Small businesses employ almost half of all workers in the United States and, through hiring, have been responsible for much of the economic recovery since the 2008 recession. Over the past year, hiring activity has been on an upward trend for small businesses, with plans to add workers hitting the highest level since 1999.

Interestingly, there is a growing shift in the types of jobs generated by small businesses. While the number of firms that employ full-time workers has remained relatively flat, non-employer businesses (also called “solopreneurs”) have been increasing. There has also been a marked increase in the “gig economy,” which describes the use of contractors and part-time workers to fill roles within businesses.

SCORE’s latest installment of “The Megaphone of Main Street” data report series delves into the story behind the changing face of U.S. small business hiring and employment.

Hiring is Becoming More Challenging! Consider these data:

- 55.5% of small business owners said it was more difficult to fill their hiring needs in the past six months than it had been previously.
- 27.3% of small business owners surveyed said they had job openings in the past six months that they could not fill.
- 51.3% of business owners cited an inability to find qualified applicants as their greatest hiring challenge.

What specific issues were given that make hiring so difficult right now?

- 51.3% cannot find qualified applicants (skills/expertise)
- 26.2% need to raise salary/wages to be competitive
- 21.9% do not offer healthcare benefits
- 18.2% say it’s too time-consuming to hire qualified workers
12.9% need to offer other benefits (apart from healthcare) to attract workers
8.9% said their candidates did not pass drug-testing requirements
6.6% said company location not desirable to candidates

Where did small business owners look for qualified workers?

19% of small business owners relied on personal referrals from workers.
17% relied on referrals from other business owners during the hiring process.
15% used job posting sites.

Some suggestions: So, all of the above data suggests to me that CEOs owe it to themselves to do a good job of keeping their new hires once they find them. In the business world, we often refer to this as “onboarding”. Your onboarding process gives new employees one of the first and most impactful experiences they’ll have with the company. Not to mention, it’s a reflection of your organization and can lead to disengagement from day one.

New hires who reported a poor onboarding experience were 8X more likely to be disengaged in their work and 11X less likely to recommend their employer as a good place to work after their first three months, according to a recent study on employee lifecycle analysis by Gint.

Jessica Thiefels, Founder and CEO of Jessica Thiefels Consulting puts it this way “Don’t let your onboarding scare valuable new hires away”. She’s been writing for more than 10 years and has been featured in top publications including Forbes, Fast Company and Entrepreneur. She also writes for Business Insider, Virgin, Glassdoor and is one of many content contributors to SCORE. I found her work interesting because she asked HR professionals and business owners how they keep their onboarding process fresh, and they shared their top tips, learned from years of experience and experimenting. Here are just a few from her collection:

- **Linda Salazar, Owner of Learning Linda:** First, the new employee wants to know that they've joined a good company. I like to give them the origin story of the company, a snapshot of the current state, and the vision for the future. Also, it's time to brag! Trot out all the awards. Everyone likes being a part of a winning team.

- **Elena Carstoiu, COO and Co-founder of Hubgets:** More and more companies rely on instant team collaboration technology to reduce the induction period and speed up integration for newcomers. Personally, I
think that the transfer of company knowledge is the biggest gain in building a collaborative work environment with the help of technology. New employees get to learn the ropes of their new job faster than ever because the technology provides them with instant access to work information while helping them bond with the team. For companies, this means a minimized induction effort and a faster, cost-effective onboarding process.

- **Fletcher Wimbush, CEO of The Hire Talent:** Meet and evaluate your new hires performance frequently during their first year on the job, 30, 60, 90, 180, 270, 365 days. I think many people and companies don’t realize the on boarding process takes about 1 year it is not a 1st day, week or month kind of thing. Most jobs take at minimum 1 year to achieve a high level of proficiency. Your new hire is still learning and getting accustomed to their job and the company during that time.

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