Canadian small businesses boost wages and extend employee perks to fill talent gap

46% of those surveyed say they've struggled to find and retain employees

TORONTO, Nov. 9, 2021 /CNW Telbec/ - As organizations struggle to attract and retain workers, an ADP Canada commissioned survey, conducted throughout Small Business Month by Maru Public Opinion, finds 46 per cent of small businesses owners and operators who say hiring in the current environment is difficult have increased wages, over a quarter (27%) have increased benefits, like additional vacation time, and close to a fifth (19%) have introduced a shorter work week.

Small Businesses Bounce Back

According to the survey, the majority (79%) of small businesses who had to reduce their workforce in response to the pandemic have been able to re-hire employees. However, one third (33%) stated they have trouble finding workers, with nearly half (46%) indicating the talent shortage grew because of the pandemic.

In addition to attracting new employees, challenges also exist in keeping the ones that small businesses already have on hand. According to small business owners surveyed, they're seeing staff leave for a better salary (32%), wanting to make a career change (29%) and to take on a more senior role (17%).

"The survey findings highlight the strength of small business – after weathering an unprecedented storm, they are making a comeback," says Helen Vesce, division vice president, service delivery, ADP Canada. "As recovery continues, businesses who are able to adapt to the changing demands of this new labour market are poised to come out ahead in the search for top talent."

Work Life Balance and Flexibility Top Benefits of Working at a Small Business

Small business owners surveyed believe that better work life balance (53%) and more flexible schedules (48%) are some of the key benefits of working for a small business. Other noteworthy benefits include a closer relationship with the owner and/or executives (40%), a stronger team bond (36%) and greater attention from management paid to their employees' wellbeing and mental health (35%).

"Often, when we think of small business, we think of retailers, but small businesses stretch across industries and are often left competing for talent with larger corporations. These findings, and the rapidly shifting priorities of workers, indicate that Canada's small businesses are well positioned to compete when it comes to recruiting and retaining talent," Vesce noted. "Small businesses can offer a welcoming, supportive and empathetic environment where employees can foster more personal relationships with both their colleagues and business leaders. This, combined with improved work-life balance, makes roles in small business more and more attractive."

Small Business Realities Across the Country

Small business owners in Québec struggled the most to find and retain talent, with 44 per cent struggling to find workers and 63 per cent finding it difficult than before the pandemic to find and retain employees. Small businesses in Alberta struggled the least to find and retain employees, followed by the Prairies. When asked why employees would leave their role, small business owners in British Columbia (33%) and Ontario (31%) were more likely to report a career change, compared to only 20 per cent of small business owners in Québec. When asked about top benefits of working for a small business, respondents in Ontario and Atlantic Canada (39%) cited stronger team bond as one of the top benefits, while respondents in British Columbia (41%) said greater attention from management on employees' needs, wellbeing, and mental health was a key benefit.

Survey Methodology

These are some of the findings released by Maru Public Opinion from a survey undertaken between October 7-17, 2021, by the sample and data management experts at Maru/Blue. The survey was of 772 randomly selected Canadian small business owners, decision makers and leaders who are Maru Voice Canada online panelists. For comparison purposes, a probability sample of this size has an estimated margin of error (which measures sampling variability) of +/- 3.5%, 19 times out of 20. Discrepancies in or between totals when compared to the data tables are due to rounding.

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For further information: Keera Hart, Kaiser & Partners, 905-580-1257, keera.hart@kaiserpartners.com

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