How SMBs Can Attract Talent in a Tight Labor Market

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Recent labor market headlines have been discouraging for employers. Daily news feeds are flooded with stories of employers urgently needing to hire workers across industries, yet job seeker interest remains stagnant — plateauing at the exact moment that small and midsize businesses are actively seeking new workers and heading into the holiday hiring season.

Despite this mismatch, business owners remain optimistic about the future of their businesses. A new Indeed survey finds that 93% of SMB leaders believe their company will grow and offer more job opportunities over the next year. Yet, a majority of small businesses (82%) are finding it difficult to compete with larger companies for workers.

It is crucial that entrepreneurs and other small and medium businesses, who are the creators of 65% of net new jobs for the U.S. economy, adopt a fresh set of hiring and HR strategies to attract talent.

To help small and medium-sized businesses stay ahead of their hiring needs, here are four strategies to help stand out to job seekers and remain competitive in the current labor market.

1. Upgrade your job descriptions

At this moment, it is extra important to attend to hiring basics, including job descriptions. The shorter the job description, the better.

Make sure your shortened job descriptions still answer key job seeker questions. What's it like to work here? What's the culture like? Our research indicates that SMBs have added attractive culture-enhancing benefits such as pet-friendly offices and mental health/wellness days since the onset of the global health crisis.

Describe positions clearly and use recognizable, universal job titles to cast the widest possible net through web optimization. For example, use common descriptors like "marketing coordinator" or "software developer."

Be transparent about salary, bonus and other perks in your job descriptions. Top talent will be seeking jobs that better align with their values, with many now making competitive pay, work-life balance and personal career growth opportunities non-negotiable. Use job descriptions or other tools like Glassdoor to demonstrate your company's unique culture and values.

2. Consider talent from other locations

Remote work is on the rise, with many employers offering fully remote or hybrid remote options. Opening your search to candidates who reside in other cities only increases your chance of filling open roles.

Even before the global health crisis, remote and flexible work arrangements were already viewed as an attractive perk for job seekers. Now, lack of employer flexibility has become a deal-

breaker for many candidates. This opens new possibilities for employers who are willing to hire workers from other locations.

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3. Be competitive by being transparent about pay and offer hiring incentives

Make sure you offer salaries that align with current market conditions. Many resources are available to help identify what it takes to be competitive on salary in a particular industry and type of role.

Hiring incentives have also become popular tools for attracting job candidates. Searches for jobs with hiring incentives on Indeed have jumped 134% since early 2021. Consider adding signing bonuses, retention bonuses and cash awards in order to stand out.

Employers can also get creative with incentives. For example, your current employee base could serve as a funnel to recruiting new talent. Start a referral or perks program to encourage your employees to get the word out about open positions. Or include transportation subsidies, free food and drinks, fitness perks or other kinds of reimbursements unique to your company.

Not only is offering competitive compensation important, but including upfront specifics about salary and perks in job descriptions directly affects the ability to attract candidates. Indeed research shows that 83% of small and mid-sized business leaders are being more transparent about salary, perks and benefits in job descriptions.

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4. Be quick

Talent will go fast in today's market. New tech can aid in the recruitment process to expedite quickly finding and connecting with the people who meet your needs.

If you haven't already been offering virtual interviews, add this flexibility. If you have, consider continuing the practice even after the health crisis subsides. The small and mid-sized business leaders we've surveyed say they will continue offering virtual interviews because it helps them hire faster. What's more, a majority (79%) say virtual interviews have gotten them more applicants, and 77% say they have improved the overall candidate experience.

Automated tools are another resource that can help combat often-cited job seeker pain points, like long and complex online applications. Consider using objective screening criteria, such as structured screener questions and automated skills tests to help narrow down which criteria are most important for the role. Adding these makes it easier to quickly identify job seekers whose skills match your needs and can also help speed up screening processes.

These alternative ways to identify qualified talent are more likely to get the results you want. Already, small and mid-sized business leaders are looking beyond resumes – and resume gaps – to identify talent. And those who are using screener questions to help them identify talent on Indeed are 40% more likely to result in a hire.

With a mismatch in hiring urgency between employers and job seekers, it is crucial that employers leverage technologies that allow them to create seamless hiring experiences, especially ones that provide more flexibility. Virtual interviews give candidates the ability to interview at a time

and in the place where they are most comfortable, while an objective process can help small and mid-sized businesses reach candidates who have the skills but not the experience listed on their resumes. This can help diversify the applicant pool, and can also be the difference in making a quality hire quickly as employer demand is surging above candidate supply.

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