Employees are the most important asset of any business, says Patrick McKay, a professor at the Rutgers School of Management and Labor Relations. Technology might provide a temporary advantage for first movers, but it fades quickly as competitors adopt it industry-wide. However, employers who hire talented, motivated, and productive personnel who are well-aligned with the business’s culture and objectives gain a long-lasting competitive advantage. “Hiring a talented workforce is far more difficult to imitate across firms adopting similar technologies, so SMBs that do it well will excel over their competitors,” he says.

Employee impact magnified at SMBs

Attracting and retaining top talent is critically important for SMBs because each employee’s impact on business performance is amplified. The repercussions of one or two subpar performers in a workforce of several hundred might be minimal; in a workforce of 10 or 20, they could be devastating. That raises the stakes for SMBs in the hiring game, but the challenges are immense. More than 55 percent of SMB owners surveyed by SCORE said it had become harder to fill their hiring needs over the last six months, and almost 28 percent had job openings they could not fill. Industry-specific requirements and macroeconomic conditions are two big challenges in the current hiring environment. While there are no quick fixes for either, SMBs should avoid mistakes that exacerbate the problem, says Mary Massad, division president of traditional employment operations for Insperity. Examples include offering a salary too low for the knowledge and skill level required for the position or requiring a college degree when it’s not really needed. “Employers who struggle for long periods to fill open positions often find value in working with an experienced recruiter who can bring attention to these hiring obstacles and suggest solutions to increase candidate flow,” she says.

Steps to boost your employer brand

To succeed in attracting top talent, SMBs must optimize their employer brands. They show what they offer prospects beyond a paycheck and demonstrate how they care about the public’s perception of the company, Massad suggests. There’s no one-size-fits-all solution, but three characteristics strong employer brands have in common are:

- Current and frequently updated websites and career pages
- A broad and interactive social media presence
- Positive reviews on review sites such as Glassdoor

“Employers should take every opportunity to use these channels to highlight their company culture, the benefits and perks they offer, and why employees love working there,” she says. “When this is conveyed in a genuine manner and reaffirmed by current and former employees, it positions the company as an employer of choice to job seekers.”

Whether SMBs should undertake the recruiting and hiring process on their own or outsource it depends on how much time they have to devote to the process, their hiring budgets, and their past record of hiring success or failure. “Enlisting the services of a professional recruiting firm can help employers ensure they hire the right person the first time,” Massad says. “It can save them the time, money, and aggravation that comes from making a bad hire.”

The scope of change that small and midsize businesses (SMBs) face in this age of digital transformation can be overwhelming, but one thing that remains constant is the outsized importance of SMB employees. Recruiting and retaining top talent has never been harder, but SMBs that hire a talented workforce gain a competitive advantage.