A realistic look at retaining talent

Q1: SMEs are often unable to attract and retain (if they manage to attract any) the best talent due to the limited career opportunities and resource constraints. What are some feasible ways in which we can attract and retain the best people? RL

A: This is a question that is asked frequently and understandably so. There is no ready solution to the problem.

So in addition to my replies given on the difficulty in getting locals (BT, March 22 and April 5, 2011) and talent issues (BT, Dec 14, 2010, and March 30, 2011), it is good to analyse what motivates talent. SMEs can then respond realistically to the problem.

Talent gravitates to companies that have strong brand names, are successful and can pay a much higher remuneration package. Even these companies have to compete for the limited talent pool.

Talented employees like the nature of their jobs to be challenging and rewarding when they use their creativity and innovation. This raises their self-esteem and sense of pride. They also enjoy an environment that nurtures like-minded individuals with whom they can collaborate, share, learn and grow together.

If your company does not have these motivating factors, talent may not join you. So why not settle for a contingency plan?

Talent is required and effective only if the job or company requires them, for instance, in creating new breakthrough products or services. This is why the top companies are willing to use the services of recruitment search firms and pay these firms high fees, sometimes as high as eight months’ salary of the successful recruit.

Talent is not required in routine senior management functions, such as setting up a new branch or making structural changes. Unsuccessful talented applicants to the top organisations may then search for SMEs that may be growing rapidly.

Alternatively, your company can choose to groom its own talent by upgrading them into higher positions requiring new responsibilities and challenges – to “make” rather than to “buy” unavailable talent. It is for this reason that the recent Singapore Budget 2011 announced a slew of measures to assist SMEs in facing this problem.

Mathew Linus, Lecturer, Human Resource Management Unit, NUS Business School

Started out as a fortnightly column, ‘Ask NUS Prof’ will now be a weekly collaboration with NUS Business School. Every week, a panel of professors from the school will address business-related questions relevant to SMEs. If you manage a business and have a question to ask the panel, please e-mail it to btnews@spah.com.sg along with your name, designation and company particulars and mention ‘Ask NUS Prof’ in the subject line. If, for some reason you do not want your name or your company’s details to be published, please indicate so in your e-mail.