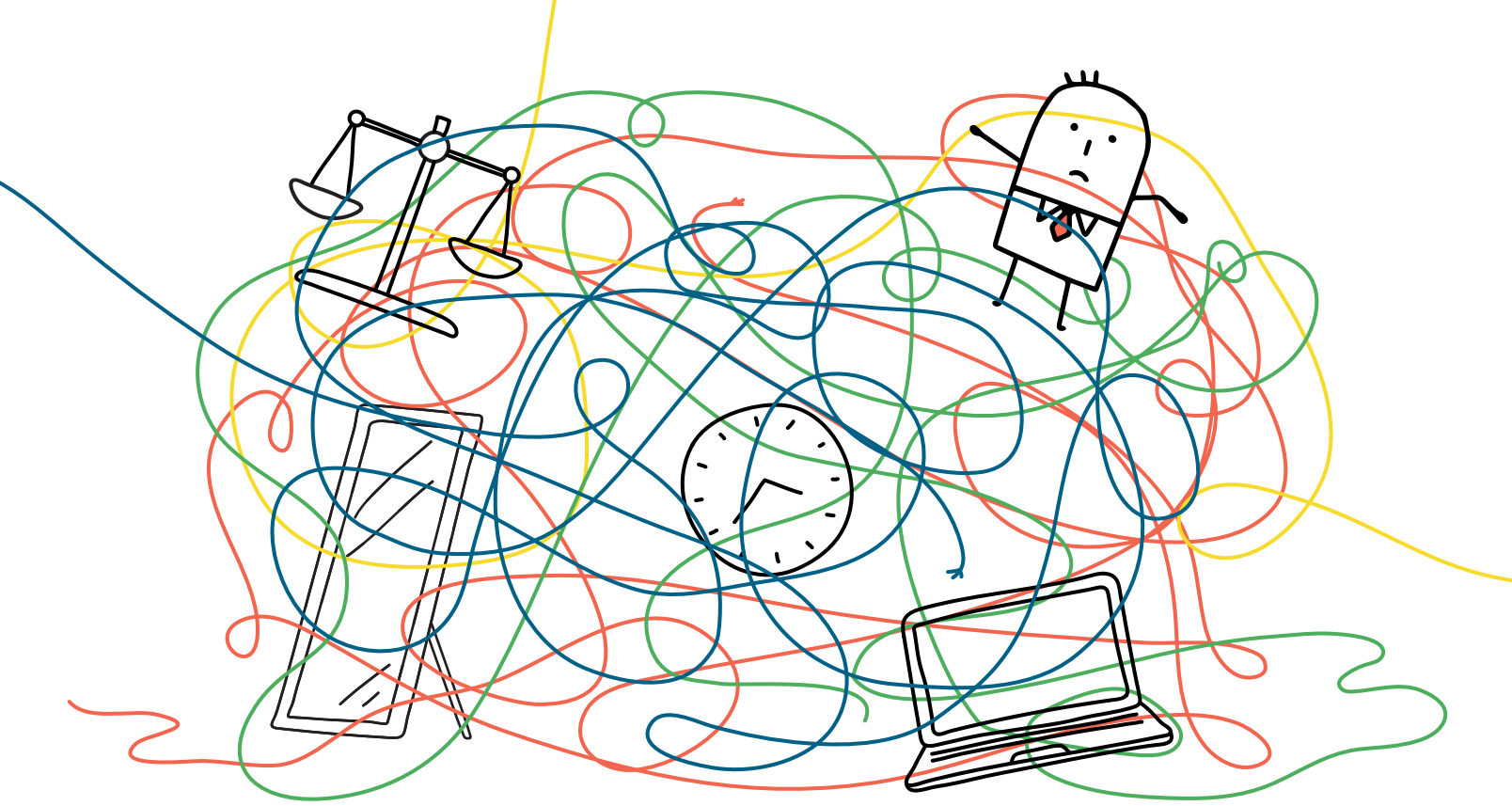
The US Bureau of Labor Statistics is optimistic about employment trends through 2032. It anticipates over the next eight years an increase in wage and salary employment of 3.0% and an increase in self-employment of 0.6%. The US healthcare sector will benefit the

most from this trend as it sees an aging population expand and chronic conditions becoming more pronounced, propelling the need for more practitioners and technical experts. Declines, however, are forecasted for the manufacturing and utilities sectors, with production and sales roles also declining. But there's yet more questions that should be asked: how agile will the PEO industry be to these expected trends in terms of its internal workforce strategy and client management strategy? There are a few risks you should consider when responding to these questions.

### TOP RISKS TO KNOW

Enterprise Risk Management (ERM) professionals are working to connect the dots on the broader drivers of these trends and the potential consequences to businesses. According to research, here





There is an emerging expectation of a new generation of talent cohorts who will only stay at an organization for a short period of time, rather than making a career within it. Such a risk will shake up an organization's talent and knowledge retention strategies over time.

are the top talent management risks to consider over the next 1 to 2 years.

### Fast Tech Means Agility Risk...

The faster technological advancements accelerate, the more agile organizations must be in reprioritizing the business needs required to stay on pace. This includes rethinking how we manage the output of AI in areas such as software development, knowledge management, quality control, legal and marketing. Thus, while advancements may play on the psychological safety of employees as a significant job-taker, tools such as AI could become a key job-developer.

### ...So Now, Single Jobs Mean More Diverse Skills...

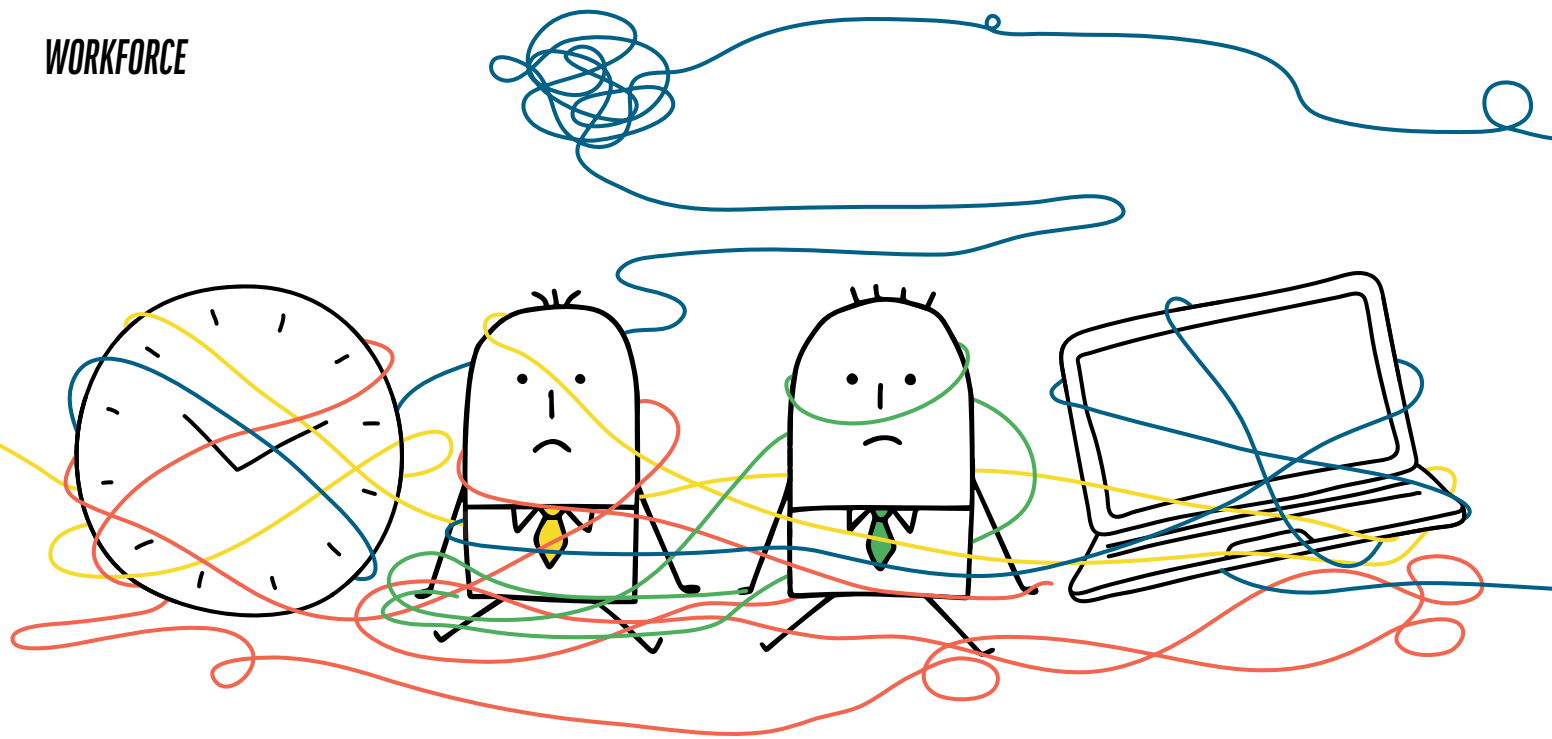
Just as many new skills are needed to perform a single job now as there are skills that are no longer needed to

perform that same job. According to Gartner, 58% of the workforce needs new skills for their roles, with total skills needed increasing by 10%. Contrarily, 33% of skills included in a typical job posting 7 years ago are now obsolete. In TriNet's 2024 State of the Workplace report, SMBs and their employees agree that upskilling to adapt to market changes for current roles is a top focus area of development over the next 3 years. The report also doubles down on this point for SMBs: "26% of employees consider their skill level to be 'somewhat' adequate, compared to 37% of employers who describe it this way."

### ...But It Also Means a Change in Employee Expectations

With large companies leading the way in calling for a return to office, 90% of companies are now expected to apply a

return to office policy by the end of 2025, which may signal a tug-of-war between employers and employees. In 2024, approximately 1 in 5 employees are remote, while 98% of workers prefer some form of remote work. However, only 16% of employers offer fully remote work. The demographic leading the way with remote work: ages 24 – 35. While there is a clear appetite for more flexibility, companies understand the need for delicate messaging. The tech industry is one such area where a battle is brewing as Google's CEO recanted his statement on working-from-home and its implications on the company's competitiveness in AI. "Google decided that work life balance and going home early and working from home was more important than winning.". Such becomes very controversial messaging, considering the tech industry is one of the top industries



for remote work in 2024 according to Forbes.

**Ok, So Who Spends and Who Saves on These Expectations?**

The COVID-19 pandemic allowed employees to understand the cost of work associated with being in-office daily, including time, fuel and energy, as in-office work costs twice as much as remote work for employees. Work-from-home (WFH) options offer employees the opportunity to save between \$6,000 and \$12,000 annually depending on fully remote or hybrid schedules. This cost savings can be attributed to a reduction in gas consumption, car maintenance, car insurance, public transportation, clothing, and dining. Inflationary pressures only heighten the angst felt by employees.

Adversely, employees are leveraging social issues to further balance the cost of work. Climate change, for instance, creates location-based risks that employees want more protection around. Without the option to avoid areas with significant climate events as an in-office or hybrid worker, employers may see much more of a cost deficit associated with required localization. “As climate change weighs more heavily on workers’

financial situations, it’s a smart HR strategy for employers to invest in the resilience and productivity of their workforce by alleviating the financial impact of extreme weather”, says Timothy Flacke, Co-Founder and Executive Director of Commonwealth.

**Answer: It Depends on the Risk of Faster Career Shift**

There is an emerging expectation of a new generation of talent cohorts who will only stay at an organization for a short period of time, rather than making a career within it. Such a risk will shake up an organization’s talent and knowledge retention strategies over time. According to Bankrate, 48% of US employees will look for new roles in 2025. This group is representative of 64% of GenZers and 25% of Baby Boomers, or a company’s likely entry level staff and upper managers.

**...But Wait, Where Are All the Babies?**

Economists are grappling with the idea that declining fertility rates paired with inevitable aging could transform the labor workforce in a way we may not be prepared for. This means that newer generations have less talent availability. Mortality and fertility forecasting models

predict by 2064, death rates will surpass birth rates for the first time in history, crippling some of the world’s largest economies. However, productive rights activism and outcomes of political decisions could impact this forecast in areas of the world like the US.

While human capital management is a complex area with far more interdependencies than what’s mentioned here, pace is the name of the game. Companies must be able to move quickly not just with technology, but also with the change of preference. As employers expect more, employees will expect more. With expecting more, research should be done to determine if ‘more’ is available in the forecast. Any one move could shake up employee activism if workforce strategies aren’t done right because, after all, both sides have a vested need. Consider having talks with your teams about which of these risks, and others, will present the biggest threat and opportunity to your operations and your customers, and take proactive steps ahead of the next big wave of workforce risks. ■



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# WORKFORCE HIRING TRENDS IN AN EVOLVING WORKPLACE

BY JOHN MASON-SMITH

**F**our years after the COVID-19 pandemic, remote and hybrid work environments continue to evolve. As businesses navigate this shifting landscape, understanding the latest workforce hiring trends is essential for companies aiming to attract and retain top talent. At HireWith, we have observed significant shifts in hiring trends in the payroll and PEO sectors, where remote and hybrid work remain significant discussion topics.

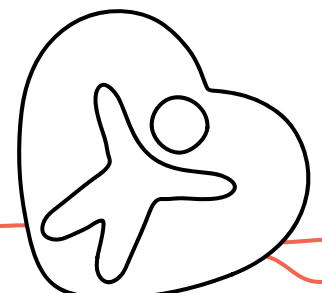
## WORKFORCE HIRING TRENDS

In 2020, the widespread adoption of remote and hybrid work arrangements marked a significant shift. Many employers embraced these models to enhance employee satisfaction and tap into a broader talent pool. However, a study by Resume Builder<sup>1</sup> shows that out of companies with office space, 9 out of 10 will have returned to the office in some capacity by 2025.

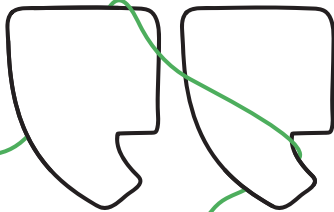
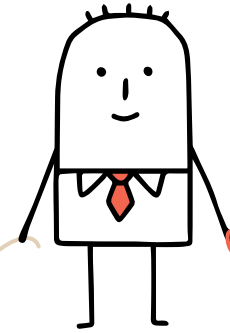
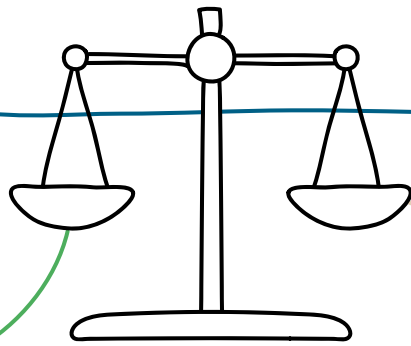
While these trends reflect the nationwide average, HireWith has observed

different dynamics in the specialized payroll and PEO worlds. Remote work has remained highly popular among employers who need specialized knowledge (such as expertise in specific software packages or industries like payroll), as the number of local opportunities to match employees with this specific skill set and employers remains limited in some areas.

Remote work has also led to interesting trends in compensation. Many employees indeed say they are willing to take a pay cut for remote work, but what about employers? As the national average slowly climbs due to inflation, rural employers may find remote employees asking for higher compensation than those in their local area. Conversely, employers in urban areas may find they can attract lower-cost talent through remote work from lower-cost-of-living regions. The competition for the same employees is causing regional compensation trends to converge toward national averages. For example, a remote worker in a rural community can now compete for jobs with







Experts emphasize remote employers should prioritize outcomes over input and shift their focus from visible activity to tangible outcomes.

workers in metropolitan areas, driving compensation toward a midpoint between these high- and low-cost areas. This implies employers in high-cost-of-living areas could benefit from hiring remote workers in rural regions. In contrast, rural employers could achieve more competitive margins by hiring locally and encouraging on-site work.

While a return-to-office movement is gaining traction among employers, data suggests that remote and hybrid work will remain prevalent in the job market due to its popularity with employees. According to a recent survey by the Pew Research Center<sup>2</sup>, most professionals prefer remote or hybrid work arrangements—a preference driven by improved work-life balance, increased productivity, and the ability to escape office distractions.

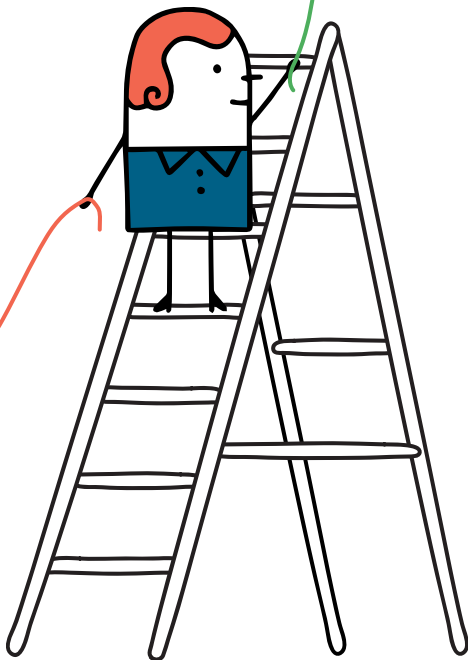
### IMPACT OF RETURN-TO-OFFICE MANDATES ON EMPLOYEE RETENTION

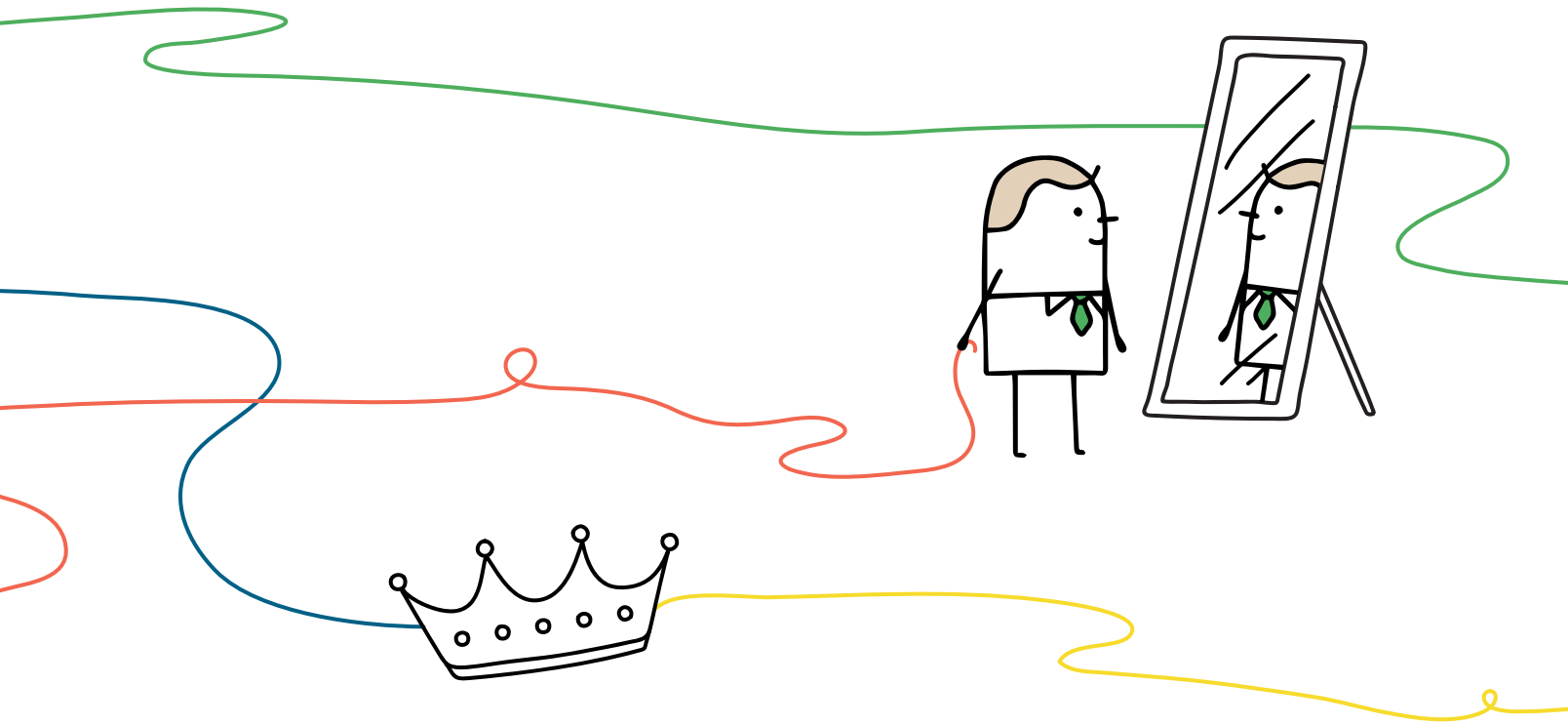
Return-to-office mandates are also affecting employee retention. Remote and

hybrid work have become so popular that a FlexJobs survey<sup>3</sup> of 8,400 individuals revealed that over half of these professionals know someone who either has quit or plans to quit in response to return-to-office plans. This underscores the importance of flexibility and employee well-being in today's job market.

### BENEFITS OF REMOTE WORK FOR EMPLOYERS AND EMPLOYEES

The advantages of remote work extend to both employers and employees. Studies have shown remote workers often report better work-life balance and increased job satisfaction. Additionally, remote work can enhance productivity and reduce absenteeism. For employers, remote work can lead to cost savings on office space and operational expenses. Moreover, it allows companies to access a wider talent pool without geographical constraints. This is particularly beneficial for small companies, as it enables





them to tap into a talent pool they might not otherwise be able to access.

## CHALLENGES IN HIRING REMOTE WORKERS

While remote work offers numerous benefits, it also presents unique challenges for employers. Managing equipment distribution, ensuring robust IT support, and providing comprehensive employee benefits packages across different locations can be complex. Additionally, building and maintaining a strong company culture in a remote environment requires intentional effort.

Another significant challenge is the potential for decreased employee connections. Research indicates remote workers often feel less connected to their colleagues than in-office employees. Addressing this issue is crucial for fostering a positive work environment and preventing feelings of isolation.

## INNOVATIVE SOLUTIONS

Organizations are implementing innovative strategies to overcome the challenges associated with remote hiring. Streamlining the onboarding

process—including thorough background checks and clear work-from-home agreements—is essential. Regular virtual team meetings and the use of collaboration tools can help build a sense of community among remote employees.

Companies are using various tools to foster collaboration and stay on track. These may include programs like Slack, Google Drive, and Monday.com. A newer technology player called Kumospace is even attempting to simulate the “in-office experience” for remote workers through a video game-type experience.

While these tools may help keep a better eye on employees, it’s essential to avoid delving into micromanagement. When physical proximity is absent, it can be tempting to overestimate the need for oversight. Experts emphasize remote employers should prioritize outcomes over input and shift their focus from visible activity to tangible outcomes. As long as employees consistently deliver quality work on time, their specific work style may be secondary.

## FUTURE TRENDS IN WORKFORCE HIRING

The future of work will likely involve a hybrid model, combining the best

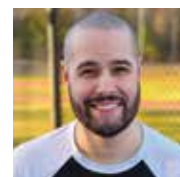
aspects of remote and in-office work. As technology advances, we expect to see more innovative tools and platforms emerge to support remote collaboration and productivity. Additionally, there will be a growing emphasis on employee well-being, flexibility, and work-life balance.

The workforce landscape is undergoing a profound transformation. Remote and hybrid work arrangements are here to stay, and employers who embrace these trends will be better positioned to attract and retain top talent. As these trends evolve, partnering with a specialized provider like HireWith can help ensure your company stays competitive in finding and attracting top talent. ■

1 <https://www.resumebuilder.com/90-of-companies-will-return-to-office-by-the-end-of-2024>

2 <https://www.pewresearch.org/short-reads/2023/03/30/about-a-third-of-us-workers-who-can-work-from-home-do-so-all-the-time/>

3 <https://www.flexjobs.com/blog/post/losing-talent-to-return-to-office-mandates-insights-from-the-flexjobs-survey/>



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CEO & Co-Founder  
HireWith  
Glen Allen, VA

# MEET DAVID FEINBERG:

## NAPEO'S 2024–2025 BOARD OF DIRECTORS CHAIR

**A** few weeks ago, nearly 1,000 industry members gathered in Orlando for our 2024 Annual Conference and Marketplace. We celebrated NAPEO's 40th anniversary and welcomed new association leadership. David Feinberg, Justworks' senior vice president of risk and insurance programs, officially took the reins as NAPEO's new Board of Directors Chair. He's been active within NAPEO for several years, participating on numerous committees. He most recently served as vice chair. Feinberg joined the PEO industry after a career on Wall Street as an equity research analyst. He also worked to build national, small group health plans as the Executive Vice President of Health Plan at WellNet before joining Justworks in 2015.

He spoke with *PEO Insider*<sup>®</sup> about his background, plans for the year and why his first impression of PEOs turned out to be wrong.

### **PEO INSIDER<sup>®</sup>: HOW DID YOU FIRST LEARN ABOUT PEOs?**

**David Feinberg:** In 2005 I worked as an equity research analyst for Goldman Sachs, and I was assigned to cover HR stocks. I keyed in on temporary staffing companies, and when I prepared to put out a report, my supervisor thought we needed more companies in the analysis. I mentioned that I had found two other companies that were sort of like staffing companies but called PEOs. He told me throw them in, so we added them to the report. I thought they were confusing and bad businesses, basically insurance arbitrage businesses. That was my first exposure to PEOs.



### **PI: HOW DID YOU END UP WORKING FOR A PEO?**

**DF:** After 10 years behind an Excel spreadsheet telling people how to run a



business, I realized I wanted to be a part of the operational side of a business. I got my MBA and then had an opportunity to build a small group self-funded health plan which I did for a few years.

While looking for my next opportunity, I met a network connection who set up a meeting with a venture capital firm. The person I met with told me the firm had invested in PEOs. My reaction was to say, “it’s just an arbitrage play.” He told me that I had to meet Isaac [Isaac Oates, Justworks’ founder]. By June of 2015 I had a job offer to join Justworks.

### PI: WHAT HAD CHANGED? WHY WERE YOU INTERESTED IN WORKING FOR JUSTWORKS?

**DF:** I found Isaac to be an incredibly thoughtful person. Three things about Justworks stood out to me that made the company unique compared to other PEOs. First, I thought the company had a modern go-to-market strategy. Second, Justworks owned its own technology. Third, it was a mission and values-driven company.

### PI: WHAT ARE JUSTWORKS’ CORE PRINCIPLES?

**DF:** Justworks’ mission is to help entrepreneurs and businesses grow with confidence. If you talked with 100 of my teammates, you would sense an incredible alignment to this mission. Many people at Justworks have had a small business owner in their family or previously had their own small business, and they see how challenging and honorable small business ownership is. It gives us a visceral drive to help our customers, and we aspire to be the partner that they have always needed and deserved but never before had access to. Justworks is committed to being this true partner where we believe the market needs are greatest, which is among companies with under 100 employees.

### PI: HOW DID YOU GET INVOLVED WITH NAPEO?

**DF:** In September of 2015, I attended my first NAPEO conference, and it changed my point of view on the entire industry. I learned we paid a large sum in member dues, but we were not engaged with NAPEO. That seemed silly to me, and I thought someone should go to evaluate the ROI. I realized we were not taking advantage of our membership and underutilizing the education resources. I met people like Dale Hageman, Bob Cerone, Barron Guss and Andy Lubash. They were all incredibly generous in helping me learn about the industry and sharing their knowledge. I realized that the PEO industry is unique in that, yes we are competitors, but we also rely on each other to do the right thing in terms of compliance for ourselves and our customers.

In a startup there’s your job description and then there’s your job. I saw white space where we had an opportunity to have someone engage at the leadership level with NAPEO. I took on that role and eventually joined the board and executive committee.

### PI: HOW DO YOU SEE YOUR ROLE AS CHAIR OF THE BOARD?

**DF:** My role is role to support the NAPEO staff. Our biggest deliverable next year is our new strategic plan, but I’m focused on supporting the staff to make your jobs easier.

### PI: WHAT ARE YOUR GOALS FOR THE YEAR?

**DF:** There are three things I’d like to achieve this year. First, let’s end the ERTC saga and get money in the hands of our customers. Second, I want to see increased participation with NAPEO’s PAC. The PAC is one of our top tools to engage with policymakers and achieve our advocacy goals. We need to increase

participation throughout all levels of our members. Third, I’d like to see more participation with programs like Next Gen and WIN (Women in NAPEO). We need a more diverse talent pool to lead the industry going forward.

### PI: DO YOU HAVE IDEAS FOR ANY NEW INITIATIVES OR PROGRAMS?

**DF:** No new initiatives. We have a lot of good things in flight with different levels of maturity. We don’t need more, we need to continue investing in what’s already there. I want to focus on improving our existing resources to make them even better.

### PI: HOW DO YOU THINK THE INDUSTRY WILL EVOLVE?

**DF:** The only constant is increased regulation and complexity. Even though there are more tools and resources available, it’s becoming harder to start a PEO. Many of the new entrants now are well-funded players leveraging the model as opposed to traditional start-ups. Consolidation will also continue playing a role, but I’m not concerned about PEOs going away. The industry has seen different eras from its infancy to the workers’ comp. focus of the 1990s to the health insurance focus of the 2010s. I think we’re entering a new era now that’s focused more on HR and remote work. The business of how and where people work is where a lot of PEOs are focused, and we provide incredible value to our customers in this area.

### PI: WHAT’S LIFE LIKE OUTSIDE OF WORK AND PEO?

**DF:** There’s a lot of demands at the office, so my main focus outside of work is the Feinberg family. I’m also a diehard Duke and New York sports fan (Yankees, Giants and Rangers). ■

# #NAPEO24

**A**nother NAPEO Annual Conference & Marketplace is in the books. A few weeks ago, nearly 1,000 PEO industry members descended upon Orlando, Florida to learn, connect and collaborate.

If you attended then you felt the energy in the conference resort as attendees caught up with old friends, made new connections and learned the latest information on all things PEO. Our panel leaders brilliantly shared insights, tips and knowledge on myriad topics from sales and marketing to wage and hour issues. There was something for everyone.

Daymond John, founder of apparel brand FUBU and star of ABC's Shark Tank, kicked off the conference with an engaging presentation. He shared his five shark points for success which resonated with all the business owners and leaders in the packed room. His story of humble beginnings in Queens, NY captivated the audience as he recounted his journey of success. As he took the stage he said a few words, "I didn't know I needed you." He meant as a young entrepreneur, he didn't appreciate or understand the value of HR professionals. It's a common sentiment among business owners and a reminder

of the power and value that PEOs bring to an organization.

We also celebrated 40 years of NAPEO. In 1984 a group of 14 companies (then known as staff leasing companies) formed the National Staff Leasing Association (later to become NAPEO in 1994). This year's vibrant, energetic conference is a testament to the vision these leaders had. They bet on a small industry, and it has paid off.

An annual highlight of the conference is the presentation of the Michaeline A. Doyle Award. The award recognizes an individual who has selflessly dedicated themselves to growing the industry. It's the industry's highest honor and considered a lifetime achievement award. This year's recipient is Andy Lubash of PrestigePEO. Congratulations, Andy. Well deserved.

As everyone is aware by now, 2024 is an election year which means NAPEO PAC is in full swing. Our political action committee is a powerful tool in our government affairs program. Through the PAC, we build relationships with policymakers on key legislative committees like the House Ways & Means Committee and the Senate Finance Committee. Our members have stepped up and supported NAPEO PAC in near

record numbers so far this election cycle. You can get involved and learn more at [napeo.org/pac](https://napeo.org/pac). We were also fortunate to have Rep. Aaron Bean (R-FL) attend our PAC Donor Appreciation event.

We also came together once again to support NAPEO Gives Back. Collectively, we raised more than \$250,000 for Give Kids the World Village. This staggering sum will allow the organization to renovate the Gingerbread House at the village. Give Kids the World provides a place for families with children suffering from severe illnesses to experience a moment of peace and comfort. Families are able to relax and have a rare moment of fun, escaping the reality of doctor's appointments and medical procedures. Give Kids the World provides a sense of hope and optimism to those suffering, and our donation will help make the village even more special.

Giving back and coming together is what our conference is all about. It's a forum for PEOs to learn from each other, and for service partners to demonstrate the latest products and solutions to power PEOs and to help them better serve clients. We'll see you next year in Austin! ■

Save the dates for #NAPEO25 in Austin, Texas. Join us October 6–8, 2025, for the PEO industry's flagship event.



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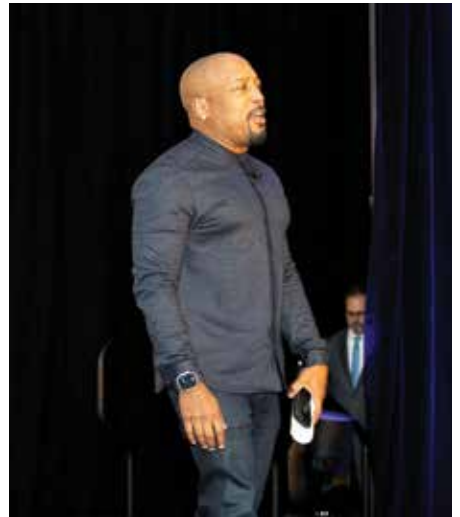


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# LOPER BRIGHT'S DOUBLE-EDGED SWORD: PEO REGULATION IN A POST- CHEVRON WORLD

BY KERIM FIDEL, ESQ.

**W**hile the Supreme Court's 2024 term produced many decisions of immense import, *Loper Bright Enterprises v. Raimondo* may be the one that changed the law the most by overruling the landmark 1984 *Chevron* decision. *Loper Bright* will impact virtually every area of law including how PEOs are regulated.

In *Chevron* the Court said that if a federal statute is ambiguous and the agency administering it has rulemaking authority, courts generally must defer to the agency's interpretation as long as it is

a *permissible* one. This gave administrative agencies a powerful tool; in theory (not always in practice) all they had to show to survive legal challenges was that their reading of an ambiguous statute was plausible. In *Loper Bright* the Court flipped the *Chevron* script holding that if a federal statute is ambiguous, absent statutory delegation of interpretation to an agency it is the job of the courts to say what the *best* interpretation is even if the agency's interpretation could also fit with the statutory language. Under *Loper Bright*, while a court might (or might not) accord respect to an agency's interpretation

under the circumstances of a particular case, it is not entitled to deference.

*Loper Bright's* impact is already being felt. Agencies are backing away from some controversial rules and both new and pending challenges to agency positions have been bolstered as courts begin to apply the new framework. While to be sure *Loper Bright* is coming up in high profile cases, it has also already become a factor in innumerable workaday disputes involving federal administrative agencies, whether being explicitly cited in briefs or considered in litigants' tactical decisions. Given its broad scope *Loper Bright* will inform



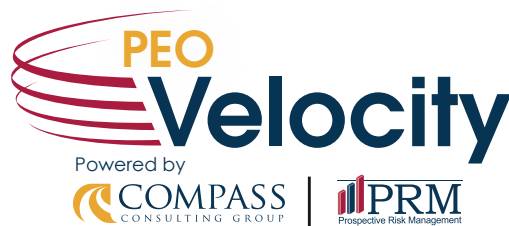
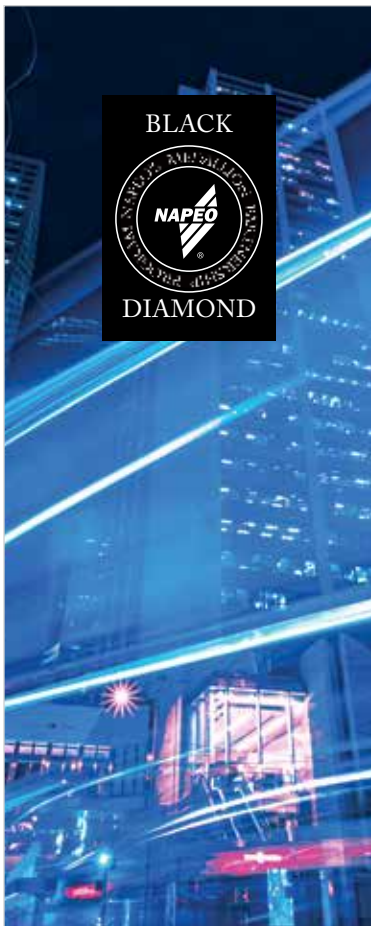
PEOs' regulatory landscape, including issues at the heart of the co-employment relationship. Some examples in the areas of liability, tax, and benefits follow.

Though the NLRB did not explicitly say so, the withdrawal of its appeal of a decision striking its 2023 joint employer rule soon after the release of *Loper Bright* does not seem coincidental. This rule, which had been high on the NLRB's policy agenda throughout the Biden presidency but that very much relied on its interpretive discretion, would have greatly increased the probability that PEOs could be deemed joint employers under the National Labor Relations Act. Other agencies such as the DOL and EEOC were poised to follow the NLRB's lead (after all their respective statutes in theory refer to the same common law definition of employer) and now may back off similar rulemaking, a welcome development for PEOs.

The status of PEOs for federal employment tax purposes used to be hotly debated. The CPEO program gave some PEOs comfort by establishing a voluntary statutory employer status. Outside of the CPEO context the IRS has long deemed PEOs "third party payors" and promulgates regulations and other guidance around that concept relating to subjects like the ability of PEOs to report under their own FEINs, allocation of liability between PEOs and their clients (recently the industry keenly felt the IRS's assertion that PEOs are co-liable for clients' ERTC issues which partially relied on an interpretation of a statute that PEOs believe required the opposite result), and PEOs' ability to succeed to clients' wage bases for purposes of FICA and FUTA cutoffs. Whereas the IRS's third party payor concept represents a balancing of interests (leaving aside whether one

agrees with where the balance was struck) and provides some measure of predictability, it could become a zero-sum game under *Loper Bright*; a court could simply decide whether PEOs are employers for federal employment tax purposes and rule that the notion of a third party payor is a suboptimal reading of applicable statutes. Interestingly, in two federal cases from a few years ago courts found the PEOs involved to be statutory employers for employment tax purposes under IRC 3401(d). The IRS announced that it did not "acquiesce," in other words it thought the courts got it wrong and did not intend to follow those decisions more than it was strictly required to. Its ability to take such positions appears much reduced following *Loper Bright*.

A 2019 DOL final rule said that what it described as "bona fide PEOs" could be ERISA employers (under a definition of



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## LEGAL, LEGISLATIVE, & REGULATORY

“employer” that includes someone acting in the interest of another employer) with respect to defined contribution plans such as 401(k) plans but refused to extend the same reasoning to welfare plans citing what are essentially policy considerations rather than clear statutory mandates. This was always questionable; ERISA’s definition of “employer” does not distinguish between 401(k) and welfare plans. Under *Loper Bright* the distinction might be indefensible. PEOs generally view the 2019 guidance favorably since it supports employer status at least to some degree and suggests a strong argument that if the DOL recognizes PEOs can be ERISA employers in one context it should do so in others. But *Loper Bright* could make it easier for a court to find that the DOL was wrong to say PEOs could ever be employers because the *best* interpretation of ERISA would be to the contrary.

*Loper Bright* is a double-edged sword. It pared back federal agencies’ ability to assert they were entitled to controlling deference which sometimes led to heavy-handed results and might seem ideologically questionable. Businesses now have more opportunities to challenge agency interpretations and agencies may be less inclined to take aggressive positions absent clear statutory support (agencies will likely push for deferential provisions in new legislation which could allow them to avoid *Loper Bright* and give them even stronger deference than under *Chevron*). But by the same token agencies may be less willing to issue favorable guidance if they think they will be challenged. While PEOs now have more leverage to contest unfavorable federal agency positions, opponents of the industry have the same expanded ability to challenge favorable ones. Such challenges, whether friendly or

hostile, may invite courts to take bright-line positions on issues where PEOs may prefer regulatory compromise. Judges’ subjective views on policy will inevitably make outcomes more dependent on forum than they already are and increase the likelihood of patchwork rulings across circuits. For better or worse, or more accurately for better *and* worse, *Loper Bright* has greatly increased regulatory uncertainty for PEOs. ■

▼ This article is designed to give general and timely information about the subjects covered. It is not intended as legal advice or assistance with individual problems. Readers should consult competent counsel of their own choosing about how the matters relate to their own affairs.



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# HOW CAN PEOs PREPARE FOR EVOLVING PAY TRANSPARENCY AND EQUITY TRENDS?

BY BEN EBBINK, ESQ., MONICA SNYDER PERL, ESQ., & SARAH WIESELTHIER, ESQ.

**P**ay transparency is one of the hottest trends impacting the workforce today. It affects all aspects of workplace relationships – including hiring, recruitment, and retention efforts; supervision and leadership; and compensation and benefits. Moreover, PEOs and their customers have their own unique challenges, making it critical for you to understand the current trends and create a plan to keep your business and support customer compliance efforts.

## THREE KEY QUESTIONS TO CONSIDER

### 1. How Does The Patchwork Of State Laws Raise Compliance Challenges?

A growing number of jurisdictions require employers to post salaries or pay ranges in job ads. Colorado was the first state to enact this requirement in 2021 and other jurisdictions – including California; Washington State; and New York localities and then the State followed suit. This patchwork of new laws makes multistate compliance complicated. Notably, while these laws have the same general pay disclosure requirement, the details vary.

For example, in Colorado and Washington, the laws apply to all employers who are seeking candidates in the respective state, while California's law applies to employers that have 15 or more employees nationwide with only one employee needing to be located in California. Moreover, Colorado and Washington require employers to post the compensation range and a general

description of all employment benefits, whereas California employers are required to provide only the salary or hourly range and may voluntarily add information about other compensation and benefits (such as bonuses, tips, or other benefits).

New York State's law applies to employers with four or more employees. Advertisements for temporary jobs posted by temporary help firms, however, are excluded from compliance with New York's law (and some local laws) but such ads are included in other jurisdictions.

You will need to review each law carefully to determine whether yours are covered and respond to customer questions. We expect to see more states and cities consider similar laws in the upcoming year. In addition, there are plenty of other pay transparency initiatives across the country for you to take into consideration. For example, some jurisdictions – such as Connecticut, Nevada, and Rhode Island – require employers to proactively disclose salary ranges to candidates during the hiring process, but not in job listings. Others require employers to provide pay ranges to candidates upon request (including Maryland, Cincinnati, and Toledo, Ohio).

### 2. How Does Remote Work Change The Game?

The physical location of workers can be a real challenge when it comes to pay transparency requirements. Here are a few examples of why. In California, the Division of Labor Standards Enforcement interprets the state's new law to mean that the pay scale

must be included in the job posting “if the position may ever be filled in California either in-person or remotely.” Thus, if you are a covered employer, you may want to comply with the job posting requirements if the job is either physically located in California or could be performed remotely from California.

In Colorado, employers are required to include compensation and benefits in job postings for all jobs tied to a location in Colorado or a remote job. The Department of Labor and Employment has taken the position that a company that omits compensation by posting that a remote job is available for anyone in any location except for Coloradoans is not compliant with the state's act.

In Washington, all employers looking for candidates in the state—even remote workers—must comply with the state's job posting disclosures.

In New York State, any job, promotion, or transfer opportunity that will physically be performed outside of the state of New York but reports to a supervisor, office, or other work site in the state of New York must also include pay or salary information. This includes remote positions.

Thus, rather than developing different job postings to satisfy various state and local laws, employers may want to create a single job posting for each role that complies with the most restrictive requirements. Most importantly, clear communication with your customers about their compliance obligations will be very important for PEOs who provide that level of compliance support.

## LEGAL, LEGISLATIVE, & REGULATORY

### 3. Are Pay Data Reporting Requirements Coming to Your Location?

Pay data reporting might be the next big trend at the state and local levels. Many large employers are familiar with the Equal Employment Opportunity Commission's (EEOC's) brief collection of employees' pay data and hours worked on EEO-1 reports. The practice was meant to identify pay gaps and help the EEOC investigate pay discrimination – but the data collection was highly controversial and ultimately deemed unnecessarily burdensome for employers.

Although the EEOC's requirement was short-lived, the Biden administration is poised to pick this up again as the EEOC said it plans to propose a rule regarding its "authority to collect pay data or related information as reasonable, necessary, or appropriate" for the enforcement of Title VII and the Equal

Pay Act. The proposal is expected to be released in January 2025.

In the interim, state lawmakers have moved forward with pay data reporting requirements that collect demographic data. For example, California requires private employers with 100 or more employees to annually report to the state detailed pay data categorized by gender, race, and ethnicity. Illinois now has a similar law, and bills requiring pay data are pending in various states and localities including New York City.

What does this mean for PEOs?

These pay data reporting requirements may create an opportunity for PEOs to support customers, possibly by assisting with customer filing obligations. As more laws like this pop up, we'll likely see many nuances in state and local reporting requirements, making it essential to keep up with the latest developments. ■

This article is designed to give general and timely information about the subjects covered. It is not intended as legal advice or assistance with individual problems. Readers should consult competent counsel of their own choosing about how the matters relate to their own affairs.



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# THE BENEFITS OF TRACKING YOUR NPS

BY KEVIN GRAMIAN

**A**t Optimum Employer Solutions, we utilize Net Promoter Score (NPS) surveys to ensure we are driving a high level of client satisfaction and gathering valuable feedback directly from our clients. NPS is a critical and instrumental aspect of our business. Here are some of the benefits:

## 1. SIMPLE AND INTUITIVE

At its core, the NPS is straightforward. Clients are asked a single question: “On a scale from 0 to 10, how likely are you to recommend our company/product/service to a friend or colleague?” then a follow up question, “How can we improve your score?” This simplicity allows for easy interpretation and clear implementation. Unlike more complex surveys that may require extensive analysis, NPS provides a precise snapshot of client sentiment.

## 2. DIRECT CORRELATION WITH GROWTH

One of the standout benefits of NPS is its strong correlation with business growth. Research has shown that companies with higher NPS scores consistently experience better financial performance. The score categorizes clients into promoters (score of 9–10), passives (score of 7–8), and detractors (score of 0–6). This delineation motivates companies to focus on increasing the number of promoters and reducing the detractors. There are two major by-products

of a high NPS score: first, it helps increase client retention and second, it creates evangelists out of clients. Organizations with high NPS ratings consistently receive more client referrals and often sales as a result. Both factors typically translate into higher revenue and market share.

## 3. ACTIONABLE INSIGHTS

NPS doesn’t simply indicate client satisfaction; it also pinpoints actionable areas for improvement. When you follow up with open-ended questions or detailed surveys, you can gather specific feedback on why clients gave their score. This feedback is invaluable for identifying areas where your business excels or needs enhancement, enabling targeted actions to improve client experience. A time-tested best practice is executive calls from leadership to clients who scored 8 or lower. These executive calls provide an opportunity to solicit deeper feedback; to genuinely thank the client and acknowledge their constructive input; to add that human touch and create a positive experience; to educate and communicate where the client may misunderstand a system or process; and to begin the process of rebuilding and mending any damaged relationships.

## 4. CLIENT-CENTRIC CULTURE

Implementing NPS can foster a client-centric culture within your organization. Since the metric is centered around client

advocacy, it encourages employees to prioritize the client experience. This shift in focus can lead to enhanced client service, more personalized interactions, and a commitment to continuous improvement. When employees see the direct impact of their efforts on the NPS, it can drive motivation and engagement. One best practice is to share your NPS with the entire company in real time. As scores fluctuate, KPI boards and notification emails can give your staff a measurement of how they are doing, coupled with critical feedback directly from the client. This allows service efforts to close in on gaps as a result of direct feedback from the clients!

## 5. EARLY WARNING SYSTEM

Similar to a “check engine” light, the NPS serves as an early warning system for potential issues. A sudden drop in your score can alert you to underlying problems before they escalate into more significant challenges. By monitoring trends in your NPS, you can proactively address issues, mitigate risks, and implement improvements to prevent client churn. Tracking your NPS as a YTD number and a QTD number can help you detect underlying issues and allow the entire management team to attack these issues. The predictive nature of the NPS does not only apply to negative trends though; on the flipside, high NPS scores often (rightly so) lead to optimistic forecasting and external confidence.

## 6. IMPLEMENTATION

Companies collect NPS in a variety of ways. Collection can be performed through survey platforms like SurveyMonkey and managed internally, or collection can be entirely outsourced to third party firms/software specialized for NPS. In terms of frequency, some conduct surveys once per year from all clients. Others survey a client sample each quarter or month until the entire client base has participated. I believe in a quarterly survey that tracks YTD performance and presents the score quarter by quarter as a more comprehensive approach. Clients are only solicited for feedback once per year in the particular quarter they receive the survey. By surveying clients every quarter, you receive a more holistic, year-round picture of the client experience. Quarterly surveys help to incorporate client sentiment across different seasons within the business or industry as a whole. For example, if clients are only surveyed annually in a particular month notorious for being high-stress /

overloaded / chaotic – that might negatively flavor the company NPS. Conversely, if the annual survey is sent in a month characterized by positive emotions, that could impact the NPS in the other direction. The goal of the NPS is to receive **real** information above all else. Manufactured, manipulated information might look pleasant in the short-term, but those companies inadvertently cheat themselves of the NPS' greatest benefits in the long run.

## 7. NPS VS. ENPS

Another best practice is to not only survey your clients but also your staff. The same type of question is used for eNPS (Employee Net Promoter Score): “How likely are you to recommend the company as a place to work to a friend or colleague?” One interesting observation is that the eNPS tends to mirror and stay in concert with the client NPS over long periods of time. A company committed to taking care of its customers generally attracts employees with positive

attitudes who feel a sense of purpose and accomplishment in serving others. Additionally, high levels of employee satisfaction can often translate into high levels of client satisfaction and all of the benefits that come with it! Happy employees foster happy customers.

The Net Promoter Score is more than just a number; it's a strategic tool that provides numerous benefits to organizations striving for growth and excellence. Its simplicity, actionable insights, and correlation with business success make it an invaluable asset in the quest to understand and enhance client satisfaction. By leveraging NPS effectively, businesses can foster a client-centric culture, anticipate potential issues, and ultimately drive long-term success. ■



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# PERSONAL TRANSFORMATION THROUGH SELF-LEADERSHIP

BY LEE PEMBERTON IV

**I**n the early 2000s, Green Earth Enterprises set out with a mission: to create sustainable packaging that minimized environmental harm. Yet, by 2015, this mid-sized manufacturing company found itself on the brink of collapse. Internal conflicts, a lack of clear direction, and plummeting profits had driven employee morale to an all-time low, and the company's once-strong community engagement had all but disappeared. It was a sobering moment—one that demanded a radical change.

## THE TURNAROUND: A COMMITMENT TO SELF-LEADERSHIP

At this critical juncture, CEO Karen Mitchell made a bold decision that would alter the course of the company. Recognizing that the root of the company's issues lay not only in external challenges but also in the mindset and behaviors of its leaders, she invested in executive coaching for herself and her leadership team. Karen believed that

fostering self-leadership could be the key to reviving both the company and its commitment to community impact.



*Personal transformation through self-leadership is the cornerstone of both individual and organizational success.*

The executive coaching program zeroed in on three essential areas: self-awareness, emotional intelligence, and strategic vision. Leaders were guided to reflect on their personal values, assess their leadership styles, and identify growth areas. This deep introspection was complemented by the development of greater empathy and emotional intelligence, which were crucial for improving team dynamics.

One of the most transformative aspects of the coaching was the integration of mindfulness practices. Leaders learned to manage stress more effectively and make decisions from a place of clarity and focus. This shift not only revitalized their approach to business challenges but also realigned their personal development goals with the company's mission and long-term objectives.

## THE POWER OF SELF-LEADERSHIP

In the high-pressure world of business, the relentless pursuit of profit often sidelines personal growth. Yet, the most enduring and impactful businesses are those that recognize the profound link between personal transformation and organizational success. When leaders commit to self-leadership—cultivating self-awareness, discipline, and emotional intelligence—they don't just enhance their own effectiveness; they create a ripple effect that can transform their entire organization. This, in turn, leads to a more profitable business that is



better equipped to give back to the community.

Self-leadership is about intentionally guiding your thoughts, actions, and emotions to achieve your goals. It involves taking responsibility for your own development, setting a vision for your life, and aligning your behaviors with your values. For business leaders, this practice is crucial as it fosters a mindset of continuous improvement. Leaders who are committed to their growth become more resilient, adaptable, and innovative qualities that are essential for navigating today's complex business environment.

### PERSONAL TRANSFORMATION AS A CATALYST FOR BUSINESS SUCCESS

When leaders undergo personal transformation through self-leadership, they

often experience a shift in perspective that positively impacts every aspect of their business. Here's how:

#### 1. Enhanced Decision-Making:

Self-led leaders develop greater clarity and focus, enabling them to make better decisions. By aligning their actions with their values and long-term vision, they can steer the business towards sustainable growth.

#### 2. Improved Employee

**Engagement:** A leader's commitment to personal growth sets a powerful example for employees, fostering a work environment where everyone feels valued and motivated. This leads to higher engagement, productivity, and retention.

#### 3. Innovation and Adaptability:

Personal transformation encourages

leaders to challenge their assumptions and embrace new ways of thinking. This openness to change is critical for fostering innovation within the organization.

**4. Stronger Relationships:** Self-leadership enhances emotional intelligence, which is essential for building strong, trusting relationships with employees, customers, and partners. Effective communication and conflict resolution skills foster a collaborative culture that drives success.

### GIVING BACK TO THE COMMUNITY

A business that thrives through the self-leadership of its leaders is not only more profitable but also more capable of making a meaningful impact on the



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community. Here's how personal transformation can drive community engagement:

### **1. Corporate Social Responsibility**

**(CSR):** Leaders who prioritize self-leadership often develop a deeper sense of purpose beyond profit. This can inspire them to implement CSR initiatives that align with their values and contribute to the well-being of the community.

### **2. Economic Empowerment:**

A profitable business can create jobs, provide fair wages, and invest in local suppliers, contributing to the economic development of the community. Leaders committed to ethical practices uplift the community while ensuring long-term success.

### **3. Mentorship and Leadership**

**Development:** Self-led leaders

understand the importance of paying it forward. By mentoring others and investing in leadership development programs, they can empower the next generation of leaders within the community.

### **4. Positive Social Impact:**

Businesses led by self-aware and socially conscious leaders are more likely to address social issues that matter to their community, becoming powerful agents of positive change.

Personal transformation through self-leadership is the cornerstone of both individual and organizational success. When leaders commit to their own growth, they unlock their full potential, driving the success of their business. A profitable business, led by

self-aware and purpose-driven leaders, is better positioned to give back to the community and make a lasting impact.

In today's world, where the lines between personal and professional life are increasingly blurred, the role of self-leadership in business cannot be overstated. By embracing personal transformation, leaders can achieve remarkable business success while contributing to a more just, equitable, and thriving community. Ultimately, self-leadership is not just about leading others—it's about leaving a legacy that benefits everyone. ■



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# PEOs CAN LEVERAGE INNOVATIVE HEALTH BENEFITS TO FUEL BUSINESS GROWTH

BY DAVID IACINO

**T**hose of us in the PEO industry agree that PEOs bring tremendous value to small and midsize businesses (SMBs) and their millions of worksite employees. We're in this business for that reason.

Among the many aspects of running a business, health benefits aren't always the primary focus for worksite clients. However, these are likely among the most complex and costly services that they need in order to remain competitive to offer to their employees.

Innovative health benefits are critical when it comes to attracting and retaining the best worksite employee talent.



*Innovative health benefits are critical when it comes to attracting and retaining the best worksite employee talent.*

## WHAT'S NEW AND EVOLVING IN HEALTH BENEFITS

It's important to understand that the health benefits landscape today is much more broad than medical plan

benefits alone. Health benefits now encompass an increasingly wide spectrum of health-related products and services, including pharmacy, dental, vision, behavioral health and more. There is well-documented research about the connection between a person's dental and vision health and their overall health. Similarly, mental and behavioral health and well-being are intrinsic components of holistic health care.

The increasing scope of health care provider networks, care access points, and wellness, voluntary, and discount program offerings has evolved and will continue to do so, resulting in greater



efficiencies and impact for PEOs, worksite clients and employees.

Also evolving is the increasing use of data-driven technology to help people more easily find and choose in-network health care providers that best meet their needs and preferences. Data-driven technology can also help people compare their potential out-of-pocket costs for care options which will help inform their decision-making.

Evolving technologies are also part of elevated care management approaches. This may incorporate utilizing claims data, advanced targeting algorithms, social determinants, and unique insights to help drive care interventions and actions that positively impact health.

Given all of this, it is important that PEO leaders and their teams comprehend the potential value of all available health-related benefits that can be offered. It's also important to understand why some offerings may be a better fit for a given client and their worksite population over other options. And, understanding where the future of health benefits is heading can help support a PEO's growth goals.

### OPTIONS FOR ACCESSING CARE

Today, there are expansive care access points through a range of provider network choices, 24/7 virtual care and local care. Continued innovations in care access points will change what PEOs need to know to be able to offer solutions tailored for their various worksite clients and employees.

The variety and types of settings where care will be accessed and the ways in which that care can be connected and integrated for optimal experiences and outcomes will continue to evolve. For example, the average Aetna® member with a chronic condition interacts with a pharmacist 13 times per year — providing additional

opportunities to provide connected care and meaningful engagement.

As many of us are aware, since Covid-19 there has been a tremendous shift in how people prioritize how and where they access care. In addition to in-person care, consumers now accept, and in many cases expect options to receive health care services in more convenient locations, including virtually. In some scenarios, such as mental health, virtual is becoming the preferred option.

A recent CVS Health® study found that 72% of survey respondents feel that the quality of care from virtual visits was about the same or better than in-person visits. Seventy-one percent of respondents think a virtual visit for mental health services would be more convenient. And more than half (55%) of consumers surveyed said that the availability of virtual mental health services would make them more likely to seek mental health help.

There are a few types of virtual care options, such as:

- Virtual Care:** Access online treatment, diagnosis, and consultation 24/7 with virtual care. Licensed telehealth providers offer affordable treatment for common illnesses and conditions from the comfort of home or away from home.
- Virtual Primary Care:** These services are offered to patients with eligible insurance plans. Provides access to timely, convenient and affordable on-demand primary care virtually with the option of being seen in person.
- Virtual Mental Health Care:** Provides access to schedule a video visit with a licensed therapist to address concerns such as grief, depression, anxiety, stress, family and relationships, conflict resolution,

identity, and other life challenges.

Plans may also offer access to visit a psychiatrist for a mental health evaluation and medications.

Convenient access to in-person and virtual appointments and resources can enhance worksite client and employee satisfaction with their health benefits. It also offers the potential to enhance overall employee productivity by reducing worry and time away from work.



*A PEO's health benefits partners should be an extension of the PEO's team, working together as trusted advisers to help design health benefits strategies, manage risk, analyze results, offer industry insights and best practices, and help plan for the future—which includes planning for the PEO's business growth.*

### HOW PEOs CAN LEVERAGE BENEFITS INNOVATIONS TO IMPACT GROWTH

Successful PEOs rely on a variety of service partners that they lean on for expertise. This is critically important when it comes to understanding and offering health benefits.

PEOs that currently offer health benefits and those PEOs exploring offering them down the road need the right mix of partners who are not just health benefits experts but also must understand PEOs, client focus, and growth strategies.

Health benefits innovations are so important for a few reasons:

- Helps PEOs and worksite clients enhance talent attraction, retention, and productivity
- Expands care access, informed decision-making, and potential cost savings
- Enables PEOs and worksite clients to focus on their business and less time managing benefits

A PEO's health benefits partners should be an extension of the PEO's team, working together as trusted advisers to help design health benefits strategies, manage risk, analyze results, offer industry insights and best practices, and help plan for the future—which includes planning for the PEO's business growth. The value of a health benefits partner increases with the health benefits solutions that they can provide. This keeps data integrated for better employee engagement, care management and service experience.

The right experts include consultants who specialize in PEO health benefits, underwriting, and actuarial. They also include health benefits carriers with

dedicated PEO business units, tenured teams with deep knowledge, and innovative solutions that offer broad access to quality care for the PEO's current and prospective worksite clients and employees.

The most innovative health benefits partners who work with PEOs focus on helping optimize health, wellness, productivity, and cost savings that can ultimately help fuel the PEO's business growth. ■



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# GLOBAL WORKFORCE BENEFITS:

## WHY CANADA IS THE NEW FRONTIER FOR U.S. NEARSHORING

BY MARC PAVLOPOULOS

**I**n an era where businesses increasingly seek cost-effective and strategic ways to grow, nearshoring has emerged as a compelling option over the increasingly challenging traditional options. For U.S. companies, Canada presents a particularly attractive choice for expanding their workforce. From favorable geographic and economic factors to operational efficiencies and political friendliness, the benefits of nearshoring to Canada are numerous and profound.

### REASONS US COMPANIES ARE EXPANDING TO CANADA, NOT ASIA

Over the past decades, Asia has been the go-to place for offshoring manufacturing and operations for cost efficiencies due to its access to an enormous, young and inexpensive workforce. However, the offshoring trends and growth have proven

unsustainable. As the pendulum swung to Asia's advantage, costs have dramatically risen with employees demanding higher wages, and there have been increased risks to intellectual property, quality control and cybersecurity threats.

Ongoing geopolitical tensions and high U.S. tariffs have further complicated matters, leading companies to shift away from Asia as the primary export platform for North American markets. This has prompted a recent trend of reshoring to the U.S. and nearshoring to closer countries like Mexico and Canada.

Many U.S. companies have already taken advantage of investments in Canada, the neighbor to the north. The strong currency exchange, shared time zone, language, culture and geographical proximity make nearshoring teams in Canada an appealing choice. All these factors contribute to stronger team communication and

productivity while benefiting from cost savings compared to U.S. standards.

### THE CANADIAN TALENT ADVANTAGE

Furthermore, Canadian talent is a driving force behind the decision to expand into Canada. The high-quality education system creates a highly skilled labor force that is generally more cost-effective than local employees. Some Canadian universities, such as the University of Waterloo, the University of Toronto, and the University of British Columbia, have significant alumni in Silicon Valley and produce an annual pipeline of graduates who work for high-growth U.S. companies. While the skill sets and quality of talent remain high, the salaries generally do not reach the same peaks as American salaries. Whether looking to hire junior or senior talent, Canadian employees have proven to be a valuable asset.



## CANADIAN IMMIGRATION: AN ATTRACTIVE ALTERNATIVE FOR U.S. CORPORATE IMMIGRATION

The American H-1B visa program, designed to bring highly skilled foreign workers to the U.S., has become increasingly complex and competitive. With annual visa caps (currently capped at 85,000 per year) and lengthy processing times, many companies struggle to secure H-1B visas for their talented foreign employees. As a result, employees may lose work authorization and must leave the country. The H-1B visa program poses several challenges for U.S. businesses hiring foreign employees. Each year, the demand for H-1B visas typically exceeds the supply. Companies may feel out of options relying on a lottery system that randomly selects individuals to determine who can apply for the visa.

Canada stands out in the race to attract global tech talent, offering many advantages for foreign companies seeking to hire or retain talent. This includes a lower cost of

doing business overall, possible tax breaks, and a streamlined immigration process that is more predictable than the U.S. system.

Canada's world-class immigration program is a great option for Canadian and foreign businesses who want to hire foreign talent. Employers can speed up the process of hiring foreign workers to fill specialized jobs in a matter of weeks.

### BENEFITS FOR IMMIGRANT EMPLOYEES

It's no surprise that Canada is a desirable option for immigrants, especially when compared to the uncertainty of life on a work visa in the U.S. Employees can even move back to the U.S. in the future, with new experience gained while working in Canada—opening up new immigration pathways to the U.S. If the employee becomes a Canadian citizen, business travel becomes significantly easier as Canadian citizens don't require visa stamps from a consulate abroad. It would also benefit them when reapplying for a Green Card (U.S. permanent residency) because they

wouldn't have to wait as long as when they were applying from countries such as India or China, which have a greater backlog.

### THE ECONOMIC AND OPERATIONAL ADVANTAGES

Canada's economic landscape offers additional advantages that make it an attractive nearshoring destination. The country's stable economy, robust infrastructure, and supportive business environment provide a solid foundation for U.S. companies looking to expand. Canadian cities consistently rank high in terms of quality of life, making them appealing locations for employees to live and work. This can lead to higher employee satisfaction and retention rates, which are crucial for maintaining a stable and productive workforce.

### LOWER HEALTHCARE COSTS

Moreover, Canada's healthcare system provides a significant cost advantage. With publicly funded healthcare, the burden on employers to provide extensive health



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benefits is reduced, leading to lower overall employment costs. This can be particularly beneficial for U.S. companies used to the high healthcare costs in the United States.

### LEVERAGING TECHNOLOGY AND INNOVATION

Canada is not just a hub for talent but also for innovation. The country's strong emphasis on research and development (R&D) and its supportive government policies make it a breeding ground for technological advancements. U.S. companies can tap into this innovative ecosystem by nearshoring to Canada, gaining access to cutting-edge technologies and practices that can drive their growth and competitiveness.

Several Canadian cities, including Toronto, Vancouver, and Montreal, are renowned for their thriving tech scenes. These cities are home to numerous startups and established tech companies,

creating a dynamic and collaborative environment for innovation. By establishing a presence in these innovation hubs, U.S. companies can benefit from the cross-pollination of ideas and technologies, fostering a culture of continuous improvement and growth.

As global workforce trends continue to evolve, Canada emerges as a strategic nearshoring destination. Its skilled workforce, cultural alignment, and cost advantages make it an ideal choice for U.S. companies seeking to diversify and strengthen their global workforce.

Nearshoring to Canada and partnering with PEOs offers U.S. companies a range of benefits, from lower healthcare costs and cultural alignment to advantageous time zones and currency savings. The combination of these factors creates a compelling case for considering Canada as a strategic expansion destination. However, hiring employees in a new country can be

daunting and burdensome. As PEOs we are uniquely positioned to help our clients take advantage of these benefits.

To fully realize these advantages and navigate the complexities of international employment, partnering with an Employer of Record (EOR) or PEO can be a game-changer.

As PEOs, we provide the expertise and infrastructure necessary to streamline HR, payroll processes, and navigate provincial compliances, allowing U.S. companies to focus on growth and innovation. By leveraging the benefits of nearshoring and the support of an EOR, U.S. companies can expand their global footprint efficiently and effectively. ■



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# SHARPEN YOUR FOCUS: TIPS FOR IDENTIFYING DEALS THAT WILL CLOSE

BY HADEN ROBERTS

**S**even years ago, our top business advisor gave me a career-changing lesson. I was an unlikely candidate for selling PEO at G&A. I did not grow up in Dallas and had no local network. I had no industry experience, nor had I ever been in a sales role before. Worst of all, I'm not sure that I even knew what PEO stood for when I was brought on.

My first two years in the industry were marked by pitch slaps, spray and pray cold calls, proposing to companies that were bad fits, and working with non-decision makers. I clearly remember reaching a point 18 months in, thinking to myself, "I'll be fired if I don't start selling!"

I went into 2018 with my back against the wall mentally. Fortunately,

we started the year with our annual Sales Kick Off, and I was sat next to our most productive business advisor. In between one of our sessions, I shared with him some of my struggles. He asked me to open my pipeline in our sales management platform and walk him through each of my deals in detail. This is essentially how the conversation went:

"That one will never close—kill it, that one is just kicking tires—kill it, no response in 2 weeks?—kill it," he said.

"But... but... but...," I replied.

By the end of it, I still had one legitimate deal left in my pipeline. Here is the valuable lesson he taught me: only spend time on deals that have a high likelihood of closing and become elite at determining what deals

those are. From that moment on, my annual sales went up 400% (and never went back down).

It begs the question—how do you determine what can close? Three key factors separate deals that close from those that do not.

## 1. CLEARLY DEFINED PROBLEM THAT YOU CAN SOLVE

Our prospect needs to have pain that aligns with our value proposition. Selling PEO is nuanced and complex, involving multiple moving parts. Convincing an employer to outsource their back office and co-employ their staff can be challenging, especially for groups who are accustomed to traditional methods (in-house, multi-vendor, etc.).

Often, salespeople mistakenly believe that offering affordable insurance options alone will win over prospects to PEO. For those of us who have tried this, we know that it does not work. Is providing insurance coverage a selling point of our solution? Absolutely! But it is not enough to win support for the model on its own.

Does this mean that your prospect can clearly articulate their problems up front? Not always – however, letting your authentic curiosity guide the conversation can often uncover issues within their business that were not previously front of mind. It is not our job as salespeople to uncover pain that does not exist, or to make mountains of molehills. When real pain does exist though, we can help a prospective buyer quantify and identify underlying pain, and position that pain against the backdrop of the PEO value proposition.

## 2. ONLY WORKING WITH DECISION MAKERS

We've all made this mistake before: proposing to someone who does not have any authority. We identify pain, craft a solution, and save the company money, yet still lose the deal. Why? Because we're asking our champion to sell our solution internally rather than dealing directly with the decision maker.

Selling PEO is hard. Anyone who has done it for any amount of time can tell you



## PEO GROWTH

that it is one of the toughest sales you can make. If it is hard for us (who sell PEO for a living), imagine how hard it is for someone who does not have your skillset, training, and understanding of the model to sell PEO to the C-suite without your guidance.

Put yourself in their shoes – by advocating to ownership that the company should abandon their current solution and adopt

the PEO model, they are risking significant relational and professional cachet. If issues arise (e.g., poor implementation, high renewal costs, payroll errors), they risk damaging their reputation with executives by having recommended a faulty solution.

For this reason, it's not uncommon for your champion to fold like a cheap lawn chair at the first sign of internal resistance.

Deals that close almost always end with us talking directly to the people who ultimately have authority to purchase.

### 3. DEFINITIVE TIMELINE / BUYING WINDOW

Timing is everything when selling PEO—it's about their schedule, not ours. Even with decision makers and clear pain points, a deal may fall through if we miss a critical trigger event.

These events can come in many forms and fashions—a renewal with an incumbent provider/carrier, the start of a quarter/year, loss of a key individual (HR, for example), etc. The reality is, without a clear “backstop” that is forcing them to decide, many employers will simply choose the status quo (do nothing). Deal momentum is key, and the longer a deal stays in our pipeline, the lower our chances of winning it.

It is worth mentioning that we cannot artificially accelerate a timeline that our buyer does not believe in. Attempts to incentivize quick decisions (waived setup fees, free months, more favorable terms, etc.) lower our status in their eyes, and reek of desperation.

From time to time, I am still tempted to chase a low-probability deal to pad my forecast, but then I'll take a deep breath, and ask myself if it fits my three criteria. If it doesn't, I'll pass.

If you're struggling with low close rates or stalled deals, be brutally honest with yourself by using these three criteria for each opportunity in your pipeline. By walking away from prospects who cannot identify pain, don't have decision making authority, and are not in a buying window, you'll free yourself up to spend time with companies that have the highest likelihood of becoming a client.

At the end of the day, there is only one KPI that matters—closed business! ■



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# THE CRITICAL ROLE FOR PEOs IN MAXIMIZING EMPLOYEE CARE

BY GEOFF VANDAL

**A**mid an ever-shifting set of challenges—from rising costs to changing consumer preferences and generational shifts in the workplace—employers now face a “permacrisis.” The formerly unprecedented has become the norm, ramping up pressure on employers to devise new strategies to safeguard their talent and grow their business.

While midsize and large businesses typically have access to the HR capabilities and expertise they need to navigate these challenges, small business employers are tasked with providing “big business” HR with a fraction of the resources.

And, perhaps not surprisingly, many small business employers find themselves losing ground to larger competitors in the war for talent.

Small business employees are 11 percent less likely to be satisfied with their job than employees at mid-size and large organizations. Thirty percent of small business employees do not intend to be at their employer in the next 12 months, versus just 23 percent for employees at mid-size and large organizations.

## SMALL BUSINESSES ARE LOOKING TO EMPLOYEE CARE TO BOLSTER OUTCOMES—AND PEOs HELP THEM DELIVER IT.

Against this backdrop, small business employers have focused on **employee care** to help drive mutually beneficial outcomes for organizations and employees.

Employee care, first explored in our 2023 Employee Benefit Trends Study, requires taking genuine interest in employees’ well-being, both at work and outside of work, and enriching each

element of the employee experience to cultivate a healthier, more satisfied and more loyal workforce.

This year’s research indicates that more small business employers are working to care for their workforce. However, these efforts may not yet resonate with employees—especially for small businesses who have yet to work with a PEO.

Nine in ten small business employers say their workers feel cared for, but just 59 percent of small business employees agree. However, PEO worksites are more likely to perform well across multiple aspects of care. They are more likely to increase employee pay, more likely to improve access to benefits at affordable price points, and more likely to improve accessibility to enroll in wellness programs (such as EAPs and financial wellness programs).



**DELIVERING CARE IN THE MOMENTS THAT MATTER MOST**

This year’s report builds on the MetLife care model, exploring strategies for PEOs to help worksites deliver care during pivotal moments in employees’ lives — including moments that may not be visible in the workplace.

To that end, we examined 55 work and life moments to identify those that have the greatest impact on employees — and how delivering care during these pivotal moments significantly boosts outcomes for employees and employers alike.

**Small business employees’ top 10 most impactful moments across life and work:**

1. Loss of family member / friend
2. Becoming primary income-earner
3. Growing your family
4. Significant unplanned financial stress/expense
5. Experience burnout
6. Pregnancy
7. Bereavement (including miscarriage)
8. Promotion
9. Caregiving responsibilities for adult family member / friend
10. Victim of cyber fraud (e.g., identity theft)

When employees feel cared for across any of the top ten most impactful work and life moments, they are more likely to be holistically healthy, more satisfied

with their job, and more loyal to their employer compared to those who did not feel cared for. They are also more likely to feel valued at work, happier at work, and more successful.

**PEOs HAVE AN OPPORTUNITY TO MAXIMIZE OUTCOMES BY CLOSING KEY CARE GAPS**

Although PEO worksites have a significant leg up when it comes to delivering employee care, the small business workforce craves more care during challenging work and life moments.

Work moments with the largest care gaps among small business employees are experiencing burnout at 30 percent, not getting a promotion at 27 percent, experiencing harassment or bullying at 27 percent, lack of appreciation at 21 percent, and health and safety concerns at 19 percent. Life moments with the largest care gaps among small business employees are financial planning at 26 percent, child commitments at 26 percent, growing our family at 25 percent, challenged with commuting to work at 24 percent, and pregnancy at 22 percent.

Closing these gaps requires having a network of resources in place to help employees access the support they need, when they need it — what we’ve dubbed “always-on care.”

Doing this well can have a transformative impact on key talent metrics, helping small businesses keep pace with larger competitors when it comes to

attracting and retaining the talent they need to grow.

**LEARN ABOUT THE HOW PEOs CAN HELP WORKSITES “MEET THE MOMENT” AND PROVIDE ALWAYS-ON CARE IN OUR PEO ADVANTAGE REPORT**

The looming permacrisis calls on employers to stay nimble and leverage HR best practices to safeguard their workforce — and PEOs play an invaluable role in providing the expertise and resources required to succeed.

The PEO Advantage report delves into how PEOs effect better outcomes for their worksites, bolstering co-employee well-being, satisfaction and loyalty. It also shares targeted strategies and best practices for PEOs to support worksites in providing always-on care — and help worksites reach their business goals as a result.



The PEO Advantage. PEO worksites overperform on employee satisfaction, scoring 42 percent higher than non-members, employee productivity, scoring 23 percent higher than non-members, and financial performance, scoring 42 percent higher than non-members.

You can learn more about the report at [www.metlife.com/peo](http://www.metlife.com/peo).



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# COLLABORATION, LEADERSHIP & COMRADERY

BY CASEY M. CLARK

**I**t seems a little redundant to write this column about an event most of us experienced together, but since I'm still riding high from my first Annual Conference and Marketplace, I hope you'll bear with me. And while I'm sure those of you in the audience in Orlando were hanging on my every word (and not just hoping I'd hurry up and get Daymond John on the stage), it bears reflecting on a few of the themes from the week: collaboration, leadership and comradery.



*What an exhilarating week to be part of this tremendous industry and community.*

Perhaps nothing exemplifies all these core industry traits more than our work together for NAPEO Gives Back. With months of preparation and flawless

execution, we not only crossed the \$1 million donated threshold over this program's short existence, but we also made a memorable contribution to Give Kids the World. Learning about Georgia Wagner's story and being on site with the committee to volunteer in the cafeteria that our industry's generosity will help rebuild has left an indelible mark.

## COLLABORATION

I've said many times how impressed I am with our industry's commitment to one another, and feeling the energy in the marketplace was incredible. From new exhibitors to the O.G.s that have been with us from the beginning, I heard from a lot of people that this was their best show yet, and they were inking new deals that will benefit the hundreds of PEO executives I saw making their way through the exhibit hall.

The same was true in the packed educational breakouts, with each session bringing decisionmakers together for important conversations on best practices and the future of our industry.

My mind is still reeling from the AI discussion on the main stage on Tuesday,

with David Feinberg (Justworks), Alex Campos (Vensure), Stan Smith (Gradient AI) and Birju Shah (Kellogg School at Northwestern) giving us a lot to think about!

## LEADERSHIP

It would be hard not to be moved by the words Andy Lubash (PrestigePEO) shared when accepting our industry's highest honor, the Michaeline Doyle award, with his children beaming up at him from the front row. Andy exemplifies what it means to lead – driving our association for two tours of duty as chair through Covid, and using this opportunity to implore more involvement. NAPEO and the PEO industry are better off because of Andy.

We also gave thanks to Steve Politis for his active association leadership and ushered in our new board Chair, David Feinberg, who shared a vision for his time atop the leader board. David shared that his priorities will extend a commitment to diversifying NAPEO engagement through NextGen, WIN and other initiatives aimed at expanding our roster of industry participants. A more active and involved group of professionals will continue to make us stronger, and they have great leaders to model their engagement from.

## COMRADERY

What an exhilarating week to be part of this tremendous industry and community. Coming into NAPEO, I was frequently told about the tight knit group I was joining. But that's a hard thing to fully appreciate in concept. Well, I can feel it now, and I'm so grateful to be a part of a dynamic group of people who genuinely respect and like one another. **YOU** are what sets us apart and not only will we continue to do great things together, if last week was any indication, we're just getting warmed up. ■



**CASEY M. CLARK**

President & CEO  
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