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Business heal thy self

Learn to woo workers as you do customers

Tony Wanless, Financial Post

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Presented by



Chris Wattie, Reuters File Photo

A recent study by the Canadian Federation of Independent Business that shows Canadian SMEs need, and apparently can't find, 309,000 workers, highlights a dirty little secret: small to mid-sized enterprises have been sharing for some time.

They think too much about obvious concerns like producing or selling, and too little about business management, of which human resource management is a growing part.

Despite all the theoretical talk about how SMEs are more nimble and responsive than larger companies, the truth is that many aren't. In fact, they are often the opposite -- more hidebound and stuck in ruts than larger companies. This is often because so many don't have the management skills common in larger companies with large structures.

Most SMEs are born out of a founder's skill or particular industry knowledge, not out of some essential management skill. Management training then often takes a back seat to day-to-day problem solving.

And today, this lack of management knowledge is showing up because of the labour shortage bedeviling both large and small businesses. For most small business operators long-term thinking is anything beyond six months, and as a result many were caught short when demographics changed and the traditional labour surplus turned into a labour shortage.

The reasons for this have been well chronicled -- an economic shift from manufacturing and retail to knowledge and service work, the retirement of the Baby Boom generation, the demographic gap that occurred in Generation X, which followed, and the differing attitudes toward work among Generation Y, which followed them -- but were ignored by most SMBs who are often busy fighting daily fires they rarely have time to think about the wider demographic landscape.

Now, many wail they can't compete with bigger firms on wages to snare these disappearing workers. But, many human resources professionals say, SMEs should stop wringing their hands over the issue and start taking a more managerial and creative view of their business problems.

SMEs have many advantages in the current labour market, says Cissy Pau, of Clear HR Consulting in Vancouver, Canada's ground zero of labour shortages. British Columbia has Canada's highest proportion of SMEs, and it suffers from its largest labour shortages, so in a sense is a laboratory for

how SMEs must cope with this new world.

According to Ms. Pau, who concentrates exclusively on small business workforces, these advantages stem from their very smallness. Workers in a small business are more likely to be part of a team than in a large corporate setting, and so their work has much more impact on the business. This in turn has been identified as the No. 1 desire in a job among workers.

"The labour pool is declining, and many SMBs aren't spending enough time on dealing with it," she said. "Smart SMB operators are changing their views of themselves. Instead of thinking like 'bosses', they're learning they have to become team leaders. They have to market to workers just like they market to customers."

Ms. Pau says this is much like other managerial and planning processes. "You have to understand what people want in a job, and then offer it," she said. "Many people think 'I need' when they should be thinking 'I can offer.' "

In other words, instead of treating an employee like a warm body, try acting like a career mentor or trainer, allowing workers to have more responsibility, and providing the ability to be more flexible in their jobs.

"Also, many small businesses are getting more creative and so are accessing people they previously ignored, like immigrants, or people with disabilities," she says. "But the best weapon you have is the ability to provide workers with a sense of achievement and a personal growth path. Employees who are given this spread the buzz around and act as recruiters for you. It's a form of employer branding and every SMB has to do it today."

Another option is "core and supplement," or virtual team building. A business has a small core team of managers, and then outsources as needed. This allows a business to be more flexible and responsive to typical business rhythms, and saves costs . - Tony Wanless of Knowpreneur Consultants (www.knowpreneur.net) is a management consultant who advises know-ledge-based SMEs on marketing and financing.

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--CISSY PAU, CONSULTANT

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