

5 ways small businesses are good for their employees



A small business may be one of the most important engines in the U.S. economy. They create nearly half of all new jobs.¹ Small businesses can even represent a path to the American dream for some immigrants and minorities.²

Regardless, small businesses can have a tougher time attracting and retaining top employee talent because people may think larger businesses can provide them with more. But the pandemic has helped many small businesses rethink what benefits, perks and advantages they offer and why. A robust benefits package is often used as a tool to appeal to potential new hires, but it can also help a business keep the employees they already have happy and productive. Today, small businesses have retained this focus for new hires while putting extra attention on making sure the employees they already have are happy, healthy and productive.³

If you've succeeded in either of these goals, you're probably already doing a lot to support both of these groups and keep your business on track—but you're still trying to break through the perception that small businesses have less to offer than larger businesses. Here are five advantages small businesses can offer their employees, and why you should consider them all.

You help people build their skills.

A small business might not have the wow factor of an instantly recognizable name, but it can give employees something just as important: experience. Small companies have less rigid organizational structures, so they're more likely to have employees who wear many hats rather than being assigned to one specific, narrowly defined task. That means employees can gain valuable experience and résumé-building skills, positioning you as a mentor and career builder. Steer your employees toward projects that develop and challenge their skills. You'll be helping them contribute to the company and their own careers at the same time.

You make your employees feel valued.

Research has shown that employees value being appreciated more than they value a raise.⁴ This is good news for small businesses, where a closer-knit team and fewer levels of management mean that people at all levels have contact with one another. If employees can forge close bonds, they can see the value each person brings to the team, and that translates to more opportunities for appreciation. You can help nurture a sense of gratitude at your company with peer recognition programs. For example, create a companywide platform for employees to post shoutouts or throw a party to celebrate milestones, such as a 10-year work anniversary.



You're an innovation machine.

Small businesses have been disproportionately affected by the pandemic,⁵ but a lot of them responded by doing what they've always done: getting creative. Small business ingenuity can be great news for your employees, as your creativity can bring them into contact with cutting-edge business methods and up-to-date technology. It's just one more way they can gain experience as part of a smaller team, and you can make them part of the process by asking for their ideas and feedback.

You cultivate a sense of ownership.

Employees at small businesses may tend to feel more responsible for the company's welfare, because they're able to see firsthand how their success leads to the success of the company. This goes both ways: You know your employees, and that gives them a clear channel of communication to leaders like you. This can take the form of mentorship and skill-building, and it also means that you're better able to identify their needs and offer employee benefits and perks that can help keep them healthy and happy. To keep that communication channel open, you can plan quarterly benefits check-ins with employees to solicit suggestions and track how their benefits are working for them. It's all part of making employees feel like their company is taking care of them.

You can offer work-life balance.

The way small businesses connect with and value their employees means they're likely to understand work-life balance in a way few big businesses can. Forty-one percent of small businesses offer paid time off, and 35% offer a flexible work schedule.³ Translation: Your employees can do things like pick up the kids and schedule health care visits without penalty. The pandemic has changed our ideas of where and when work needs to be done, and small businesses were ahead of the curve in showing employees that time off is just as important as time on.

¹Sunday Best Blog. "Why Small Businesses are Important to the Economy." Published 1.5.22. [Accessed 4.20.22.](#)

²U.S. Small Business Administration. "Small Business Facts: Business Ownership Demographics." Published 3.16.2021. [Accessed 4.18.2022.](#)

³Clutch. "Compensation Strategy: How Small Businesses Plan for Employee Benefits." Published 2.25.2021. [Accessed 4.18.2022.](#)

⁴Business News Daily. "Why Employees Value Appreciation Over Bonuses." Published 5.27.2020. [Accessed 4.18.2022.](#)

⁵U.S. Small Business Administration. "The Pulse of Small Business: An Industry Breakdown." Published 12.21.2020. [Accessed 4.18.2022.](#)

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