



Small But Mighty

HOW SMALL BUSINESSES CAN COMPETE FOR
TALENT IN A COMPETITIVE MARKET



The job market has become increasingly competitive, driven by advancements in AI, layoffs, and slower hiring. While employers may currently have the upper hand in selecting talent, they are also competing with one another to attract strong candidates. Larger companies that offer higher compensation, robust benefits, career stability, and strong brand recognition often have an advantage when it comes to attracting talent that supports business growth.

For smaller companies, competing at that level can feel challenging. Without the same salaries or perks, it may seem difficult to attract employees who can help the business grow over time. However, that is not necessarily the case. A recent example is the competition between OpenAI and Google and Meta in the race for AI talent. OpenAI, founded in late 2015, was widely viewed as a startup well into the 2020s. Over the past three years, the company has grown rapidly and is valued at \$852 billion as of March 2026.¹ As it has expanded, OpenAI has increasingly competed with more established companies like Google, Meta, and Apple for talent. By 2026, its workforce has grown to around 4,000 employees, up from roughly 1,000 in 2023.² This growth has helped shift perceptions of what makes a company desirable to work for—traditionally associated with FAANG companies (Facebook/Meta, Apple, Amazon, Netflix, and Google/Alphabet).

While OpenAI's trajectory is unprecedented and not typical for most small-to-mid-sized businesses, it illustrates what is possible. Businesses across industries can achieve meaningful growth when they focus on the right strategies to attract and retain talent.



Below we outline six key strategies for small business owners looking to find talented employees.

01 | STRENGTHEN YOUR EMPLOYER BRAND

A strong employer brand can help attract job seekers to your company more organically. Think about companies with a strong brand presence, like Salesforce, Patagonia, Netflix, and Starbucks. They have one thing in common: they've built strong reputations not just for what they sell, but for what it's like to work there. Whether through sponsorships, community involvement, social media, or employee advocacy, they consistently communicate what makes their workplace distinct.

Before investing in these efforts, it's important to first define your brand messaging. A good place to start is by refining your employer value proposition (EVP). Your EVP sits at the center of your employer brand and outlines what employees can expect, including your culture, benefits, compensation, perks, and opportunities for growth. These are the elements candidates look for when evaluating a role and understanding what it's like to work at your company.

Consistency across all touchpoints is key. From job postings and social media to interviews, your website, and onboarding, your messaging should align. Gaps or inconsistencies can create confusion or erode trust. When your message is clear and consistent, candidates are more likely to feel confident in their decision and see your company as a place where they can succeed.

02 | FOCUS ON CULTURE

Your company culture can be a deciding factor in whether an applicant chooses to apply. Candidates are looking for authenticity, so your culture has to go beyond the values and mission statements listed on your website. That means your organization needs to consistently demonstrate the behaviors and commitments it promotes.

This starts with transparent, two-way communication between leadership and employees. Creating an environment where employees feel comfortable speaking up, especially when something doesn't align with stated values, can strengthen trust and accountability. When employees feel heard and supported, it often leads to higher engagement, which can positively influence the overall culture.

Though leadership plays a key role in shaping culture, employees bring it to life day to day. They can be a great resource for helping reflect your values in how they work, collaborate, and interact with others. Over time, this can help build a strong sense of purpose and community within the organization. A workplace where employees feel connected and engaged can stand out to prospective candidates who are looking for a positive environment to work in.

03 | OFFER FLEXIBLE WORK OPTIONS

As mentioned earlier, the job market remains competitive, regardless of whether employees or employers have the upper hand. Even in an employer's market, highly skilled workers can be selective about where they apply. During the Great Resignation following COVID-19 lockdowns, many employees began to recognize how burnout was affecting their overall satisfaction and chose to leave for organizations that offered more flexibility in their schedules or workloads. Companies that provided remote or hybrid options, or greater schedule flexibility, became more attractive to these workers.

While many companies across the U.S. have implemented return-to-office (RTO) mandates since the pandemic, Gallup data shows these policies have been unpopular among employees.³ Employees—particularly those in the Gen Z and millennial generations—tend to prefer hybrid work models, as they place a high value on flexibility.

For smaller companies looking to attract disengaged or dissatisfied employees from larger organizations, offering flexible arrangements can be a meaningful differentiator. This does not have to be a one-size-fits-all approach. Not every company can offer hybrid work depending on the nature of the role or industry, but flexibility can take many forms. Some organizations have introduced options such as meeting-free days, flexible working hours (e.g., a 7 a.m. to 3 p.m. schedule), four-day workweeks with longer hours, or seasonal policies like summer Fridays with early dismissal.

Flexibility can also help attract talent across different life stages, particularly employees balancing work with caregiving responsibilities. Research shows that five-day RTO policies disproportionately affect parents and caregivers, who are disproportionately women, as well as individuals with disabilities. As a result, these requirements have contributed to some individuals leaving the workforce.⁴ Offering flexibility can help small businesses attract talent while also supporting a more inclusive workforce.

04 | ENHANCE BENEFITS

A strong benefits package can play an important role in employee satisfaction, which supports retention and can also help attract new talent. According to a Lincoln Financial survey of employees at small businesses, more than half said that retirement, financial wellness, and other group benefits influenced their job loyalty.⁵

Small business owners are taking notice. In their 2025 study, 46% of owners said they wanted to offer additional benefits to help employees cover medical expenses, while 55% wanted to improve employees' financial security and expand offerings that support retirement savings.⁶

While offering these benefits may seem straightforward, implementing them can be more complex. Small businesses often face higher administrative costs and may not have the same ability to spread risk across a large employee base as larger organizations. Combined with rising healthcare costs and limited negotiating power, building a comprehensive benefits package is not always simple.

To work within these constraints, businesses can consider more cost-effective ways to enhance their offerings. This may include flexible work arrangements, as mentioned earlier, as well as professional development opportunities, voluntary benefits (such as accident, dental, vision, or life insurance), wellness programs, childcare or eldercare support, and employee social events. These options can help strengthen a benefits package without significantly increasing costs.

For more information on how to build a competitive benefits package, please read, "[Smart Strategies for Building a Competitive Benefits Package.](#)"

05 | PRIORITIZE WORKPLACE DEVELOPMENT PROGRAMS

Small businesses can have an advantage in attracting talent that larger organizations may not. One key advantage is the ability to offer greater access to growth opportunities, often with fewer layers of approval or bureaucracy. Employees in smaller organizations may have more opportunities to expand their skill sets and make a direct impact through their work. Small business employers should lean into this strength.

One way to do this is by investing in employee development. Small businesses can create programs focused on building both professional and personal skills. This can include on-the-job training through shadowing opportunities, lunch-and-learns, and access to educational platforms like LinkedIn Learning or continuing education courses. Some employers may also choose to support tuition reimbursement.

In addition, community-based initiatives such as volunteer opportunities can help employees develop soft skills like communication, collaboration, and critical thinking. Together, these efforts can create a more engaging work environment while helping employees grow in meaningful ways.

06 | PARTNER WITH COLLEGES

A simple way for small businesses to attract young talent is by building relationships with local colleges and universities. This not only helps strengthen ties to the community, but also creates a more consistent pipeline of candidates who are already familiar with your business.

Universities often host job fairs, speaker engagements, and networking events that connect students with employers. These events give small business owners the opportunity to introduce their company, share insights from their industry, and highlight potential career paths. It also helps position your business as a place where students can see themselves working after graduation.

Beyond events, small businesses can benefit from working more closely with academic programs. Aligning job requirements with relevant curricula can help ensure students are developing skills that translate well into open roles. These partnerships can also make it easier to identify internship candidates for the summer or off-season, creating an additional pathway for future full-time hires. Building relationships with faculty and staying engaged throughout the academic year can further strengthen these partnerships and help identify strong candidates earlier.



CONCLUSION

As a small business owner, you're balancing day-to-day operations with the long-term growth of your company. Building the right team is a big part of that, but finding and retaining the right people takes time and focus that's often in short supply.

That's where we come in. We work with you to design and implement HR solutions that support your current employees while helping you attract new talent aligned with your values and goals.

If you're ready to take a more structured approach to your workforce strategy, let's start the conversation.



FOOTNOTES

¹ Capoot, A. (2026, March 31). OpenAI closes record-breaking \$122 billion funding round as anticipation builds for IPO. CNBC. <https://www.cnn.com/2026/03/31/openai-funding-round-ipo.html>

² Kay, G. (2026, March 23). OpenAI's talent pipeline: Who's feeding and hiring away workers at Sam Altman's AI giant. Business Insider. <https://www.businessinsider.com/openai-hiring-pipeline-google-apple-meta-microsoft-startups-data-2026-3>

³ Liu, J. (2026, February 2). 5 days in the office is the least popular way to work. Bosses are mandating it anyway. CNBC. <https://www.cnn.com/2026/02/02/5-days-in-office-is-the-least-popular-way-to-work-bosses-require-it-anyway.html>

⁴ Liu, J. (2026, February 2). Women say caregiving and child care costs are the No. 1 reason they quit the workforce last year, according to new data. CNBC. <https://www.cnn.com/2026/02/02/catalyst-data-caregiving-is-no-1-reason-women-left-workforce-in-2025.html>

⁵ 3 ways small businesses can attract and retain employees | Lincoln Financial. (n.d.). LincolnFinancial. Retrieved April 15, 2026, from <https://www.lincolnfinancial.com/public/professionals/smallbusiness/3wayssmallbusinessescanattractandretainemployees>

⁶ Lincoln Financial study finds employees' health, finances and well-being are top priorities for today's small business owners | Lincoln Financial. (2025, May 1). LincolnFinancial. <https://www.lincolnfinancial.com/public/aboutus/newsroom/pressreleases/National-Small-Business-Week>



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