

# How SMEs Can Attract and Retain Talent in a Competitive Environment



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Talent is an organisation's most valuable asset. This is especially true for small and medium-sized enterprises (SMEs). With an employee count of no more than 200, the quality of each employee becomes significant. Thus, it can even be said that an SME's success often hinges on how many highly skilled talents it manages to attract and retain.

However, this can get a little tricky. Highly skilled talents often prefer to work in larger corporations and multinational corporations (MNCs). And why wouldn't they? With higher salaries, better benefits, and clearer career ladders to climb, it seems like MNCs will always have the upper hand when it comes to talent quality.

But that does not have to be the case. Various studies have shown that many highly skilled talents, too, often prefer to work in an SME. That is if the SME in question can make itself attractive to these talents.

## What Can SMEs Offer to Employees?

To analyse this question thoroughly, managers can do well to apply their design thinking skills. Design thinking fosters empathy and a solid understanding of what keeps talents on board, and what does not.

MNCs indeed have the advantage of offering better salaries and benefits packages. They generally have long career ladders that employees can aspire to climb, either vertically or laterally.

But while SMEs cannot compete in providing what giants can, the former's small size can often be an advantage. SMEs often tend to

operate in a closely-knit environment with a leaner organisation structure. There is also a higher chance of working closer with the top management and being able to widen your skillsets quickly. These factors often create a healthy working environment and help employees to feel valued for the work that they do.

With Covid-19, employee priorities have shifted when it comes to value propositions. This has been illustrated by [studies](#) that show the reasons for employees switching jobs.

The most prominent reason, at 62%, is career growth. 38% responded that they would switch for work that they enjoy. 33% state that a culture of reward and recognition is a major consideration. With all of these in mind, here are some examples of how SMEs have attracted and retained talent.

## Providing Clear Career Growth and Development Plans

Employees want to stay in a job that can offer them long-term value. The most concrete of this is the potential for career growth, as demonstrated by the high percentage in the aforementioned survey.

Businesses that can show a clear growth and development plan for their employees achieve two things. First, it shows that they care about their employees' professional growth. Second, doing so will motivate employees to climb up their career ladder.

MNCs can provide a clear career path up the rungs through sheer size alone. But what about SMEs? Fortunately, a long career ladder is not the only avenue for employee growth and development plans. Another key way is training and development.

Let's take the case of [Atlas Sound & Vision](#). This local SME retailer of audiovisual products created three-pronged career development plans for their employees. They conduct in-house training, send employees to external courses, and manage individual development programmes for each employee. The company's CEO said that by investing in employees, staff become "ambassadors who are genuinely enthused about their company."

In other words, SMEs should invest in building skills and cultivating talent. This can be done through dedicated learning and development programmes or other capacity-building activities. Employees will learn that there's still much value for them to glean from their experience with your company. In turn, this will incentivise them to stay.

## Offering More Flexibility

In a post-pandemic world, many people will demand more control over their time and the work that they do. Companies that dictate work hours very strictly will become less appealing to employees. [Flexibility](#) will become a key motivator.

Since employees are in charge of their own schedules, flexibility also offers the opportunity for a better work-life balance. They can adjust their work methods to better align with their experience in the field. In turn, this will eliminate cumbersome and ineffective work.

This is one of the tenets of the agile thinking process. Larger enterprises, due to their legacy management approach, often operate in a waterfall, top-down manner. SMEs, on the other hand, can afford to be agile, flexible, and effective. They can divide people into teams to work on certain projects, reassemble them the next day, and so on.

This approach is also beneficial for the company. Since communication is key, it builds a more cohesive team. Offices can become more eco-friendly due to the energies saved. And it can also drive down overhead costs.

Another upside to offering flexible working hours and geographical location is that your company can now draw from a global pool of talent. Technology agency Dadi [eschews a physical office](#). Instead, the team works remotely from the US, UK, and Southeast Asia. At one point, one of their employees was working while on an international bike ride.

"It's fair to say that all the best people don't live within one hour of London; we've got staff all over the world," said Dadi co-founder Chris Mare. As a small agency, Dadi has truly benefited from its extreme approach to flexibility.



