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Recruitment & Retention Playbook for Smaller HR Teams

How to attract, hire, and keep great people more easily and effectively



Introduction

It's a typical day for your small HR team, balancing activities from recruiting, hiring, and onboarding new employees to creating strategies to retain employees and handling challenges.

HR manager Sarah begins the day by crafting a job description for an open marketing position, adjusting it for job boards and social media. By lunchtime, her inbox is full of résumés, and she coordinates interviews with the top three candidates.

Following the interviews, Sarah compiles feedback on each candidate, inputting strengths, weaknesses, and gut feelings on spreadsheets. After deliberation, the team selects a candidate, and Sarah drafts and emails an offer letter. When the candidate accepts, Sarah processes the paperwork, sets up the workspace, and plans onboarding. She also updates employee records throughout the day.

On top of these duties, Sarah also has to keep existing employees happy and engaged. She might organize a team-building event and dive into performance reviews and goal-setting with individual employees. She also might identify training needs, explain benefits, manage paperwork, mediate conflicts, and conduct exit interviews, all while trying to maintain meticulous records.

Without HR software, this is a marathon of manual tasks, ripe for errors and missteps.

According to a recent HR.com survey report, *HR Decision-Making in Small- to Mid-Size Businesses*, HR professionals at today's small to midsize businesses have concerns about critical HR functional areas that include hiring, retention, and culture, but most use HR technology tools at only a basic or an intermediate level:

64% said **recruitment, selection, and onboarding** are top areas of focus for their HR teams.[1]

Only 27% said they use HR technology at **strategic or advanced levels**, while **36%** said they're using it only at a **basic level** or are using virtually no HR technology at all.[2]

84% of small business employers report **challenges with hiring new employees**.[3]



Why does it matter?

Old-school recruitment and retention practices are no longer efficient or effective in helping you find the people you need for your smaller business to succeed, retain current employes, or compete against larger organizations with more resources to offer candidates and employees, such as higher compensation and more benefits.

One of the major workforce hiring and retention challenges smaller businesses face is the current talent shortage.[4] The job market has more open positions than available workers, making finding qualified candidates more difficult for smaller businesses. Moreover, a bad hire or losing a good employee can be very expensive for a smaller business. Recruiting, training, and integrating new staff cost time and money, and replacing experienced workers disrupts workflows and can hurt overall productivity.

What can you do about it?

For smaller businesses, employees often wear multiple hats and play a critical role in the success of the business. A team of skilled, engaged, and motivated workers is essential for driving growth, innovation, and customer satisfaction.

An HR solution that includes everything you need in one system can streamline processes and ensure the employee experience — from candidate to new hire and beyond — is positive, helping engage and retain employees. The business can also benefit from this increased efficiency and productivity as well as reduced costs.

46% report difficulty retaining existing staff.[5]

What is preventing your HR team from succeeding?

Some of the biggest challenges that HR professionals at small and midsize businesses face in recruiting and retaining top talent include:

- **Limited resources:** Smaller businesses often have lean HR teams, sometimes with just one person handling everything, which can hinder their having enough time to focus on strategic recruiting and retention initiatives.
- **Competing priorities:** HR professionals in smaller businesses have numerous responsibilities. They may be pulled in multiple directions by juggling tasks such as payroll, benefits administration, and managing employee relations, leaving less time for proactive recruiting and retention efforts.
- **Budget constraints:** Attracting talent can be expensive, especially considering the competitive salaries offered by larger companies. Smaller businesses might struggle to compete on pure compensation alone.
- **Lack of brand recognition:** Smaller businesses may not have the same name recognition as larger companies, which can impede them in attracting top candidates who might not be actively searching for a new job.
- **Fast-paced environment:** The rapid pace of activities at smaller businesses can sometimes lead to rushed hiring decisions, resulting in hiring the wrong person and ultimately leading to turnover and wasted time — and additional costs.
- **Limited training and development opportunities:** Smaller businesses may not have the resources to offer robust training and development programs. This can be a disadvantage when trying to retain employees who are looking for opportunities to grow their skills.



A lack of **career development opportunities** is a top reason high numbers of employees quit their jobs.[6]

How can HR technology help with recruitment and retention?

A comprehensive HR technology solution can streamline and improve HR processes from prehire to retire while creating a personalized experience that attracts and engages new hires and deepens employee engagement and satisfaction over the long term. To improve recruitment and retention, consider a technology solution that puts people first and fosters autonomy, flexibility, and connections.

Find best-fit employees using modern recruitment technology tools

People seeking employment opportunities evaluate an organization from the moment they first encounter it, often through a job posting. Ensure you're making a good impression and attracting and hiring the right candidates by using these strategies:

Attract top talent with modern job postings

Go beyond job boards by posting on social media platforms such as LinkedIn and targeted career sites relevant to your industry. Implement an applicant tracking system to streamline application management to save time and effort. If available, leverage a solution's GenAI to create clear, engaging job descriptions to attract the right candidates. And be sure to showcase your company's unique culture, work environment, and benefits.

Streamline the hiring process and impress candidates

Create a user-friendly experience for potential hires with online applications forms, and use automated screening tools such as skills assessments to efficiently identify qualified candidates. Offer video interviews for remote or geographically diverse candidates to foster inclusivity and flexibility. Also, be sure to keep candidates informed throughout the process, from initial application to final decision.

Make data-driven decisions for future success

Leverage analytics to track applicant flow and identify which recruitment channels deliver the best results. Based on data insights, constantly refine your job descriptions and tailor your target audience for optimal results. You can use data to identify top performers and skill sets needed for future hiring, ensuring you build a strong team.



By implementing these modern techniques, you will be better able to **attract top talent, streamline your hiring process, and gain valuable insights** to build a future-proof team.

Retain your top talent with modern HR practices

In today's competitive work environment with a shortage of available workers, organizations need to continually work to engage and retain employees, particularly top performers. Use these tactics and HR technology tools to help boost employee engagement and retention.

Simplify onboarding

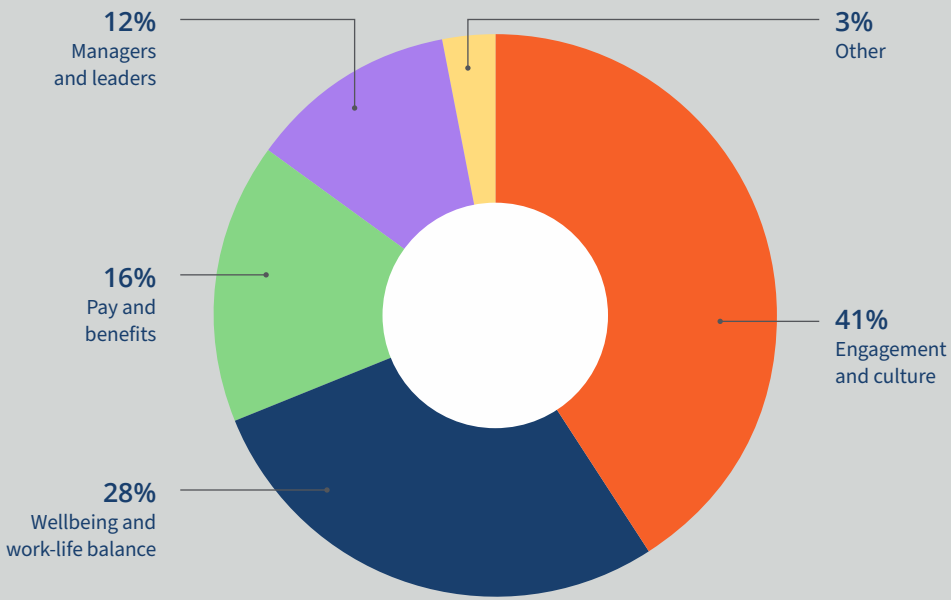
Streamline the onboarding process with automated workflows to handle paperwork, set up accounts, and schedule meetings to free your HR staff for personalized interaction. Also create a centralized onboarding portal with all necessary documents, FAQs, and training materials readily accessible, creating a smooth, fast process for new hires. Ensure communication is open and resources are available throughout the process.

Invest in employee development

Develop easily digestible online learning modules that are readily available on your HR platform. Outline clear career progression opportunities within your company, and provide personalized development plans for each employee. Also conduct regular performance reviews that are two-way conversations, offering constructive feedback and opportunities for growth.



Gallup: Most Common Reasons Employees Leave Their Jobs[7]



Create a positive work culture

Establish a culture that encourages people to bring their whole selves to work, helps them feel supported as individuals, and provides opportunities for them to grow and thrive.[8] To boost morale and engagement, implement an employee recognition program, use surveys and feedback tools to understand employee needs, and use sentiment analysis to address issues before they become larger problems. Also empower employees with 24/7 self-service tools for managing time-off requests, updating personal details, and more.

Modernize payroll and benefits

When you automate payroll processing through the HR platform, you minimize errors, ensure compliance, and free up HR staff for strategic initiatives. You also will be able to manage benefits in a centralized place and provide your people with an engaging, mobile-friendly enrollment experience for managing their benefits elections from anywhere. Employees will enjoy easy access to their information — paystubs, benefit summaries, and enrollment materials — through a user-friendly online portal or mobile app.



The future of recruitment and retention: big realities

From rapid advances in AI technology to the evolving post-pandemic workforce, three major realities have emerged that will likely impact the world of work for decades to come:

The shrinking workforce: By 2050, aging populations will lead to a global shortage of workers.[9] As life expectancy rises and birth rates decline, fewer young people will be available to support a growing number of retirees. How will businesses maintain productivity?

AI disruption: AI is rapidly transforming the job market, with Goldman Sachs estimating a $200B investment in AI technology by 2025.[10] To stay competitive amid this disruption, businesses will need to invest in upskilling to help their people develop new skills and reskilling to prepare them for entirely new positions.

Unearthing hidden talent: Easing labor shortages will likely lie in leveraging gig workers and hidden talent such as stay-at-home parents, caregivers, or individuals with disabilities. Companies that invest in finding and integrating these workers will fill skill gaps, enhance diversity, and gain a competitive edge.[11]

HR software designed to evolve with the changing needs of the workplace is the best way to future-proof your business against these future realities.

Employees are **4 times more likely to stay** if they are welcomed by high-trust leaders.[12]

Leverage HR technology like HR leaders do

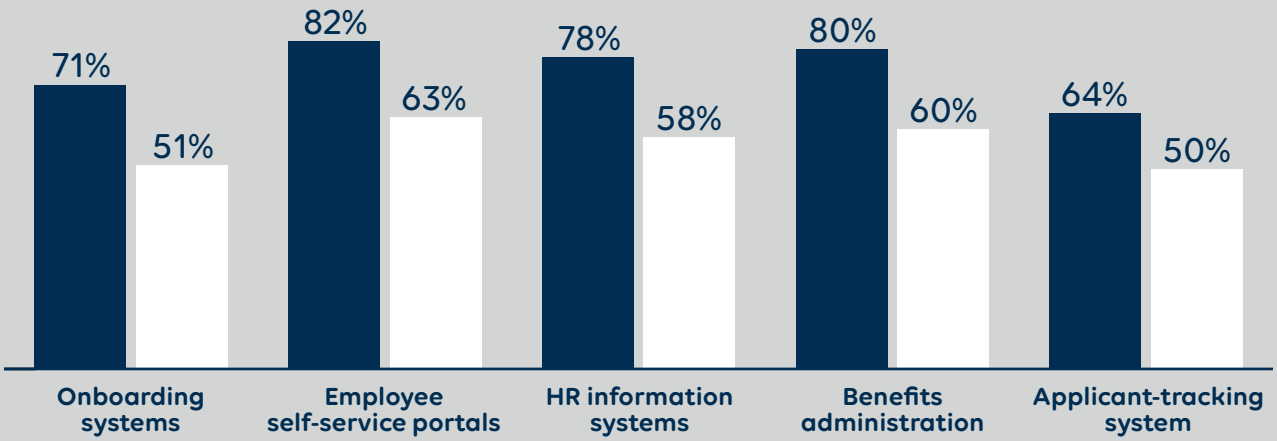
Now that we've explored the many ways in which modern HR technology can benefit your company, let's look at how HR leaders at small to midsize businesses are capitalizing on the benefits of this technology in recruiting and retaining talent:

- **Targeting best-fit candidates:** Applicant tracking systems filter résumés, and social recruiting tools attract culturally aligned applicants.
- **Saving time:** Automation frees up HR staff for strategic tasks, and collaboration tools speed up hiring decisions.
- **Enhancing the employee experience:** Streamlined onboarding and providing communication tools improve employee satisfaction and retention.
- **Building a positive culture:** HR technology can give HR teams — whether it's one person or more — the bandwidth they need to focus on creating a great workplace culture that is attractive to prospective employees and makes current employees want to stay.

As revealed in the HR.com survey report, companies that optimize HR solution functions beyond time and attendance, remote work and collaboration tools, performance management, and payroll are more likely to be HR leaders and not HR laggards.

Key
- HR Leader Organizations
- HR Laggard Organizations

Here's how they compare in their HR technology use:[13]



Organizations using HR technology that facilitates a positive employee experience are **1.3 times more likely to report organizational outperformance**.[14]

How does HR and payroll technology benefit the business *beyond* recruitment and retention?

Modern HR and payroll technology can help smaller businesses streamline operations, reduce costs, improve compliance, and create a more engaged and productive workforce as well as a great place to work. Using this technology, your organization can experience:

Increased efficiency and cost savings

HR software automates many time-consuming manual tasks such as payroll processing, timekeeping, and benefits administration, freeing HR staff to focus on more strategic initiatives and saving the company money on administrative costs.

Streamlined payroll

Integrated HR and payroll software can significantly streamline payroll processing for smaller businesses, making it faster, more accurate, and less prone to errors.

Improved data management and compliance

HR software ensures accurate and centralized employee data, reducing errors and simplifying compliance with complex labor laws and tax regulations to help avoid costly penalties and fines.

Better data-driven decision making

HR technology provides valuable insights and analytics on workforce trends,[15] performance data, and compensation — data that can be used to make data-driven decisions about staffing, compensation, and training programs.

Scalability and flexibility

Cloud-based HR and payroll solutions are easily scalable, allowing smaller businesses to adapt to growth without expensive infrastructure upgrades.

What can leaner HR teams do besides leverage HR technology to improve recruitment and retention?

- **Focus on building a strong employer brand.** Highlight your company culture, work-life balance, and opportunities for growth.
- **Develop strong relationships with local colleges and universities.** This can be a great way to tap into a pool of talented recent graduates.
- **Invest in building a positive company culture.** Employees who feel valued and appreciated are more likely to stay with the company.
- **Focus on developing existing employees.** Provide opportunities for training and development to help employees grow their skills and stay engaged.



How to choose the right modern HR technology to maximize recruitment and retention success

Once you recognize that HR technology can significantly support and improve your recruitment and retention efforts, how do you select the right solution for your organization? Consider these strategies to make an informed decision:

- **Assess your organization's needs**
  Consider your company size and budget when making a selection. Most smaller businesses need affordable solutions that integrate seamlessly with their existing software and can tackle specific challenges such as applicant tracking or payroll.

- **Do your homework**
  Research solutions and seek out user reviews, independent third-party assessments, and industry comparisons. View product demos, and consider how a solution's features could benefit your organization — from streamlining the recruiting process to creating a great workplace culture that better engages and retains employees.

- **Compare features and functionality**
  Evaluate solutions with your specific HR, payroll, and workforce management needs in mind, and consider an all-in-one platform for a unified experience. In addition to HR and payroll, be sure to determine whether the solution can also meet your talent, time and attendance, scheduling, compliance, and analytics needs in a single solution.

- **Consider solution ease of use and user adoption**
  Prioritize platforms that are user-friendly for both your HR team and your employees. Check out solution reviews to see what users have to say about the ease of using a solution.





- **Ensure scalability**
  Do you expect your business to grow? Cloud-based solutions can easily scale as your business grows with additional staff and/or locations, and they don't require costly infrastructure upgrades.

- **Evaluate security and compliance**
  Ensure that your data will be secure in the system and will align with regulatory compliance requirements. Ask solution providers about their privacy and data security policies and how the solution will make sure you're in compliance with all local, state, and federal labor and tax regulations.

- **Assess implementation and support services**
  Make sure the solution vendor will act as a true partner throughout the implementation process. Will they provide full visibility during the process, offer best practices, and actively solve issues? Will they provide ongoing, on-demand, and responsive support in quickly answering your questions and meeting your needs? Select a solution provider that measures their success based on your long-term success with their solution.

Conclusion

Modern HR and payroll technology can help your organization attract top talent, streamline the recruiting process, and hire best-fit candidates. It can simplify the new-hire onboarding process, create an attractive culture where people want to work and feel supported, modernize payroll and benefits, and provide employee self-service tools. The latest HR and payroll technology also can set up your smaller business to thrive in a competitive talent market — as well as succeed through greater efficiency, productivity, and accuracy — by creatinga great place to work and improving retention while advancing your business success.



Appendix

Recruitment and Retention Evaluation Worksheet

Answer the following questions to determine how you can improve your recruitment and retention activities.

Recruiting

1. What are the best job-posting platforms for your organization, and how are you taking advantage of social media?

   _____

   _____

2. How are you leveraging data analytics to determine which recruitment channels provide the best candidates and to identify the skill sets of top performers for future hiring?

   _____

   _____

3. How are you creating engaging job descriptions to attract the right candidates?

   _____

   _____

4. How does your organization showcase its special culture, work environment, and benefits when posting open positions?

   _____

   _____

5. Do you use an applicant tracking system to streamline the application process?

   _____

   _____

Hiring

1. Are you using online application forms to streamline the application process?

   _____

   _____

2. Are you using automated screening tools, including assessments, to efficiently identify right-fit candidates?

   _____

   _____

3. Do you offer video interviews for remote and geographically diverse candidates?

   _____

   _____

4. How do you keep candidates apprised of the process, from hiring to decision making?

   _____

   _____

Appendix

Recruitment and Retention Evaluation Worksheet

Answer the following questions to determine how you can improve your recruitment and retention activities. (cont'd)

Onboarding

1. Are you streamlining the onboarding process with automated workflows for handling paperwork, setting up accounts, and scheduling meetings?

   _____

   _____

2. Do you have an online portal that gives new hires easy access to documents, FAQs, and training materials for a smooth onboarding process?

   _____

   _____

Development

1. How are you providing employees with personalized career development plans and clear career progression opportunities within your organization?

   _____

   _____

2. Do you offer online learning modules that are easily available on your HR platform?

   _____

   _____

3. Are you conducting regular performance reviews that are two-way conversations that allow constructive feedback and support growth opportunities?

   _____

   _____

Culture

1. How are you creating a culture of trust to encourage people to bring their whole selves to work and to feel supported as individuals, helping attract and retain top talent?

   _____

   _____

2. Have you created an employee recognition program that's designed to boost employee morale and engagement?

   _____

   _____

3. Are you using survey and feedback tools to better understand employee needs and sentiment analysis to identify and address issues early on?

   _____

   _____

4. Are you empowering employees with 24/7 access to self-service tools via a mobile app for checking their schedules and pay, requesting time off, making their benefits elections, and updating their personal information?

   _____

   _____

5. Have you automated payroll processing through your HR platform to minimize errors, ensure compliance, and make employees feel confident they are being paid correctly?

   _____

   _____

Appendix

Technology Evaluation Worksheet

Use this worksheet to ensure vendors' HR and payroll solutions enable you, at a minimum, to execute the actions listed below.

Recruitment and Retention Target Areas	Vendor 1	Vendor 2	Vendor 3
Efficiency			
Automate and streamline applicant tracking and onboarding to speed up hiring and save new-hire and HR staff time, freeing up HR staff for strategic tasks.			
Automate payroll and benefits administration for shorter processing time and improved accuracy.			
Gain fast day-to-day insights into your people data in one centralized place to support continuous improvement.			
Implement GenAI for significantly faster research, content creation, and automated employee support options.			
Recruiting and Onboarding			
Employ GenAI to write compelling job descriptions that spark greater candidate interest and fill open roles faster.			
Use a wide variety of recruiting channels to promote open positions, attract the right candidates, and identify the channels that typically provide the best-fit candidates.			
Use a centralized onboarding portal that includes all new-hire documents and training materials as well as answers to commonly asked questions.			
Create personalized onboarding experiences to help new hires adjust to their roles more quickly. Automatically provide key contact information, training suggestions, essential benefits information, and company policies.			

Appendix

Technology Evaluation Worksheet (cont'd)

Recruitment and Retention Target Areas	Vendor 1	Vendor 2	Vendor 3
Employee Engagement and Development			
Empower employees with self-service tools via a mobile app to give them 24/7 access to check their schedules and pay stubs, request time off, make benefits elections, and update their personal information.			
Prioritize learning and development, and set clear outcomes — such as promotions, raises, bonuses, or performance goal completion — based on employees hitting learning milestones. Actively track which team members receive certain opportunities, ensuring equal access for everyone.			
Guide managers in recognizing their employees' readiness markers and having regular, planned discussions with employees on these topics to help them feel engaged in the process and have a clear vision of their future.			
Retention			
Offer seamless software integration with other applications, such as HR and time and attendance, for greater accuracy and efficiency and more holistic insights.			
Use AI tools to customize employee schedules and time-off requests for better work-life balance and align employees' goals with your organization's objectives.			
Map career paths and succession plans for the different roles in your organization, conduct regular performance reviews, create clear action plans for advancement, and predict the readiness of different people in your organization to move up.			
Create an employee recognition program, and receive reminders at the right moments to recognize employees for their contributions, develop their strengths, and demonstrate that you value their unique potential.			
Automate payroll processing to minimize errors and increase employee confidence they will receive perfect paychecks — as well as to give HR staff more time for strategic tasks.			

Appendix

Technology Evaluation Worksheet (cont'd)

Recruitment and Retention Target Areas	Vendor 1	Vendor 2	Vendor 3
HR Data Analytics			
Use survey templates based on proven psychological frameworks to understand your employees' ever-evolving needs, and leverage AI-powered sentiment analysis to quickly measure employee feelings in a factual way so you can develop strategies to best support your people.			
Leverage external benchmarking to analyze your people data in various areas, such as compensation, tenure, overtime, training, and more, and compare it with data from organizations of the same size and in the same industry and region.			
Benchmark your survey results against real data from organizations with standout cultures as identified by authoritative sources such as Great Place To Work®.			

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