

# Viewpoint: Three Ways Small Companies Can Recruit and Retain Talent

SHRM | George Deglin | March 11, 2022



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The pandemic has triggered myriad societal and workplace shifts, from hybrid work styles to a rise in remote collaboration technologies. Perhaps even more notable is a transformation in workers' mentalities and mindsets. Many are reassessing their career goals, and some are quitting workplaces that no longer serve their needs.

It's clear that what's been dubbed as The Great Resignation is in full force: according to the Department of Labor, in November 2021, the number of people quitting their jobs hit a record high of 4.5 million. For the first time, the power dynamics between employers and employees are shifting. Employers no longer hold all the power and executives across industries are grappling with how to attract and retain talent. For those reassessing their talent needs and company culture in 2022, these three strategies will help them not only survive The Great Resignation, but build an employee-focused company that can retain top talent and thrive long-term.

## **1. Invest in upskilling and professional development.**

High-performing employees value being in an environment where they are challenged and have the opportunity for professional growth. With an increasingly competitive job market, companies should ensure that their most valuable employees have opportunities for learning and development. As the founder and CEO of a technology startup, I'm always conscious about providing training to help people learn new technical skills, including the basics of computer programming. Developing basic programming skills is an excellent way for employees to increase their productivity and comfort with software. It provides them with opportunities to automate repetitive parts of their work, helps them better engage with our technical customers and improves collaboration with their technical peers.

Providing the framework where people can coach each other is also equally important. For example, our apprenticeship program for our engineering team has been a great way to hire talented early-career engineers while also giving more experienced team members a chance to coach and mentor.

This doesn't require a huge investment. Some of the best opportunities for upskilling and development are free and can increase productivity and impact. In addition to providing employees with fun and valuable resources for learning and development, it's also essential to allow employees to apply their new skills. One of the best ways to encourage this is to instill a value of "Intelligent Risk Taking." It's important for employees to feel comfortable proposing and working on new initiatives—even if there is a risk of failure. When we celebrate both successes and failures, employees will be more comfortable applying their new skills and further contribute to the success of the business.

## **2. Ensure employees are rewarded when the company grows.**

Especially at earlier stage businesses, employees value being part of a company's growth. Employers should make equity a meaningful part of each person's compensation package. And, as employees advance in their role or tenure, it's essential to give them opportunities to earn additional equity.

While an increasing number of companies include equity as part of an employee's compensation, many do it in an inconsistent way that can confuse employees or force them to make difficult financial decisions. For example, most companies that grant stock options to employees also require employees to exercise the options quickly after leaving the company. Exercising illiquid options can be very costly for employees and impacts their ability to benefit from the equity they earned for their contributions to the business. To alleviate this at my company, we're one of an increasing number of startups that have a 10-year exercise window for employees who have been at the company for at least two years.

It's also essential for a company to set clear expectations to employees about its plans and how those plans may influence the value of equity. MailChimp recently received criticism for not granting equity to employees and telling them that they had no plans to be acquired. When MailChimp ultimately accepted an acquisition by Intuit for \$12 billion, employees were rightfully frustrated for feeling misled. Growing companies that aren't working towards an acquisition or IPO may consider profit sharing as an alternative way to reward employees for their contributions.

### **3. Remember that rewards are not just monetary.**

Many companies fail to sufficiently recognize employees for outstanding performance, even though a 2018 study identified that 44% of respondents that planned to leave their job identified a lack of recognition as a reason. With the workplace shifts caused by the pandemic, it's become even more critical to recognize employees for their contributions.

What's worked well for me and my team is our dedication to celebrating our team's work daily. Employees are encouraged to recognize the contributions of their peers in a company-wide Slack channel. We make a point to call out significant accomplishments and work anniversaries in weekly All-Hands meetings, and managers provide positive recognition as a core part of their role.

Just as positive recognition is an essential reward, we see constructive 1-on-1 feedback from managers as a reward as well. Clear and early feedback helps employees feel good about their positive contributions and equips them with knowledge and support for their career development.

Some of our most senior employees at OneSignal started in junior roles and have been with us from when we were just a dozen employees to now over 100. Looking back at our path, it's clear that creating a collaborative environment that includes recognition, meaningful employee ownership in the business through stock options and a variety of opportunities for professional development are the key to recruiting and retaining talent in an increasingly competitive environment.