



wage and hour laws and protect the business’s confidential and proprietary information, Lacy stresses. High-level performance goals may have to take a temporary back seat while the virtual office is being set up, and managers must learn how to schedule, assign, evaluate, and motivate employees remotely. For SMBs with existing remote work programs, scaling those processes will be the main challenge.

Economists have varying opinions on the length and severity of the pandemic’s impact on the economy, but many expect it to be followed by a period of rapid and steep economic growth. A recent working paper co-authored by two members of the Federal Reserve Board cited the 1918 influenza epidemic, which was followed by the robust growth of the Roaring Twenties. Once the recovery begins, SMBs can expect to face the same kinds of hiring and staffing challenges they faced prior to the pandemic.

# How SMBs Can Build Growth-Ready Teams

Planning for the long term should continue despite short-term challenges in other areas.

## COMPETITION FOR THE BEST TALENT

The biggest challenge SMBs faced pre-COVID-19 was the strength of the job market. As Mary Massad, division president of traditional employment operations for Insperity, points out, talented job seekers and employees had an unprecedented number of options and frequently fielded offers from multiple employers when unemployment rates were at their lowest levels. When those conditions return, SMBs will be competing against larger organizations for the best employees. They must be prepared to capitalize on the incentives

**T**he past decade has seen an unprecedented national job expansion, which made it increasingly difficult for small and midsize businesses (SMBs) to recruit and retain the talent they need to sustain growth. That came to a screeching halt in March, when the coronavirus pandemic brought an end to a record 113 consecutive months of new job creation, but not before 22 million people had been added to payrolls. And while the pandemic has created more pressing short-term challenges for many SMBs, it’s important to keep in mind that the ability to build growth-ready teams remains critical for long-term success.

With the pandemic expected to last months, SMBs have been forced to

adapt to the “new normal” of the remote workplace, says Pamela Lacy, HR coach at Paychex, Inc. Supply chains have been interrupted, travel impeded, and cash flow throttled for many businesses, especially those dependent on foot traffic. “For knowledge-based or professional services companies that can continue operations, the most difficult challenge is transitioning to an at-home workforce,” she says.

Developing, implementing, and communicating a temporary work-from-home policy tops the list of concerns for those companies. Employers also need to make sure they comply with



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they are better positioned to offer, and they should emphasize them during the recruiting process. “The ability to offer training and



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career growth opportunities is one such example,” she says, citing a Gallup report that found 87 percent of millennials and 69 percent of non-millennials prioritize professional career growth and development opportunities in a job. “The flexibility of smaller companies to offer more opportunities for growth with a quicker path to advancement will work to their advantage in attracting and retaining talent.”

Once the job market heats up again, SMBs will have to up their recruitment game. Industry job boards and resume databases will still be effective tools for recruiting active candidates, but targeting passive candidates who are not currently

### IMPORTANCE OF WORKPLACE CULTURE

Workplace culture is a huge factor in competing for and retaining millennial and Generation Z employees, Lacy says. “The good news for small businesses? Making process or cultural changes doesn’t have to require a big financial investment. Small businesses have a built-in advantage in that their size allows management to get to know employees personally. This enables them to be more responsive to workers’ needs, and it allows workers to have more input in improving the employee experience,” she explains.

Shift Profile, who teaches interviewing skills at Temple University’s Fox School of Business. “Simply put, you will end up paying twice,” she says.

Hiring someone out of desperation results in wasting limited funds and limited training resources on a candidate who inevitably won’t work out, because the wrong person never works out, Papalia says. “Then you have to go back and do it all over again. This is the cycle that most SMBs find themselves in. The way to stop it is to look back and see what hasn’t worked.”

While there are costs involved with leaving a position unfilled, hiring the



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- **Mary Massad**, division president of traditional employment operations, Insperity

job hunting will also be important. “This is where SMBs can benefit from an experienced recruiter with an extensive network of contacts and knowledge of advanced sourcing techniques,” Massad says.

An SMB’s own employer brand is a powerful recruiting tool, and businesses should promote it through social media and by asking employee “brand ambassadors” to do the same. “Employee referrals continue to be the top source of hires for employers,” she says. “SMBs with limited budgets should incentivize employee referrals by offering creative, low-cost perks to employees who refer candidates who are hired.”

Among the small but significant changes she sees employers making to attract and retain top talent are more casual dress codes; flexible scheduling options; workspaces that are more flexible, collaborative, and/or open concept; employee-friendly remote work policies; and providing innovative technology and mobile-centric work tools.

As the job market returns to pre-COVID-19 conditions, one pitfall SMBs intent on building growth-ready teams will have to avoid is the temptation to hire any “warm body” they can snag, warns Anna Papalia, CEO of HR consulting firm

wrong person can be even more costly. A bad hire can cost a business up to 30 percent of the employee’s potential first-year earnings, according to U.S. Department of Labor research.

“Employees are the lifeblood of any organization, and the quality of employees directly affects the quality of a business’s products or services,” Massad says. “Therefore, companies that lower their hiring standards in an effort to fill positions faster or for less money risk damaging their bottom line, their reputation, and their employer brand.” ■

# The New Normal: Creating a Robust Virtual Workplace



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