SMB Group
Actionable Market Insight

PCB PCBENNETT

SMB DIRECTIONS FOR THE FUTURE OF WORK: STAFFING AND HR TRENDS

Sponsored by :

Acumatica
The Cloud ERP

DELL Technologies

workday.

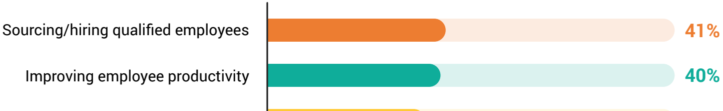
Businesses have been faced with unprecedented challenges and opportunities since the COVID-19 pandemic began. These shifts have dramatically impacted the SMB workplace and workforce.

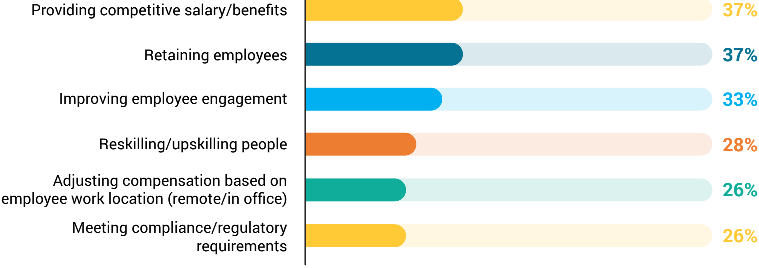
SMB Group's **SMB Directions for the Future of Work** survey study examined this topic in detail. In November, 2021, we surveyed 736 decision makers and influencers in SMB (3-1,000 employees) and mid-market (1,000-2,500 employees) organizations to understand how SMBs are reshaping workplace and workforce practices to meet these challenges, and how technology factors into their plans.

Here, we share key highlights about key SMB staffing and HR trends. For the sake of brevity, we refer to the entire sample as "SMBs."

Top Human Resources Challenges for SMBs

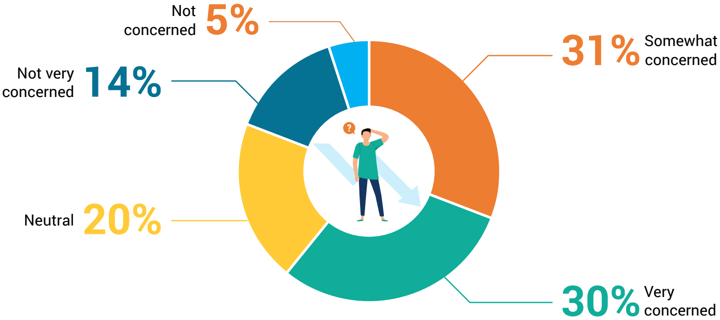
What are the top three human resources/staffing challenges your business faces?





Two thirds of SMBs Worry About the Talent Shortage

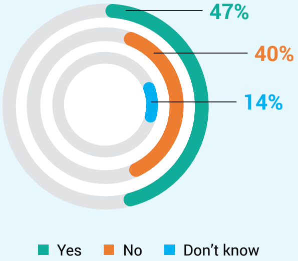
How concerned are you that the talent shortage will have a negative impact on your business in the next year?



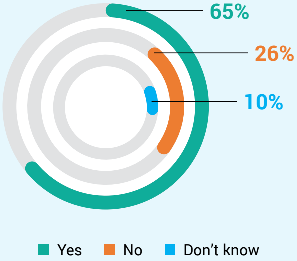
SMB Have Ambitious Hiring Plans For Employees and Contractors

Plans to hire internal/salaried employees and external contractors (all SMBs)

Hire external contractors

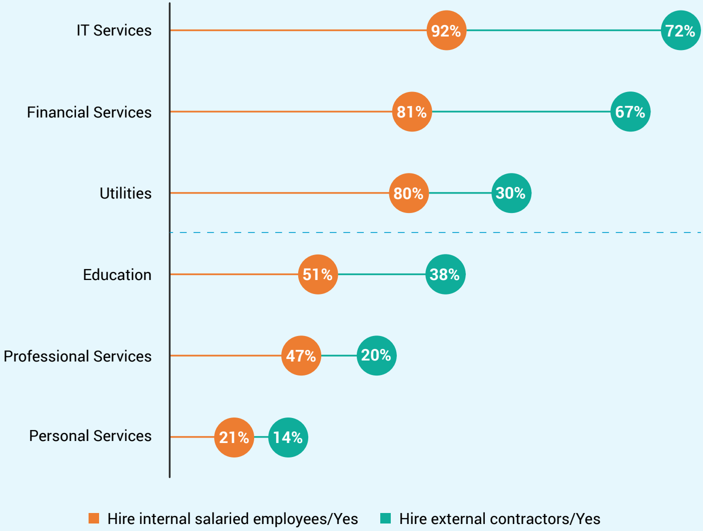


Hire internal salaried employees



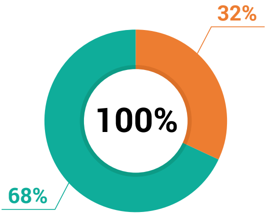
Hiring Plans Differ Significantly by Industry

Top 3 industries most and least likely to plan to hire



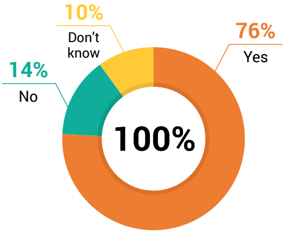
SMBs Have More Job Openings Than Usual…

Does your company currently have more job openings than usual?



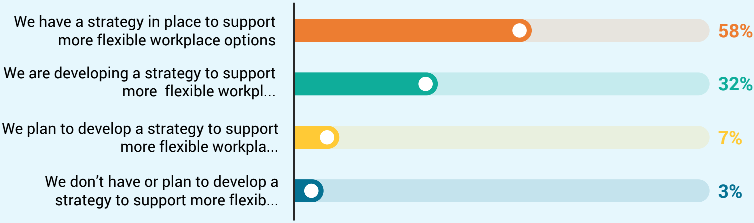
…But Most Are Confident They’ll Meet Their Hiring Goals

Are you confident that your company will be able to meet your hiring goals in the coming year?



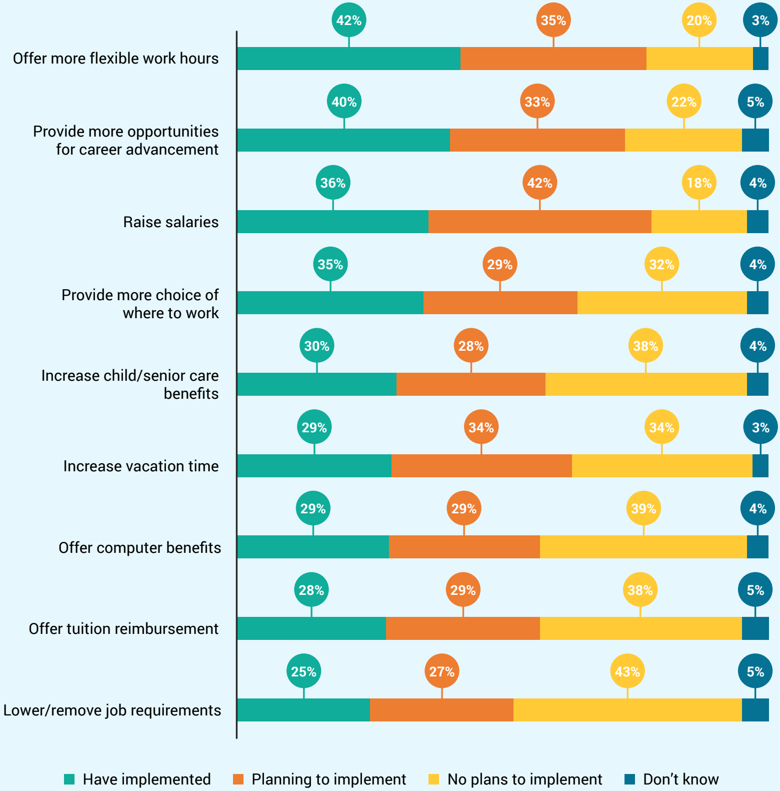
SMBs Are Developing Strategies to Support More Workplace Flexibility

Which of the following best describes your company's actions to support more flexible workplace options?



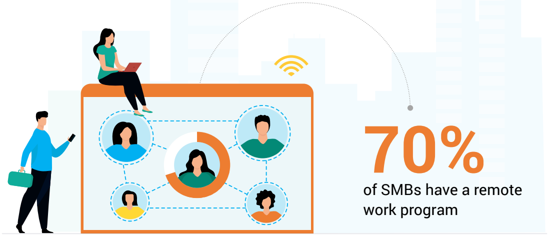
SMBs Are Adding New Perks to Aid Employee Recruitment and Retention

What changes have you implemented, do you plan to implement, or have no plans to implement?



90%+ of SMBs that have implemented these changes rate them as extremely/somewhat valuable in improving employee recruitment and retention.

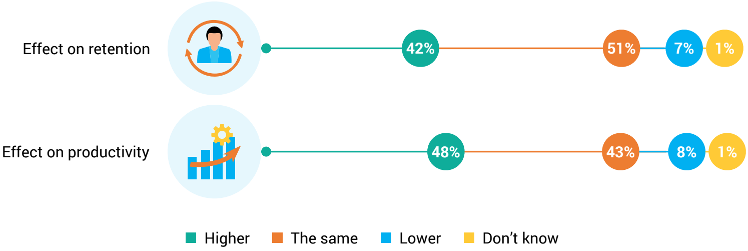
Most SMBs Now Have A Remote Work Program



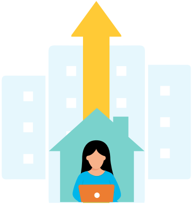
70%

of SMBs have a remote work program

Remote Work Usually Has a Positive or Neutral Effect on Retention and Productivity

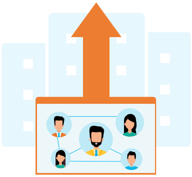


SMB Workplace Locations Will Remain In Flux



43%

of SMBs expect that the percentage of **remote workers** will increase in the next year



40%

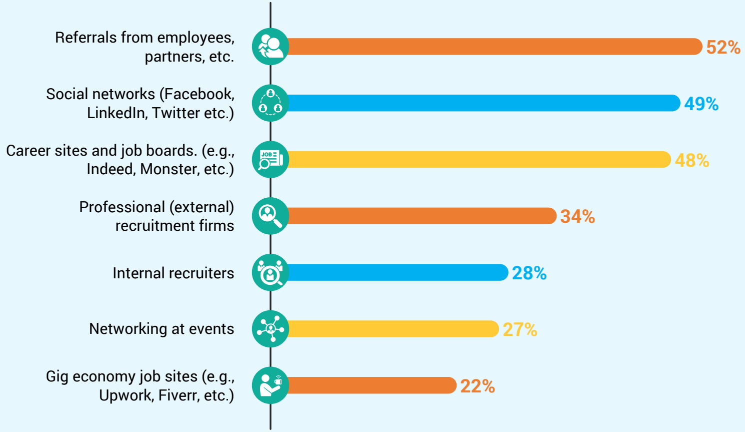
of SMBs expect that the percentage of **hybrid workers** will increase in the next year

45%

of SMBs expect that the percentage of **workers working only from a company location** will increase in the next year

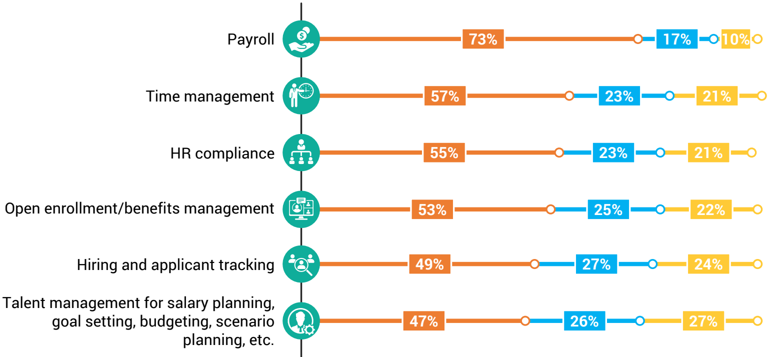
SMBs Seek Talent From Many Sources

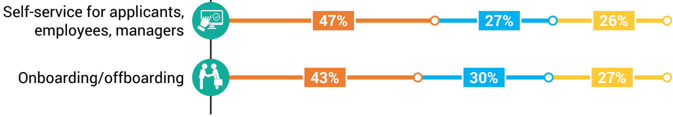
Which of these methods does your company use to source talent?



SMB Adoption of HR Solutions

Which human resources-related solutions does your company use, plan to use, or have no plans to use?





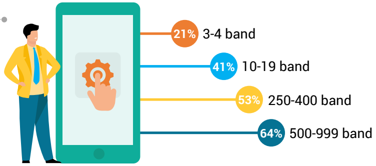
🟧 Currently use 🟦 Plan to use in next 12 months 🟨 No palns to use

---

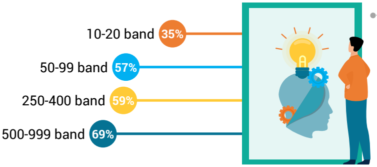
There are Clear Breakpoints for Adoption of HR Solutions

Use of self-service applications

Use of self-service applications grows from 21% in the 3-4 employee size band to 41% in the 10-19 band; and from 53% in the 250-400 band to 64% in the 500-999 band.



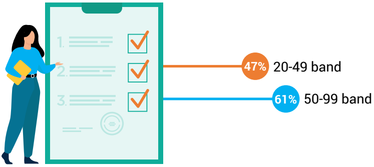
Use of talent management solutions



Use of talent management solutions rises from 35% in 10-20 employee size band to 57% in 50-99 band; and from 59% in the 250-400 band to 69% in the 500-999 band.

Use of compliance solutions

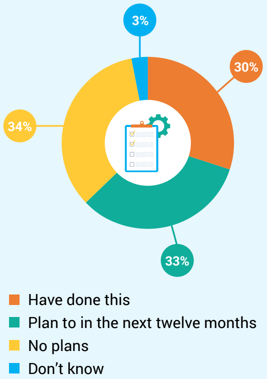
Use of compliance solutions climbs from 47% in the 20-49 band to 61% in the 50-99 band.



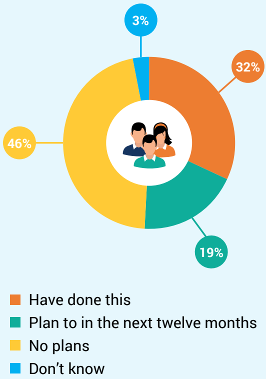
SMBs Are Using Technology to Automate Tasks and Replace Human Labor

Which of the following has your company done, does it plan to do, or have no plans to do?

Automate specific job tasks to free up time for employees to do other work



Replace one or more employees with automation/technology solutions



Perspective

- Over the past couple of years, change has arguably been the only constant—for both businesses and employees.
- As the balance power shifts from employers to employees, SMBs have had to adjust, recalibrate and provide employees more flexibility to recruit and retain the talent they need to survive and thrive. In the early part of the pandemic, many actions were reactive. As we move through it, SMBs are getting more strategic about using HR-related solutions to help them meet hiring and retention goals, and are changing their business models to provide employees with more choice about where, when and how works gets done.
- SMBs are also putting automation to work to automate tasks and replace human labor—enabling their employees to spend more time on higher value, more engaging work. Larger SMBs are leading the charge, but this trend will accelerate and trickle down to smaller companies as the benefits become more self-evident, and as technology solution vendors add new capabilities into their offerings.
- As we move ahead, SMBs will continue to face many challenges to attract and engage employees and contractors—and be ready for new, unexpected twists and turns that could impact their goals. By putting employee experience at the center of their business strategies and models, and using technology to better engage and empower workers, SMBs will be much better equipped to meet their staffing and business goals.

ABOUT THIS INFOGRAPHIC

- ✓ This infographic provides insights from SMB Group's **SMB Directions for the Future of Work** survey, fielded in November, 2021. We surveyed 736 decision makers and influencers in SMB (3-1,000 employees) and mid-market (1,000-2,500 employees) organizations to understand how SMBs are reshaping workplace and workforce practices to meet these challenges, and how technology factors into their plans.
- ✓ For more information, see our **SMB Directions for the Future of Work eBook.**
- ✓ SMB Group is a research, analysis and consulting firm focused on technology adoption and trends in the small and medium business (SMB) market. SMB Group helps clients to understand and segment the SMB market, identify and act on trends and opportunities, develop more compelling messaging, and more effectively serve SMB customers.

Sponsored by: Acumatica The Cloud ERP DELL Technologies workday

©SMB Group 2022

Learn how Acumatica can work for your business by visiting us online at **pcbennett.com** or by calling **425-831-7924**.

PB | PCBENNETT