How Small Businesses Can Master a Complex Labor Market

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Navigating today's labor market is a high-stakes game for small businesses as they compete to attract top talent. The U.S. Chamber reports that while there are 9.5 million job openings in the U.S. this year, there are only 6.5 million workers to fill them. With small businesses employing over one-third of all U.S. workers, a labor shortage can amplify the pressure to find and retain employees. But as small businesses look at their workforce, it's not just about filling roles; it's about meeting the needs of both new and current employees to build an enduring team committed to helping the business grow.

Here are a few strategies for small businesses to consider as they build and strengthen their teams.

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Create a hiring plan that looks a year ahead

For small businesses where time and resources are often limited, it's crucial to be a few steps ahead when hiring new talent. Waiting until there's an immediate hiring need can lead to a scramble and ultimately constrain revenue growth. To avoid this, map out your anticipated hiring needs for the next year.

When building a hiring plan, make sure to account for

seasonality or peak periods of your business experiences, any expected attrition, anticipated growth in your business and desired efficiencies you're hoping to achieve. This will help ensure you've created a resourcing plan that will better support you in effectively running and growing your business, and can give you a runway of two to three months lead time to have additional hires in place when they're needed most.

Go beyond hard skills when hiring

In the hunt for the perfect candidate, getting caught up in the checklist of hard skills can be easy, but looking for an exact match of qualifications on paper can limit the talent pool. Soft skills like teamwork, active listening and reliability are often the components of what turn employees into partners in your business's success. They not only determine if your team can thrive, but will also be reflected in how your customers experience your company. During the interview process, use behavioral questions to understand *how* candidates think and work through complex situations. You'll find that those skills and experience will translate well to helping you with complexities your business may face.

Approach onboarding like your future depends on it

Onboarding is your chance to establish strong expectations for how you want employees to contribute to and represent your business going forward. Make it count. Set the bar high. These newest employees are your change agents in helping you achieve your dreams for your company. It should also provide a comprehensive roadmap that delivers both company and personal expectations to set everyone up for success. Providing clarity on what's required of employees and expectations for how they deliver for your team will help your employees understand what you care about, how much you care about them and encourage

them to reciprocate with the extra effort you and your business deserve.

Evolve from a paycheck to total rewards

For many employees, money isn't the sole driver when choosing an employer. While salary increases and other monetary benefits go a long way, these aspects of compensation aren't the be-all and end-all of employee satisfaction. Gerald Hamel, a QuickBooks customer and treasurer of Make a Chess Move, recognized the importance of this amid the "Great Resignation" and decided to start offering employees more than a paycheck and provide them with a package of benefits that really fit their needs. After all, workers who receive some benefits aren't likely to leave their current employer for another (only 18% plan to do so). Consider offering other benefits such as comprehensive medical insurance plans, PTO and retirement accounts to attract new employees and increase retention.

Perks that span beyond traditional benefits can also serve as a strong incentive for employee retention. For example, 48% of employees say that flexible work hours are one of the top three aspects they value the most. Consider offering a work structure that can support employees' work-life balance through hybrid or remote work. These are often important among employees and can help small businesses stand out in today's competitive workforce environment.

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Quantify the pulse of your

employees

As a business grows its workforce, performance data becomes crucial to understanding how the team is performing, how engaged team members are and opportunities for improvement. Go beyond asking employees for their feedback. Conducting a formal, anonymous survey will help you quantify and track progress against established employee priorities including their desire to stay, their commitment to being customer-focused every day and their assessment of company operations or career development resources.

Tracking these dimensions over time will help you assess if your efforts to support and grow your employees are paying off. Set joint goals for these scores with your employees and ask them to be involved with developing and implementing improvements that can drive scores up. You'll find employee commitment is likely to go up when they have an opportunity to inform action plans, realize the benefits and collectively celebrate score improvement.

What makes small businesses stand out in their communities isn't only their product or service, but the people behind the business. In today's job market, it takes more than a classified ad to find the right people to help run a business. By embracing thoughtful hiring tactics, nurturing a culture of growth and valuing employee feedback, small businesses can hire and retain employees who are just as invested in the business's success.

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