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Recruitment and employment

Whatever stage a company is at, from newly formed start-ups to well-established businesses, finding and keeping good staff is critical to the success of any operation. But for smaller businesses, managing recruitment and employment issues can add significant overheads.

The challenges start at recruitment. In the GCC, there is a perception that many candidates have a strong preference to work for large multinationals, or in public sector positions. But according to surveys undertaken by the UAE-based recruitment website Bayt.com, this perception is incorrect, with only 20 per cent of respondents saying they were looking to work for a large company. This compares to 36.4 per cent who said they wanted to work for a firm with a supportive environment, and 28 per cent who would prefer a company they admired.

“Attracting and retaining talent is certainly not a matter of company size,” says Suhail Masri, vice-president of sales at Bayt.com. “Instead, it is about deciding to make a company a great place to work by setting goals and human resource (HR) initiatives, and making changes.”

According to Abbas Ali, vice-president at TASC Outsourcing, a Dubai-based staffing and recruitment management agency, it can sometimes be a struggle for smaller businesses to attract staff with experience at multinational companies, even when offering better remuneration. But SMEs can succeed by focusing on the unique elements that make their company a good place to work.

“In our experience, the owners or founders need to spend a lot of time telling the story, and making people buy into that story to generate interest,” he says. “Then, you need to find people who are the right fit, who abide by your values, and who are willing to spend time and effort in an SME environment.

“In an SME, you are very entrepreneur-like, even as an employee – you don’t always just stick by the processes, or work nine to five, like in a big company. You make decisions as you go. So when you employ people, judging them on these values, and making sure they stick to them, is a challenge,” says Ali, adding that many SMEs have a higher staff turnover rate than larger companies, in part for this reason.

SMEs can also reap dividends when recruiting fresh graduates, or making use of intern programmes. According to Bayt.com, 31 per cent

of survey respondents saw internships as a way for companies to scout for, and potentially hire, talented staff.

“Interns represent a significant and valuable pool of talent, and should be harnessed for their abilities to bring fresh insights and perspectives,” says Masri. “Employers can identify future talents by taking on students and graduates, providing them with a realistic perspective and expectations of their desired industries and allowing them to gain valuable skills and experience.”

Ali says TASC has had great success in recruiting among MBA graduates from UAE-based universities, which often only accept candidates with some business experience, giving employers the best of both worlds. While many MBA graduates are looking for positions in larger firms, he says there are always those with the potential to perform well in an SME environment. “Those people are a great bunch to have in the mix of staff you want to employ – they work very hard, they’re smart and they want to prove themselves. They get a very fast curve up if they are successful; whereas in a multinational they might take 10 years to reach somewhere, in an SME they might be there in three years,” says Ali.

As well as being a key part of recruitment, employee remuneration is also a big factor in retaining and motivating staff in the longer term. According to Bayt.com surveys, many employees in the GCC are unhappy with their current pay packages, with a significant proportion of respondents simultaneously faced with rising living costs and no prospects of a wage increase.



Staff: New recruits must be willing to put effort into an SME environment

The good news for employers is that while workers are motivated by financial compensation, money is by no means the only factor taken into consideration by employees. Along with non-financial benefits such as medical insurance or air tickets, 38 per cent of UAE survey respondents said achieving a better work-life balance was one of their main reasons for changing jobs.

“When designing a compensation package, it’s important for an SME to keep in mind that it isn’t just the salary you’re offering,” says Masri. “Other sorts of benefits, like health insurance for employees and their families, flexible working hours and maternity/paternity leaves, have a monetary value attached to them that can increase the value of the package. Make sure ‘professional growth’ is designed into the package.”

Managing staff at an SME can create significant overheads, without the scale to justify a full HR department. TASC’s Ali believes that with proper organisation, an SME can shift many HR tasks to employees’ line managers, and then have a smaller, purely administrative team to deal with logistical hiring and visa issues, as well as payroll.

“Making sure people stay motivated, receive their commission and are being retained is purely a line manager function in an SME,” he says. “The line manager acts as the HR department and must be trained. Owners must empower these line managers with some basic guidelines, and hold them responsible, including in their key performance indicators, for the attrition of their teams.”

Another option is to use outsourced labour services, such as those offered by TASC, whereby the provider handles tasks such as visa processing, payroll and other administrative issues. Ali suggests SMEs can benefit from bringing staff on board for a short period, such as for an exploratory project, without making a long-term commitment.

Bayt.com’s Masri says that while using temporary staff can be beneficial, companies still need to pay attention to training and developing these workers, as their exposure to the company’s values and processes is likely to be much more limited than their permanent colleagues. “Performance management is also very important for temporary employees too, because they do not have a career path tied to their performance,” he says. “In order to ensure that an SME’s temporary workers and freelancers do their best, managers must clearly outline the goals for each assignment or project, and agree on a system for assessing work in advance.”

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