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Small Business Bulletin

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Small Businesses Talent Trends for 2026

Heading into 2026, small businesses are navigating a rapidly evolving talent landscape shaped by technological innovation, shifting workforce expectations and economic uncertainty. To stay competitive, small business leaders are rethinking how they attract, retain and develop talent.

5 Small Business Talent Trends for 2026

The following are five trends predicted to shape small business talent in 2026:

1. **Investing in upskilling**—Upskilling is no longer only a perk; it's a necessity. With the pace of change accelerating, small businesses are investing in continuous learning to close skill gaps and future-proof their teams. From digital literacy to leadership development, companies are offering microlearning, certifications and on-the-job training to empower employees and boost retention. Platforms like Coursera, LinkedIn Learning and industry-specific boot camps are becoming go-to resources for affordable, scalable upskilling.
2. **Using artificial intelligence (AI) for productivity and hiring**—AI is transforming how small businesses operate, particularly in talent management. AI tools are streamlining recruitment through automated candidate emails, faster prospect evaluation and the ability to write effective job descriptions to identify top talent. Internally, AI is being used to personalize learning paths, automate repetitive tasks and provide real-time performance feedback.
3. **Embracing flexibility**—Hybrid work models remain a top priority for some workers in 2026. Small businesses are embracing flexibility not just as a benefit, but as a core part of their culture. Hybrid work is not feasible for all roles or industries, but small businesses can expect this to remain a top priority for workers who require flexibility. This includes asynchronous work options, four-day workweeks and results-based performance metrics.
4. **Supporting mental health and well-being**—Employee well-being is expected to remain a top priority for employees in 2026. Small businesses are offering mental health days, wellness stipends and flexible schedules to support holistic health. A focus on well-being can help improve productivity and reduce burnout and turnover.
5. **Hiring gig workers**—The gig economy continues to grow and is becoming an increasingly unavoidable trend for small businesses. An increasing number of workers are actively embracing gig work. According to Statista, more than 70.4 million Americans are currently involved in freelance work. By 2027, freelancers, gig workers and crowd workers are expected to become the majority of the workforce. The rise of gig work presents a complex mix of opportunities and challenges for employers. While gig work makes sense for some task-based or expertise-required work, it also creates difficulty for employers that may have workers also pursuing gig work to supplement their income.

Conclusion

By staying curious, investing in people and leveraging the right tools, small businesses can not only survive the changes ahead but also lead them.

Reach out today for more small business resources.

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Year-end HR Checklist for Small Businesses

As the year draws to a close, small businesses face a critical window to tidy up HR operations and prepare for the year ahead. While larger organizations may have dedicated teams for each HR function, small businesses often rely on lean teams or even single individuals to manage everything from compliance to employee engagement. That's why having a clear, actionable checklist is essential.

Small businesses should consider prioritizing the following HR activities before the end of 2025 to stay compliant, support their workforce and set the stage for a successful new year:

- **Complete performance reviews**. Use this time to formally evaluate employee performance, set goals for the upcoming year and identify opportunities for growth or training. In small businesses, these reviews can be especially impactful for retention and morale, as they provide personalized feedback and recognition.
- **Update staff directory.** Ask employees to verify and update their contact details, emergency contacts, tax withholding forms and beneficiary designations. Keeping this information current helps avoid issues with payroll, benefits and compliance.
- **Back up HR and personnel data.** Data security is crucial, especially for small businesses that may lack dedicated IT support.
- **Review hiring and recruitment plans.** Assess what worked well in your hiring processes this year and what didn't. Consider your staffing needs for the upcoming year and create a plan for recruiting, onboarding and budgeting for new roles.
- **Establish HR budget and resource allocation.** Plan your HR budget for the next year, including costs for recruitment, training, benefits and employee engagement initiatives. Small businesses can benefit from proactive budgeting to avoid unexpected expenses.
- **Conduct workforce analysis.** Evaluate your current team's strengths, gaps and areas for potential improvement. This can help you identify key talent, plan for succession and ensure your workforce is aligned with business goals.
- **Conduct a compliance audit.** Review employee classifications, labor law postings, personnel files and policy documents to ensure everything is up to date and legally compliant. Address any gaps before the new year begins.
- **Collect employee feedback.** Distribute engagement or satisfaction surveys to gather insights into what's working and where improvements are needed. Use this feedback to guide changes in policies, communication or workplace culture.
- **Update policies and employee handbooks.** Review and revise policies to reflect legal changes or internal updates. Confirm that employees have signed the latest versions of handbooks, ethics policies and conflict-of-interest forms.

Conclusion

Year-end activities can seem limitless, which may leave HR professionals and business owners feeling overwhelmed while potentially overlooking some tasks. By preparing early, businesses can wrap up this year properly and set their organizations up for success in 2026.

Contact us today to access additional resources that support your year-end goals.