LESSON 3

HR Maturity: Where Are You Now?

HR 101 Foundation | BizGrowth Academy

LESSON OVERVIEW

Duration: 10 minutes (assessment + results interpretation)

Format: Text + Interactive HR Maturity Assessment + Visual Roadmap

Learning Objective: Help you self-assess your HR maturity across 8 critical domains and identify your priority gaps.

What You'll Walk Away With

- A clear picture of your current HR maturity level (1–4)

- Identification of your biggest gaps (what's holding you back)

- Specific recommendations for what to build first

- Clarity on which stage-based journey matches your business

- Confidence that you know exactly where to focus

Why This Matters: The Mirror, Not the Test

Before you jump into building, you need an honest mirror.

Many business owners skip self-assessment and jump straight to action. They build what they *think* they need, not what they *actually* need. Result: They waste time building the wrong thing first.

This lesson is different. It's a diagnostic tool, not a judgment.

We're not assessing whether you're "good" or "bad" at HR. We're simply asking: **Where do you actually stand right now, across the domains that matter most?**

No judgment. Only clarity.

The 8-Domain HR Diagnostic

We've broken HR into 8 critical domains. Each domain matters. Together, they paint a complete picture of your HR maturity.

DOMAIN	WHAT IT COVERS
1. Hiring & Recruitment	A documented, consistent process for finding and hiring the right people
2. Onboarding & Integration	A structured plan for new hires covering their first 30–90 days
3. Performance Feedback	Regular, structured feedback to your team at least quarterly
4. Engagement & Retention	Actively measuring and tracking employee engagement and retention
5. Compensation & Pay Equity	Defined salary ranges or pay guidelines for different roles
6. Compliance & Policies	An employee handbook with documented policies and legal protections
7. Learning & Development	Systems for helping your team learn, develop skills, and grow
8. Org Design & Culture	Clear organizational structure with defined roles and intentional culture

Take the Assessment

This 8-question assessment takes about 5 minutes. Answer honestly.

> **REMEMBER:** This is a mirror, not a judgment. There are no "right" or "wrong" answers. Only honest answers.

HR Maturity Self-Assessment

DOMAIN 1: Hiring & Recruitment

Question: Do you have a documented hiring process that you follow consistently every time you hire?

A documented process means:

- Written job description (what the role does, not just who you want)

- Consistent interview questions (same questions for every candidate)

- Scoring or decision-making criteria

- Reference check process

☐ **YES** — We have a written process and follow it consistently

☐ **NO** — We hire on instinct or use inconsistent approach

DOMAIN 2: Onboarding & Integration

Question: Do you have a structured onboarding plan for new hires covering their first 30–90 days?

A structured plan includes:

- Pre-boarding checklist (before Day 1: equipment, office setup, introductions)

- Day 1 plan (welcome, tech setup, key meetings)

- Week 1 plan (role clarity, first tasks, team introductions)

- 30-day checkpoint (progress review, feedback)

- 60–90 day checkpoints (adjustments, feedback, integration assessment)

☐ **YES** — We have a structured 30–90 day plan we use for every hire

☐ **NO** — We don't have a formal plan; new people figure it out

DOMAIN 3: Performance Feedback

Question: Do you give regular, structured feedback to your team at least quarterly?

Regular, structured feedback means:

- Scheduled conversations (not just ad-hoc feedback)

- At least quarterly (4 times per year, minimum)

- Covers what's working and what needs improvement

- Documented or tracked

☐ **YES** — We have scheduled feedback conversations at least quarterly

☐ **NO** — We give feedback informally or only when there's a problem

DOMAIN 4: Engagement & Retention

Question: Do you actively measure and track employee engagement and retention?

Active measurement means:

- You ask people if they're happy (even informally)

- You track why people leave (exit interviews or conversations)

- You know your voluntary turnover rate

- You take action based on what you learn

☐ **YES** — We measure engagement and understand why people leave

☐ **NO** — We don't formally track engagement or exit reasons

DOMAIN 5: Compensation & Pay Equity

Question: Do you have defined salary ranges or pay guidelines for different roles?

Clear compensation means:

- Written salary ranges for each role

- Pay determined by role and market (not favoritism or gut feel)

- Transparency (people understand how they're paid relative to others)

- Consistency (same pay for same role and performance)

☐ **YES** — We have salary ranges and clear pay guidelines

☐ **NO** — We pay people based on what we can afford or negotiation

DOMAIN 6: Compliance & Policies

Question: Do you have an employee handbook with documented HR policies and procedures?

A handbook includes:

- Welcome/company overview

- At-will employment statement

- Anti-discrimination and harassment policy

- Time off policy (vacation, sick leave, holiday)

- Compensation basics and benefits

- Conduct expectations and disciplinary process

- Acknowledgment form signed by employees

☐ **YES** — We have an employee handbook with key policies documented

☐ **NO** — We don't have a formal handbook; policies live in emails or conversations

DOMAIN 7: Learning & Development

Question: Do you have systems for helping your team learn, develop skills, and grow?

Learning systems include:

- Budget for training or development

- Identified skill gaps and development plans

- Mentoring or coaching from leaders

- Clear career paths or growth conversations

- Time/support for learning (not just hoping they find time)

☐ **YES** — We actively develop our team and support skill growth

☐ **NO** — We don't have structured development; learning happens ad-hoc

DOMAIN 8: Organizational Design & Culture

Question: Do you have a clear organizational structure with defined roles and intentional culture-building?

Clear org design means:

- Reporting structure diagram (who reports to whom)

- Role clarity (what each person is accountable for)

- Culture-building activities (values defined, team rituals, recognition)

- Shared understanding of "how we do things here"

☐ **YES** — We have clear roles and we intentionally build our culture

☐ **NO** — We don't have a formal org structure; roles are fluid

Scoring Your Assessment

COUNT YOUR YES ANSWERS

Your Score: _____ / 8

Now find your maturity level:

SCORE	LEVEL	WHAT IT MEANS
0–2	Level 1	Ad-Hoc ("Winging It") – High risk, reactive decisions
3–5	Level 2	Reactive ("Getting Organized") – Some systems, inconsistent use
6–7	Level 3	Systematic ("Running a System") – Documented, consistent processes
8	Level 4	Strategic ("HR as Competitive Advantage") – Data-driven, optimizing

Understanding Your Maturity Level

LEVEL 1: AD-HOC ("Winging It")

If you answered YES to 0–2 questions

What this means: You're running HR on instinct and urgency. You hire based on gut feel. Onboarding is "figure it out." Feedback is rare. You have no written policies.

The reality: You're at high risk. One bad hire, one unexpected departure, one legal issue—any of these can hurt significantly.

Typical SMBs here: 25–30%

Your next step: Start somewhere. Go to Lesson 5 and choose ONE action: hiring process, onboarding checklist, or handbook outline.

LEVEL 2: REACTIVE ("Getting Organized")

If you answered YES to 3–5 questions

What this means: You've had enough problems that you're starting to document things. You have basic hiring steps or a rough onboarding process. You're reacting to problems and trying to get organized, but you're not yet consistent.

The reality: You're on the right track, but inconsistency creates problems. You have some systems, but you don't always use them.

Typical SMBs here: 40–50%

Your next step: Formalize what you're already doing. Pick 2–3 domains and systematize them. Go through Lessons 4 and 5 to create consistent processes and then stick to them.

LEVEL 3: SYSTEMATIC ("Running a System")

If you answered YES to 6–7 questions

What this means: You have documented processes you follow consistently. Every new hire gets onboarded the same way. You give regular feedback. You have an employee handbook you actually use.

The reality: You're preventing most problems. Your business runs more smoothly because people know what to expect. You have fewer surprises.

Typical SMBs here: 15–25%

Your next step: Focus on deepening the systems you have. Fill in the 1–2 gaps. Look at scaling your processes as you grow.

LEVEL 4: STRATEGIC ("HR as Competitive Advantage")

If you answered YES to all 8 questions

What this means: You use HR data to make business decisions. You're building culture intentionally. Your managers are trained and empowered. Turnover is low. Engagement is high.

The reality: This is the most profitable version of your business. You have a competitive advantage because talented people want to work for you.

Typical SMBs here: 5–10%

Your next step: Continue optimizing. Focus on advanced areas like succession planning, leadership development, and strategic workforce planning.

Your Maturity Level Results

Based on your score, you are at: **MATURITY LEVEL _____**

This is where you actually are right now. Not where you want to be. Not where you think you should be. Where you genuinely stand today.

Your Priority Gaps

Look back at the questions where you answered NO. **These are your gaps.**

These gaps are costing you money and momentum. But they're also your roadmap—they show you exactly what to build next.

Record your answers here:

DOMAIN	YES	NO
1. Hiring & Recruitment	☐	☐
2. Onboarding & Integration	☐	☐
3. Performance Feedback	☐	☐
4. Engagement & Retention	☐	☐
5. Compensation & Pay Equity	☐	☐
6. Compliance & Policies	☐	☐
7. Learning & Development	☐	☐
8. Organizational Design & Culture	☐	☐

Count your NO answers: **_____** — *These are your gaps. They're your roadmap.*

Interpreting Your Gaps

Your gaps aren't failures. **They're your next chapters.**

3+ Gaps	You're at Level 1 or early Level 2. You have some significant building to do, but don't panic. The good news is you're about to see exactly what to build in the right order. Many successful SMBs started where you are.
1–2 Gaps	You're at Level 2 or early Level 3. You're close. Closing these gaps will move you from reactive to systematic. These are the final pieces that make a huge difference.
0 Gaps	You're at Level 4. You're ahead of most SMBs. Keep optimizing and help other business owners get where you are.

The Maturity Progression Roadmap

Here's the path from where you are to the next level:

> **LEVEL 1 (Ad-Hoc)**
> ↓ Build hiring, onboarding, handbook (8–12 weeks)
>
> **LEVEL 2 (Reactive)**
> ↓ Formalize and make consistent (8–12 weeks)
>
> **LEVEL 3 (Systematic)**
> ↓ Add development & culture (12–16 weeks)
>
> **LEVEL 4 (Strategic)**
>
> ↓ Maintain and optimize continuously

> **KEY INSIGHT:** You don't jump from Level 1 to Level 4 overnight. Each level takes 8–16 weeks to build, starting from the previous level. But the journey is clear.

What to Build Next: Gap Priority Guide

You have gaps. But you don't need to fix them all at once. **Here's how to prioritize:**

PRIORITY	DOMAIN	WHY FIRST	TIME / IMPACT
HIGHEST	**1. Hiring & Recruitment**	Bad hires cost $50K+. Prevents biggest financial damage.	2–4 weeks / Prevents costly mistakes immediately
	2. Compliance & Policies	Lack of policies creates legal risk. Protects you.	3–6 weeks / Legal protection + clarity
SECOND	**3. Onboarding & Integration**	Good onboarding reduces turnover by 40%. High-impact.	2–4 weeks / Faster ramp, better retention
	4. Performance Feedback	Prevents culture drift, reduces turnover by 20–30%.	2–3 weeks / Better performance, fewer surprises
THIRD	**5. Compensation & Pay**	Clear pay reduces resentment and retention issues.	3–4 weeks / Fairness, reduced turnover
	6. Engagement & Retention	Understanding why people leave prevents repeats.	2–3 weeks / Targeted retention efforts
	7. Learning & Development	Development keeps good people engaged and loyal.	4–6 weeks / Growth, retention, capability
	8. Org Design & Culture	Clear roles and intentional culture tie everything.	6–8 weeks / Alignment, clarity, scalability

Your Gap Analysis: Personalized Next Steps

Based on your assessment, fill in your specific recommendations:

YOUR PERSONALIZED ACTION PLAN

Your Maturity Level: _____

Your Priority Gap #1: _____ (Build this first, 2–4 weeks)

Your Priority Gap #2: _____ (Build this next, 4–8 weeks)

Your Priority Gap #3: _____ (Build this after, 8–16 weeks)

Estimated timeline to next maturity level: **12–16 weeks**

Stage-Based Routing: Which Journey is Right for You?

The HR 101 Foundation connects to four stage-based journeys. Your maturity level + business stage determines which journey you should follow next.

JOURNEY	WHO IT'S FOR	TIMELINE
Start-Up Journey	0–3 years, 1–10 employees	12 weeks
Scaling Journey	3–10 years, 10–50 employees	16 weeks
Established Journey	10+ years, 50–150 employees	16 weeks
Enterprise Journey	150+ employees or pre-exit	14 weeks

Your Commitment: What's Your Next Move?

You now know:

1. **Your maturity level** (where you actually are)

2. **Your priority gaps** (what's holding you back)

3. **Your recommended journey** (which path matches your business)

Now, what's your next move?

Immediate Next Steps

IN THE NEXT 7 DAYS:

☐ Schedule 30 minutes to complete Lesson 4 (HR Roadmap by Business Stage)

☐ Identify your TOP priority gap (the one costing you the most money)

☐ Decide which stage-based journey you'll follow

IN THE NEXT 30 DAYS:

☐ Complete Lesson 5 (Getting Started – Your First 3 Actions)

☐ Start your first action (hiring process, onboarding checklist, or handbook)

☐ Download the templates and begin building

IN THE NEXT 90 DAYS:

☐ Complete your first priority gap

☐ See early wins (faster hiring, better onboarding, reduced mistakes)

☐ Move to your second priority gap

Key Takeaways from Lesson 3

4. **You are at a maturity level (1–4).** This is not a judgment. It's where you actually are right now, based on the systems you have in place.

5. **Your gaps are your roadmap.** Each domain you're missing shows you exactly what to build next. You don't need to build it all at once.

6. **Maturity progression is predictable.** Most SMBs progress from Level 1 → Level 2 (8–12 weeks) → Level 3 (8–12 weeks) → Level 4 (continuous).

7. **Your stage determines your journey.** The pillars you focus on first depend on your business age and employee count.

8. **Priority gaps have a recommended build order.** Hiring and Compliance usually come first because they have the highest immediate impact.

9. **You can close gaps in 12–16 weeks if you stay focused.** Each gap takes 2–6 weeks to close. With three gaps, you're looking at 12–16 weeks to reach the next level.

10. **Self-awareness precedes action.** You can't improve what you don't measure. This assessment gives you that clarity.

A FINAL WORD

You're not alone in this assessment. Most SMB owners discover they're at Level 1 or Level 2. Some are at Level 3. A few are at Level 4.

Wherever you are, you're where most businesses at your stage are.

The difference between Level 1 and Level 4 isn't intelligence, resources, or luck. It's consistency and system-building. And you're about to get both.

Moving Forward

Lesson 1 gave you the mindset. HR is a business function, not bureaucracy.

Lesson 2 gave you the financial case. HR gaps are costing real money.

Lesson 3 just gave you clarity. You know your maturity level and your gaps.

Now comes the execution:

- **Lesson 4: Your HR Roadmap by Business Stage** will show you what to build at your specific stage, in the right order.

- **Lesson 5: Getting Started – Your First 3 Actions** will give you three specific, implementable actions you can start this week.

By the end of HR 101, you won't just understand HR. **You'll have a clear roadmap and the tools to execute.**

Lesson 3 Downloads

Three resources to deepen your self-awareness and plan your next steps:

1. HR Maturity Self-Assessment (PDF Fallback Version)

Use this to: Take the assessment offline if you prefer pen-and-paper.

Includes:

- All 8 questions with scoring instructions

- Maturity level interpretation guide

- Gap analysis worksheet

- Next steps recommendations based on your level

2. Maturity Progression Roadmap (PDF Infographic)

Use this to: Visualize your path from your current level to Level 4.

Includes:

- Level 1 → Level 2 → Level 3 → Level 4 progression

- Timeline estimates for each transition

- Key build items at each level

- Metrics that show you've reached the next level

3. Gap Analysis Worksheet (Fillable PDF)

Use this to: List your NO answers and prioritize which gap to close first.

Includes:

- Your 8 domains with YES/NO checkboxes

- Priority ranking (Highest → Third Priority)

- Timeline estimates for closing each gap

- Financial impact estimate for your top 3 gaps

- Recommended journey selection (Start-Up, Scaling, Established)

Time to complete: 10 minutes

NEXT UP

Lesson 4: Your HR Roadmap by Business Stage

Learn what to build at your specific stage, in the right order.

BizHealth.ai

Stop Guessing. Start Growing.

www.bizhealth.ai

HR 101 Foundation | Lesson 3 | Version 1.1 | January 2026

Questions? Feedback? Let us know.
We're building this for you.