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What's Keeping You Up at Night? Many Midsized Business Owners Say It's Finding and Keeping Top Talent

ROSELAND, NJ -- (Marketwired) -- 06/08/16 -- Business owners at midsized companies say that acquiring and retaining top talent remains a major challenge -- and they're concerned about the quality of skills in today's workforce.

Those are among the findings of the fourth annual [ADP® Midsized Business Owners Study](#), which surveyed more than 700 business owners at companies with 50-999 employees.

Although midsized businesses added [63,000 jobs in April](#), according to the [ADP National Employment Report®](#), they continue to consider talent -- finding it, nurturing it, keeping it -- among their biggest concerns. In fact, less than 20 percent are completely confident they have the right tools to find, grow and retain talent.

"While midsized companies represent nearly 27 percent of all U.S. jobs, it's clear that they are in serious need of help and direction when it comes to strategically finding and managing top talent," said Tom Perrotti, president of Major Account Services at ADP. "If businesses don't arm themselves with the human capital management (HCM) tools needed to attract, engage and retain the best people, they risk losing their top talent to the competition."

The research showed that:

- | Only 15 percent of respondents are completely confident they have effective tools **to find the best talent**. Many say they lack the ability to post to multiple job boards in a single action, and lack tools to find and track passive job seekers. They also report difficulty finding internal talent for open positions.
- | Only 16 percent of respondents are completely confident they have effective tools to **keep and grow the best talent**. Respondents cite the need for tools to help create and maintain development plans for employees, and to align goals to compensation decisions.
- | Only 18 percent of respondents are completely confident they have the tools needed to **effectively manage their workforce**.

One midsized company in Charlotte, NC -- Tax Management Associates Inc. -- agrees that having the necessary tools and technology to acquire and engage talent is critical.

"As the unemployment rate drops and the economy improves, we're seeing more turnover than we have in the past," said Scott Smith, Human Resource Director at Tax Management Associates. "In this environment, it's so important to have retention, recruiting, and screening tools to identify and onboard talent quickly, and performance management tools to help employees achieve their goals so they remain engaged."

Concerns over employee engagement rose significantly in the latest survey with 41 percent of midsized employers reporting they are extremely or very concerned about engaging employees to be active contributors to the business. While the vast majority of employers surveyed believe employee engagement is important to an organization's success, only slightly more than half feel they currently have a good, repeatable process to facilitate engagement.

The strategies rated most important in promoting engagement include managing performance and compensation, and setting goals.

According to the study respondents, the top five factors for an organization's success include:

- | Hiring the right people, with 88 percent of respondents agreeing
- | Having better-than-average employee performance (83 percent)
- | Offering competitive compensation packages (76 percent)
- | Having lower turnover than the industry average (72 percent)
- | Offering a good work/life balance (70 percent)

Workforce Management and Growth

When it comes to talent management, a relatively small number of midsized business owners believe they are managing their workforces poorly. But only slightly more than half say their organization is doing "extremely" or "very" well at it.

Despite some uncertainty in their management abilities, 42 percent of midsized business owners surveyed said they increased their employee headcount in the past year and nearly the same amount plan to continue the trend this year, with plans to hire an average of 21 employees.

While only 16 percent of businesses surveyed plan to expand globally in the next two years, up slightly from the previous year, employers are more confident that their organization has the tools and information needed to manage a global workforce.

For more details on the study, visit [here](#) to download the action paper.

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