



8 Ways SMBs Can Win in a Tight Talent Market

The Great Resignation has made competition for the best employees more intense than ever

There is no way to sugarcoat the impact of the Great Resignation, which saw 38 million U.S. employees quit their jobs last year, and there are no signs of relief in 2022. With more than 11 million job openings currently unfilled, a recent Labor Department report tabulated a robust 678,000 new jobs added in February and the unemployment rate dipping to 3.8 percent.

“The biggest challenge small and midsize businesses (SMBs) currently face is filling jobs in the midst of a severe talent shortage,” says Mary Kay Engelhardt, vice president, recruiting and selection, at Insperity aptly puts it. With millions of employees having left the workforce and millions more hesitant to change jobs due to a continued atmosphere of uncertainty, including the lingering pandemic, high inflation, and the war in

Ukraine, “talent is scarce, and many jobs remain unfilled,” she says.

That’s the bad news. The good news is that this upheaval in the workforce is creating opportunities for forward-thinking SMB leaders to boost their future prospects by attracting and retaining the most talented employees with a variety of tools and strategies. These include: Compensation packages, professional development, enhanced recruitment, remote work arrangements, and company culture. In addition, strategic use of technology, contract professionals, and recruiting firms can help make SMBs more attractive to prospective employees.

COMPETITION HEATS UP

“Companies across the U.S. are in the midst of a war for talent,” says Joe Galvin, chief research officer at Vistage, a coaching and peer advisory organization for SMB leaders. In recent Vistage research, 65 percent of SMB CEOs said hiring challenges have impacted their ability to operate at full capacity. As a result, recruiting has become increasingly aggressive, and wages and salaries are trending upward.

SMB leaders face multiple challenges in a tight labor market that currently favors the job seeker, says Trisha Plovie, senior vice president, global future of work, at Robert Half, a talent solutions and business consulting firm. Pointing to the 11.3 million job openings unfilled on the last day of January and a quit rate near an all-time high at 2.8 percent, she says, “All of this means that it is difficult to find skilled talent in a booming market—and it is becoming even more difficult to retain current staff.”

In a survey of 2,800 senior managers, Robert Half found that the top three hiring challenges

that businesses face are finding candidates with the right skills (22 percent), hiring quickly enough to land the best talent (17 percent), and finding candidates who complement the company culture (16 percent). “In addition, many are working to offer remote or hybrid work options to retain their employees and attract the best talent,” Plovie says.

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CULTURE COUNTS

The deep pockets of larger companies may put SMBs at a disadvantage on the compensation front, but company culture is one clear area where they can distinguish themselves. “We know that companies with a strong culture can attract and retain better talent, build superior brands, and improve business performance,” Galvin says.

A good way for SMBs to use company culture as a competitive differentiator is by finding ways to make work meaningful for their employees. In a recent survey by MyPerfectResume, 68 percent of respondents said work gives their life meaning, and 75 percent said that the aim of every employee should be searching for a happier, healthier way of working for a living.

Kim Fulton, employee experience principal at global consulting firm Kearney, stresses that SMBs have unique advantages when it comes to offering candidates meaningful

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work, empowerment, and personal and supportive cultures. “Perks and benefits are not enough anymore,” she says.

Employees and candidates are reevaluating what they want from work, Fulton notes. With burnout and mental health challenges on the rise since the start of the pandemic, many workers are mentally and emotionally exhausted.

“We are seeing many individuals make a job change to better manage

2022. Another survey found that 53 percent of employed workers received a pay raise in 2021, and 79 percent believe they can make more money in 2022 by switching jobs.

“Wages are up, and job seekers are expecting more from employers in terms of pay, incentives, and benefits,” says Kevin Harrington, CEO of Joblist, a job search platform. “To attract talent in this market, SMBs often need to increase their pay just to remain competitive.”



their wellbeing or regain a sense of purpose and autonomy,” she says. “The greatest return on investment is in strategies that do not just support recruiting, but also drive retention and performance of top talent by enabling employees to thrive.”

MONEY STILL TALKS

Of course, compensation remains a prime consideration for most job candidates, especially with inflation on the rise. A recent survey found that 92 percent of organizations plan to give base pay increases in

Benefits and perks are an important part of the compensation package. “SMBs must showcase their benefits wherever they can offer them, whether they be traditional, untraditional, or a mix of both,” says Thad Price, CEO of Talroo.com, a data-driven job advertising platform. Fifty-three percent of job seekers in a recent Talroo survey cited flexibility as a top deciding factor when conducting a job search.

Galvin describes professional development and leadership training opportunities as “another

secret weapon” in competing for and retaining talent. Access to these and other types of continued education can be “a powerful point of difference for employees who want to feel connected to their work, poised for growth, and valued by their employer,” he says.

SMBS MUST CHANGE TACTICS

Price proposes that the best way for SMBs to position themselves for success in today’s topsy-turvy talent marketplace is to radically reposition their recruitment efforts. “SMBs must think of recruiting more like marketing,’ he says. They need to “sell” positions to candidates with targeted postings and strong benefits rather than just waiting for job seekers to find their postings.

It is not just about having good job postings, Price adds. What is important is how available an organization’s postings and its brand are to its target candidate audience. “Using automation and advanced recruitment advertising tools can help businesses better understand, target, and reach job seekers where they are already spending time online,” he says.

Engelhardt suggests that one of the best tools SMBs can tap to help them meet their recruitment and retention challenges is enlisting the help of an experienced recruiting firm.

“Active job seekers are difficult to find in today’s market and may not meet an employer’s requirements,” she says. “Therefore, SMBs must target passive candidates who are currently employed and who have the skills and experience they are seeking to fill their open positions. By enlisting the help of a recruiting firm, SMBs can leverage recruiters’ experience in sourcing and screening qualified candidates.”

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-Trisha Plovie, senior vice president, global future of work, Robert Half

TAP INTO TECHNOLOGY

Another tip Engelhardt offers for SMBs planning to increase hiring efforts in the coming months is to make use of a robust applicant tracking system (ATS). Recruiting and hiring is a multi-stage process, from candidate sourcing, ranking, outreach, and communication, to the interview and offer stages. “When hiring for multiple positions

and interacting with hundreds of candidates, this process can become overwhelming,” she says. “A quality ATS can help streamline all aspects of the candidate management process as SMBs build their workforce.”

Robert Half’s research suggests that a growing number of SMBs are turning to contract professionals to help meet their recruiting and hiring challenges. More than 70 percent of senior managers it surveyed said they expect to hire more contract professionals in 2022.

“Contract professionals are extremely helpful when it comes to providing extra help during busy periods and providing ability to scale teams quickly and cost-effectively,” Plovie says. “Ultimately, it gives companies access to a deeper and more diverse talent pool.”

THE POWER OF REMOTE

Finally, remote work may be the most effective tool of all to help SMBs meet their recruitment and hiring challenges. The way we work has evolved, and virtual teams have become an integral part of the modern workplace, Engelhardt points out.

“This creates opportunities for SMBs that are willing to employ a remote workforce by expanding their talent pool from a 30-mile radius to nationwide, or even worldwide, thus providing far more options for filling open positions,” she says. “In addition to the geographic advantages, working from home has become one of the most sought-after workplace perks for employees, creating a huge advantage for employers in recruiting top talent.” ■

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