**Term Paper**

**Topic----------------Recruitment Challenges Faced Sme’s.**

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## What Are Smes?

Small and Medium Enterprises (Smes) Are Businesses That Employ Up to 250 People. No One Is Precisely Sure How Many of Them There Are Because There Are Lots of Companies That Have Limited Liability Status but Are Not Trading and There Are Lots of Businesses That Are Sole Proprietorships That Have Escaped the Official Net of the Tax Man, The Vat Man and the Registrar of Companies. We Will See Figures That Range As High As 4.3 Million and As Low As 3.7 Million, The Best Estimate Being Around 4.0 Million.

Although the Most Usual Definition of an Sme Is a Company Employing Up to 250 Employees, Nearly All (Over 99%) Employ Less Than 50 People. In Fact, Three Quarters of Them Don’t Have Any Employees – They Are Sole Operators. So, The Emphasis Really Is On Small Rather Than Medium in the Sme Label.

## The Engine of Economic Recovery

The Significance of These Small Businesses Is Often Overlooked. They Are the Ants in the Ant Hill Rather Than the More Glamorous Animals of the Forest. And yet They Make Up a Half of All the Jobs in the UK and Account for Half of Our Gdp. Because They Are Small and Tightly Managed, Decisions Can Be Taken Quickly and They Are Flexible in Responding to Changes in the Temperature of the Market. In the UK As in the Rest of the World, Smes Are Recognised As the Most Responsive Engine of Economic Growth.

## Who Are They?

There Are Over 1,500 Different Classifications of Smes. These Are Referred to As Standard Industrial Classifications by the Government and They Are Used to Describe the Nature of a Company’s Business. As Might Be Expected, Smes Do Not Compete Where Large Capital Investment Is Required for Process Industries. Therefore, They Do Not Exist in Car Assembly, Steel Making, Cement Manufacture and the Like. They Are Found in Profusion in the Service Industries From Vehicle Servicing, Hairdressing, Retailing to the Professions. There Are Manufacturers, Of Course, And They Operate Across Most Industries From Complex Electronics to Traditional Businesses Such As Metal Bashing and Wood Turning.

## The Sme Shopping Basket

Every Sme Purchases Goods and Services in the Pursuance of It's Business. They All Have Some Basic Needs Such As Telephones, Stationery and They Consume Energy. Nearly All Have Office Furniture and Operate Vehicles. They Rent Property and They Buy Legal and Financial Services. Depending On Their Industrial Classification, They Also Will Buy Materials of One Form or Another. In Total This Adds Up to Over £1 Billion of Products and Services Per Annum.

## Safety in Numbers

The Most Surprising Thing About This Huge Shopping Basket Is That It Is Often Ignored by Marketers Who Have Their Sites On the Larger Corporations That Appear to Make Easier Picking. Whilst It Is True That Large Buyers Are Easier to Line Up in the Sight of a Marketing Rifle, They Are Not Necessarily the Most Profitable. Slimma Enjoyed Being a Main Supplier to Marks & Spencer Until M&S Changed It's Buying Policy and It Lost the Business. It Not Only Lost the Business; It Went Out of Business. In Contrast, Rs Components has Always Seen the Potential in Smes and Through It's Next Day Postal Delivery Service, It Supplies a Myriad of Bits and Pieces to Businesses at Premium Prices and Good Margins.

## A Simple Decision Making Unit

There Are No Complicated Purchasing Teams in Smes. Very Often It Is Just the Boss Who Is Tea Person, Book Keeper, Principal Sales Person and Buyer. With All These Duties, It Is Not Feasible to Agonise Too Deeply About the Choice of a Supplier. Decisions Are Made Quickly and Based On Simple Criteria Such As the Supplier Is Easy to Buy From, It Is Good Value, It Is Supported by the Right Kind of Service Etc. Once a Purchase has Been Made, A Relationship Is Established and Very Often a Buying Pattern Is Set Up That Will Last for a Long Time.

## The B2b Sme Panel

B2b Wants to Get to the Hearts and Minds (And Purchasing Patterns) Of Sme Owners and has Recently Launched an Online Panel Comprised of Key Decision Makers Within the Sme Sector. B2b has Undertaken a Rigorous Panel Recruitment Programme to Ensure a Diverse and High Calibre Sample of Thousands of Sme Decision Makers Throughout the UK, People Who Are Notoriously Hard to Get Hold of yet Who Buy Hundreds of Different Services.

**In India**

In India, The Micro and Small Enterprises (Mses) Sector Plays a Pivotal Role in the Overall Industrial Economy of the Country. It Is Estimated That in Terms of Value, The Sector Accounts for About 39% Of the Manufacturing Output and Around 33% Of the Total Export of the Country. Further, In Recent Years the Mse Sector has Consistently Registered Higher Growth Rate Compared to the Overall Industrial Sector. The Major Advantage of the Sector Is It's Employment Potential at Low Capital Cost. As Per Available Statistics, This Sector Employs an Estimated 31 Million Persons Spread Over 12.8 Million Enterprises and the Labour Intensity in the Mse Sector Is Estimated to Be Almost 4 Times Higher Than the Large Enterprises.

In South Africa the Term Smme, For Small, Medium and Micro Enterprises, Is Used. Elsewhere in Africa, Msme Is Used, For Micro, Small and Medium Enterprises. Size Thresholds Vary From Country to Country. The Lack of a Universal Size Definition Makes Business Studies and Market Research More Difficult.

**Recruitment**

Recruitment Is the Process Where the Hr Identifying the Gaps to Be Filled, Attracting the Suitable Person's Cv's Through Different Media ( Like Adds. In Paper, Approaching Consultants, Employee References, Campus Placements( When the Requirement Is Huge), Even U Can Verify Active Working Employees in Ur Company Through Promotions/transfers) & Etc., Upto Receiving the Cv's. Selection Starts From Scrutining the Received Cv's, Conducting the Tests & Finally Ends with the Hr Round of Interview for Taking a Desicion Whether Selected or Not.

**Recruitment Process**

The Recruitment and Selection Is the Major Function of the Human Resource Department and Recruitment Process Is the First Step Towards Creating the Competitive Strength and the Strategic Advantage for the Organisations. Recruitment Process Involves a Systematic Procedure From Sourcing the Candidates to Arranging and Conducting the Interviews and Requires Many Resources and Time. A General Recruitment Process Is As Follows:

**Identifying the Vacancy:**

The Recruitment Process Begins with the Human Resource Department Receiving Requisitions for Recruitment From Any Department of the Company. These Contain:

(Posts to Be Filled

(Number of Persons

(Duties to Be Performed

(Qualifications Required

(Preparing the Job Description and Person Specification.

(Locating and Developing the Sources of Required Number and Type of Employees (Advertising Etc).

(Short-Listing and Identifying the Prospective Employee with Required Characteristics.

(Arranging the Interviews with the Selected Candidates.

(Conducting the Interview and Decision Making

(Identify Vacancy

(Prepare Job Description and Person Specification

(Advertising the Vacancy

(Managing the Response

(Short-Listing

(Arrange Interviews

(Conducting Interview and Decision Making

The Recruitment Process Is Immediately Followed by the Selection Process I.E. The Final Interviews and the Decision Making, Conveying the Decision and the Appointment Formalities.

**Challenges Faced by Sme’s for Recruiting New Entrants**

**Challenge One - Find, Recruit & Retain High Quality Sales People**

Organisations of All Sizes and in All Market Sectors Have a Major Challenge in Finding and Developing Quality Sales People. The Impact of Employing Average or Poor Sales Personnel Can Seriously Hurt Smes, As These Companies Rely On a Smaller Number of Sales Staff. They Simply Do Not Have the Resources, Systems and Processes That Exist Within Large Corporations to Effectively Manage, Develop or Re-Deploy Underperforming Sales People.

Having High Quality, Reliable and Consistent Sales People Can Make Our Sales Function and a Lack of Them Will Break It. Organisations Are Able to Invest in Health Checks, Which Reviews How the Sales Function Is Performing in Terms of People, Processes and Customers. This Health Check Also Highlights the Areas Within the Sales Function Which Need to Be Developed, Which Is a Good Starting Point for Smes Looking to Build or Enhance Their Sales Function.

**Challenge Two - Develop High Quality, Profitable, Long-Term Customers**

The Issue of Quality Sales People Is the Main Cause of Challenge Two - Developing High Quality, Profitable, Long-Term Customers. The Definition of a High Quality Customer Is One Where:

* To Have a Win-Win, Mutually Beneficial Relationship
* The Relationship Exists at the Highest Possible Level with the Key Stakeholders
* They Take a Number of Products or Services From You
* They See You As a Key Supplier or Integral to Their Success
* They Believe in Your People, Brand and Product, They Will Not Use a Competitor
* They Will Actively Promote Your People, Brand and Product (Word of Mouth Advertising & Referrals)

Gaining High Quality Customers Is the Focus of Any Successful Business Over the Longer Term. Look at Any Industry or Sector Where Individual Key Players Have Shown Steady, Sustainable, Controlled Growth and Where They Have Outperformed Their Competitors. You Will Notice a Number of Similarities Around the Quality of the Sales People, Perception of the Brand, And Standard of the Product or Service. You Will Also Note That in the Majority of These Organisations, A Number of Reports and Statements Focus On' The Customer'.

What Makes These Organisations so Special Is That They Have Simply Developed an Effective Sales, Supply, Customer Management and Retention System. This System Runs Like a Well-Oiled, High-Performance Engine, Where All the Cogs Turn and Interlink in a Highly Engineered Way. In Business, This Is Like Having a Successful, Proven 'How To' Users-Guide for All the Key Aspects of Sales and Client Fulfillment.

Whether We Like It or Not, Every Business has a System That Covers All of These Critical Sales and Client Management Areas. What Is Evident Is That These Systems Don't Necessarily Interlink Effectively. In Fact, Some of These Systems Seem to Work Against Each Other and Slow Down Progress, Creating Roadblocks for Sales and Client Management to Cross.  
  
interestingly Enough, High Quality Sales People Also Have a System They Use at an Individual Level to Sell Effectively. This System Guides Them Like a Missile to the Target and Covers All Areas of Attitude, Skill and Execution of Their Tasks.

If an Organisation Wishes to Overcome the Two Key Challenges of High Quality Sales People and High Quality Customers, They Need to Develop an Effective System That Covers Sales and Client Management. An Effective Selling System has a Huge Number of Benefits to Any Business - Too Many to List, However They Can Be Summarised Into the Following:

* Increase Profitability Per Customer and Per Sales Person
* Reduce Cost of Sale
* Reduce Lead Times
* Increase Win Ratio
* Improve Internal Communication and Access to Information
* Increase Control and Focus
* Improve Forecasting and Business Planning
* Improve Customer Relationships and Retention
* Reduce Churn of Quality People

We Do Not Need to Find, Recruit and Retain High Quality Sales People, Especially As They Are Expensive. Even Small Organisations Can Develop Quality Sales People Themselves and Realise the Key Benefits This Brings by Simply Introducing a Successful Selling System. This Means That the Organisation Is Reliant On an Effective, Proven and Sustainable System and Not On Individual Sales People to Perform. If the System Works, Then the Sales People Can Use the System to Work for Them. The System Will Show the Organisation Very Clearly Who Is Performing Well and Who Needs to Be Developed, And It Can Even Show Exactly Where and How.

To Clarify the Key Point, However, We Are Not Saying That You Can or Should Employ Low Quality Sales People and Tell Them What to Do, And How to Do It. What We Are Saying Is That the Quality of Focus has Changed, From Finding High Quality Sales People Who Can Work Individually and Do the Numbers for You, To Developing a High Quality, Repeatable Sales System.

This Is Not a New Concept; Every Successful Franchise Is Built On This Very Principle.

If a Business Wants to Realise These Benefits, Then It Is Undeniable That They Need to Have an Effective Sales Team. It Is Also Undeniable That They Need to Develop High Quality Customers. If Your Organisation Needs to Realise These Benefits and You Would Like the Opportunity to Work with a Specialist, Then Contact Enact Services. They Have Developed the 'Complete Selling System'. This has Been Designed Specifically to Address the Challenges Faced by Your Sales Team(S). This System has Been Proven to Positively Impact On the Sales Results of Sme and Corporate Organisations.

**Challenge in the Talent War**

The Global Phenomenon in Talent Shortage has Led to a ‘talent War’ Amongst Organisations Large and Small, Across All Industry Sectors Throughout the World. This Talent War Is All About Attracting, Retaining, Developing and Engaging a Quality Workforce That Plays a Critical Role in Impacting the Organisations Bottom-Line and Growth. With Such a Struggle for the Best Talents, It Is No Wonder That the Smes Often Lose Out to the Mncs Which Typically Invest Millions of Dollars in Their Recruitment and Retention Strategies. Given That Smes May Not Have Such ‘muscle’ To Fight the Talent War, Nonetheless It Is Becoming Clear to Business Leaders / Entrepreneurs That an Effective Hr Strategy Is Critical for It's Long-Term Survival. The Following Are Some of the Typical Challenges Faced by Smes Today:

**Talent Attraction**

( Not Maintaining an Active Database of Potential Hires – Adverts Are Placed Each Time There Is a Vacancy Without Harnessing Past Database Effectively

(Not Implementing Comprehensive Hiring Channels Such As Referral, Graduate, Recruitment Internal Transfers Etc.

(Lack of Detailed Job Analysis Which Leads to Ineffective Recruitment (I.E. Often It Is Not Known What Are the Key Criteria for Hiring the Personnel and Key Success Factors On the Job)

(Weak or No Employer Branding – Candidates Do Not Have a Good Knowledge of the Overall

Organization or Do Not Have a Good Experience During Their Recruitment Exercise

(Not Able to Offer Higher Than Average Starting Salaries and Having ‘standard’

Benefits/rewards

**Talent Retention**

(Lack of a Comprehensive Orientation Programme or Induction Training

(Lack of Clear Career Path Development for Individual Staff

(Lack of Communication of Corporate Goals/vision

(Lack of Job-Rotation : Often Smes Lose Talents As They Are Not Able to Provide New

Learning Opportunities Within the Organization by Redesigning Jobs Etc.

(Minimum Investment in Training & Development.

We Have Heard: Finding and Retaining Top Talent Be It for Large Corporations, Smes, Associations and Consultancies Is Fast Becoming a Major Challenge. In Many Cases, The Challenge has Become a Factor in the Loss of Competitive Strengths, And Consequent Decline of Market Share.

Some Underlying Reasons Are Well Known: Demographics (The "Baby Boomers" Are Beginning to Retire and Not Being Replaced by Equivalent Numbers of New Entrants Into the Workforce); Declining Unemployment; Sustained High Demand for Candidates with Similar Profiles in Many Sectors, Such As It and Telecom; Shifts in Employee Attitudes to Loyalty and Their Work/life Balance.

But Another, Less Obvious Factor Is at Play: Employers' Response (Or Non Response) And in Particular the Adaptation of Their Recruitment and Retention Strategies to a Rapidly Changing Labour Force Landscape. In Fact, Pragmatically, This Is Perhaps the Most Important Issue. Employers Can't Change Demographics, But They Can Change the Way They Recruit.

Until Recently, Most Employers Were in the Enviable Position of Being Able to Pick and Choose Among a Plethora of Spontaneous Candidacies to Fill Most, If Not All Their Open Positions. In Those Cases Where “mr. Or Mrs. Right” Was Not at Hand, Word of Mouth, And an Advertisement Would More Often Than Not Elicit a More Than Adequate Number of Qualified Applicants. The Biggest Challenge Was Making the Right Choice! But Today, Employers Are Facing New Realities. And, As in Any Rapidly Changing Environment, Those Who Are the Quickest Off the Mark in Adapting Their Attitudes and Strategies Will Reap the Benefits of Stronger, More Stable, And More Efficient Human Resources. The More Senior And/or Technical the Positions, The More Vital This Becomes.

**New Challenges and the Need for Specialised Assistance**

With Many or Even Most Employers Fishing for the Same Profiles in the Same Pond, Yesterday’s Recruitment Strategies Are Fast Becoming Inefficient and Un (Or Even Counter) Productive. The Bottom Line Is That Most Employers Are Rapidly (Re) Discovering the Value and Economic Sense of Retaining, And Building Long Term Relationships with Executive Search Firms.

The Simple Logic Is That the Quest for Talent Needs to Be Both Broader, And Deeper Than Ever Before. Chances Are the Ideal Candidates Are Not Scanning the “want Ads” Or Online Recruitment Websites nor Talking to Friends About Changing Jobs. They Could Come From a Different Industry (Which has Already Faced the Challenge an Employer Is Up Against Today), And Thus Bring Fresh Thinking and New Vision. They May Bring Talent That Will Enable an Employer to Embark in New, Lucrative Business Ventures. And They Need to Be in a Position to Contribute to an Employer’s Strategic Plan. Leading Executive Search Firms Will Build a Highly Personalised Strategy for Each Individual Recruitment Taking These Complex Factors Into Account.

**Headhunters….And Headhunters**

Most Leading Headhunters Accept the Title with a Smile….They Generally Prefer to Be Known As Executive Search Consultants. Perhaps to More Clearly Identify Themselves As Employer Business Builders (Via Human Resources), As Opposed to Simple Recruiters. Recruitment Agencies Tend to Use Large Databases of Names, Rely On Electronic/web Technologies, And Place Cold-Calls to Potential Candidates Whom They Might Never Have Met Before.

While Not Eschewing These Methodologies, Executive Recruiters Use Their Specialised and Often Personal Networks of Contacts to Attract Individuals to Opportunities and Search for Candidates for the Most Senior Positions. In Brussels, As an Example, The Typical Minimum Annual Salary for a Position That an Executive Search Firm Is Retained to Fill Is €100,000. Consultants Specialise Within Given Industries, And Typically Have Long-Lasting Relationships with Their Clients. These Relationships Are Key, Because the Recruiter Knows the Nuances of the Internal Culture Within the Client’s Organisation, And Is Best Prepared to Offer Candidates That Would Make a Good Fit.

In Addition, Executive Recruitment Firms Often Offer Guarantees for the Candidates Who Are Hired. That Is, If the Individual Resigns, For Example, Within Six Months of the Date of Hire, The Firm Will Mount a New Search to Find Another Candidate.

**Taking Care of the Details**

Companies That Decide to Search for a Senior Candidate Using a Specialised Recruitment Firm Find That They Save Time and Resources. Following an Exploratory Meeting to Learn More About the Position and After Participating in a Thorough Briefing Session, The Search Consultant Returns a Written Description of the Employer, The Competitive Situation, The Recruitment Context, And the Position to the Client for Approval. The Description Is a Key Step, And the Client Must Share As Much Information As Possible in Order to Enable the Recruiter to Identify the Best Possible Candidates. Of Course Discretion Is Paramount – Privacy of the Client, As Well As Privacy of the Candidates.  
   
building On His Experience As Managing Director and Marketing Manager for L’orιal, Howard Honick has Been a Senior Consultant with Alexander Hughes, One of the Leading Recruitment Firms in Europe, Since 2000.  “we Believe Every Mission, Every Client, Every Candidate Is Unique”, Says Honick. Our Consultants Spend Whatever Time Is Necessary to Understand Every Aspect of the Mission; We Pay Particular Attention to Soft Skills, And Matching Client/candidate Culture”. Confidentiality Is of Course Crucial. And We Only Present Candidates to Our Clients Who We Know Could Be an Ideal Match in Terms of Experience and Personality, And Therefore Make a Long-Term Fit.”

**It’s All About Who You Know**

Executive Recruiters Know Their Client’s Industries and Have Many Contacts Because They Have Worked in the Sectors Themselves. Anne De Greef, A Senior Consultant at Alexander Hughes Previously Worked for Many Years in Executive Positions in Business Development, Operations, Strategic Planning and M&A for Dhl, Ups and As Coo for Fleetlogistics/wheels. Combined with Her Additional Management Experience in the Chemical and Leasing Industries, She Is Well-Placed to Identify Potential Candidates for Clients in These Businesses, Because She Knows – And has Worked with – Many Individuals in Those Sectors. “this Detailed Knowledge of and Ability to Recruit High-Level Executives Is What Makes Clients Rely On Our Services. Clients Realise That Top-Level Recruitment Is Not an Overnight Process,” Said De Greef.

**Strategic Recruitment Impacts the Bottom-Line**

Recruits for Top-Level Appointments Will Eventually Have a Role in Shaping the Future of a Company. They Will Be a Part of the Team Making Strategic Decisions About the Organisation’s Direction and Developing and Enacting It's Business Plan. Thus, Candidates Must Have Extensive Experience and the Business Sense to Succeed in Making the Right Decisions. “there’s a Lot On the Line When Filling Positions for Our Clients,” Said Honick. “the Positions We Help Fill Are Vital to the Client Company’s Success, Otherwise the Company Probably Wouldn’t Invest in Our Services.”

Costs for Recruitment Services Usually Are Linked to the Salary Level of the Position Being Filled. Firms Typically Charge a Placement Fee When the Candidate They Identified and Recruited Accepts a Job. The Fee Can Be Set As a Straight Percentage of the Salary, Or Negotiated As a Retainer. For Some Companies with Ongoing Hiring Needs, The Retainer Model Is Usually the Most Advantageous.

**Widening the Gene Pool**

Once Recruitment Profiles Have Been Defined, There Are Several Steps to Finding the Right Candidates. One of the Most Important Is to Take a Cross-Sector Approach. Companies Must Not Depend Only On the Talent That Is Already Employed Within Their Sectors; To the Contrary, Employers Must Extend Their Search for Candidates to Include Industries That They May Never Before Have Mined. “our Experience Shows That More and More Companies Are Taking This Cross-Sector Approach. This Is Particularly True in the Financial Sector, Where We Are Seeing an Increasing Demand for Mathematicians and Actuaries to Manage Hedge Funds and Private Equities,” Said Honick.

**For Big and Small**

Surveys of European Executives Indicate That Three Factors Are Hampering Corporate Expansion: Increasing Bureaucratic and Administrative Complexity (Regulation, Compliance Issues); Uncertainty, As It Relates to Top Line Growth; And the Difficulty of Finding the Best People to Grow the Company. These Issues Hold True for Small, Mid-Size and Large Organisations. Executive Recruiters Specialise in Filling Senior Leadership Positions, No Matter What the Size of the Organisation. Perhaps for Sme’s, It Is Even More Critical to Find Not Just “the Right Person” But “the Best Person”, Since Each New Recruit Will Have a Proportionally Greater Impact On the Existing Team As a Whole.

“in Smaller Companies, The Quality of Internal Human Interaction Tends to Have a More Immediate Effect On Overall Results,” Said Honick, “also, Responsibilities in an Sme Can Cover More Than One Functional Area. A Finance Director Will Probably Have Admin Duties, And Also Might Oversee Hr. So We Would Need to Find a Person Who Can Positively Impact All Three Areas.”

Recruiting ‘in-House’ Is Typically the First Reaction of Most Hr Directors. But for Small and Mid-Sized Companies Searching to Fill Management Positions, Looking Within Is Often Not Feasible. Most Likely, For Young And/or Small Businesses the Required Talent Does Not yet Exist In-House. So for Middle and Senior-Level Hires Who Will Have a Significant Impact On the Top and Bottom Line, It’s Becoming More and More Common for Organisations of All Sizes to Rely On a Executive Search Firm to Find the Best Talent Out There

## Overseas Recruitment and Challenges: The Rules of Engagement

Overseas Recruitment has Gone Mainstream. Once Viewed As the Last Resort of Vaguely Treacherous Corporate Wage Cutters, Hiring Foreign Workers Is the Newest Trend for Small and Medium Businesses Struggling to Deal with an Unprecedented Skills Shortage.

But the Popularity of Overseas Recruiting – And a Few Well Publicized Instances of Abuse by Rogue Employers – Has Caught the Government’s Attention. In April 2007 Federal Immigration Minister Kevin Andrews Declared His Intention to “clean Up the System” By Introducing Tighter Policing and Hefty New Financial Penalties for Employers Who Breach Migration Laws.

All This Means That Overseas Recruitment Now Presents Greater Risks and Rewards for Australian Businesses Than Ever Before. For an Increasing Number of Sme Owners, Coping with the Skills Shortage Means This Is a Gamble They Must Take If They Are to Find the Staff Their Businesses Need to Survive.

**So Much Work, So Few Workers**

Each Month, Economic Data Confirms What Smes Are Experiencing On the Ground: The Skills Shortage Is Getting Worse. With Unemployment Already at a 32-Year Low of 4.4%, In May 2007 The Number of New Jobs Ads Surged 10.3% To 251,996, A Massive 40.8% Rise On a Year Earlier.

While Shortages Are Being Felt Across the Board, The Cupboard Is Particularly Bare for Employers in the Resources, Information Technology, Professional Services and Hospitality Sectors.

Andrew Stormon, The Manager of Queensland Sme Mt Isa Fleet Maintenance Services, Tells a Common Story. “we Advertised for 18 Months Trying to Find People for Mechanic Positions; We Just Found We Got Very Few Responses, And Those We Did Get Didn’t Have the Right Skills and Weren’t Suitable for the Job.”

In a Booming Economy, Not Enough Staff Means Lost Work and Lost Profits. “we Lost in the Vicinity of $500,000 Because We Continually Had to Knock Back Work. We Lost One of Our Clients Worth $250,000 Because We Just Didn’t Have the People We Needed to Service Their Fleet for Them,” Stormon Says.

It Is This Combination of Commercial Opportunity and Labour Shortage That Is Driving Business to Recruit From Overseas in Increasing Numbers. Immigration Department Figures Show 97,430 Skilled Migrants Came to Australia in 2005-06, Up From 77,880 In 2004-05. This Number Is Set to Increase to 102,500 In 2007-08.

By Far the Biggest Increase in Numbers has Been in the S457 Temporary Skilled Migration Category, Under Which Employers Sponsor Foreign Workers with In-Demand Skills to Work in Australia for Between Three Months and Four Years. There Are Reported to Be 105,000 Foreign Workers Currently in Australia On S457 Visas, A Number That Could Increase Significantly Next Year.

**Navigate the Migration Minefield**

Bringing a Worker Into Australia Is Not Just a Matter of Filling Out a Few Forms and Sending a Cheque for the Processing Fee. Although There Is a Lot of Information Available – The Federal Government and Industry Associations Are Good Sources – The Migration Process Is Complex and Requires Knowledge of Both Australian Immigration Rules and Those of the Country From Which a Worker Is Migrating.

Added to That Is the Difficulty of Finding Eligible Candidates for the Position in the Country of Origin, An Especially Difficult and Time-Consuming Task in Countries Where English Is Not the First Language.

Given the Complications Involved, It Is No Surprise Recruitment and Migration Service Providers Have Proliferated in Recent Years, Encouraged by Low Barriers to Entry and the Big Dollars Desperate Employers Are Prepared to Pay for Good Staff.

It Generally Costs About $4000 To $6000 To Have an Agency Find an Employee and Bring Them Into Australia, Although Prices Vary Depending On Where an Employee Comes From and How They Are Employed in Australia.

Jo Burston, The Managing Director of Migration Services Firm Job Capital, Says the Time-Consuming Nature of the Process and the Heavy Penalties Associated with Breaches of Migration Legislation Means Agencies Offer Good Value for Money for Many Businesses.

“the Department of Immigration has Very Strict Guidelines and the Penalties Can Be Substantial, So It’s a Process That Allows Very Little Room for Error. Since Most Smes Don’t Have Specialised Immigration Staff, Hiring an Agency Allows Them to Get On with Their Core Business,” Burston Says. “most Smes Would Hire an Accountant to Give Them Tax Advice, They Wouldn’t Just Have Their Admin Person Do It, And This Is Really No Different.”

Even Businesses That Can Afford to Devote Staff to Recruitment Tend Hire Professionals to Help Them Navigate the Process. Mike Smith, Operations Manager at It Services and Integration Firm Anatas, Says He Supplements His In-House Resources by Outsourcing Difficult Aspects of Offshore Recruiting Process.

“we Would Just Burn Weeks and Weeks of Staff Time Doing It All Ourselves. Even with Staff Working On the Process It Can Be Time-Consuming Just Providing the Information and Vetting Candidates. There Is No Way to Short-Cut the Process, You Just End Up Causing Problems for Yourself If You Do,” Smith Says.

**Traps for Young Players and What to Do About Them**

Contrary to Popular Belief, The Vast Majority of Businesses Who Hire Foreign Workers Are Not Motivated by the Prospect of Lower Wages. Imported Workers Cannot Be Employed to Perform Cheap Unskilled Labour and Must Be Paid Above a Legislated Minimum Standard Annual Salary of $41,850 ($57,300 For It Staff).

These Rules Are Not Flexible. The Desire to Avoid Any Further Horror Stories of Foreign Workers Being Paid a Pittance or Charged Outrageous Migration Fees has Caused the Government to Allocate More Than $80 Million in This Year’s Budget to Increasing the Monitoring and Investigation Capacity of the Department of Immigration and Citizenship and to Increase Penalties for Breaching Migration Laws. From August 17, Employers Can Be Personally Fined Up $13,200 Or, In Extreme Cases, Jailed for Up to Two Years for Employing a Worker Without the Appropriate Visa or Referring a Worker Without an Appropriate Visa to Another Employer; While Businesses Can Be Fined Up to $66,000 For Each Offending Worker They Employee. More Severe Penalties Are Applicable If Workers Are Being Exploited Through Slavery, Forced Labour or Sexual Servitude.

The Complexity and Bureaucracy That Governs the Skilled Migration Process Means Planning Ahead Is Also Important. Finding an Employee and Bringing Them to Australia Generally Takes Three to Six Months, Migration Service Providers Say, With Even Longer Lead Times Workers with Very Specialised Skills Are Sought.

A More Obvious Problem Employers of Foreign Staff Have to Deal with Is Culture Shock. Even for People Who Come with All the Good Will in the World, The Shock of Finding Yourself in Unfamiliar Territory Far Away From Family and Friends Can Be Too Much to Handle.

Australian Recruiting Director David Young, Who Recruits Asian and UK Workers for Australia’s Mining and Healthcare Industries, Says It Is Rare for Foreign Workers to Cut Short Their Time in Australia Because of Culture Shock, But It Does Happen From Time to Time.

“it Can Be for All Kinds of Reasons: Sometimes It’s the Climate, The Food, Often People Who Come Here Don’t Realise Quite How Big Australia Is and Get a Bit of a Shock If They Find Themselves in a Remote Location. On the Other Hand, I Was Talking to a Company the Other Day Who Brought in Workers From Sweden: They Were Very Skilled but It Didn’t Work Out Because There Was a Big Difference Between the Sense of Humour of Swedes and Australians,” Young Says.

Small Things Like Meeting New Arrivals at the Airport, Help with Accommodation and Transport, Opening a Bank Account and Taking Out Medical Insurance Can Help Minimise Homesickness. “we Brought Someone in the Other Day Who Was a Great Musician and We Connected Him Up with a Local Band; Things Like That Can Make a Huge Difference,” Young Says.

**Once These Hurdles Are Overcome, It Seems There Can Be Real Upside to Taking Staff From Other Countries Into Your Workforce. Mt Isa Fleet Maintenance Manager Andrew Stormon Says After Dealing with Some “out-Of-Date” Attitudes On the Workshop Floor Towards the Four Skilled Tradesmen He Brought in From the Philippines, The New Arrivals Have Now Become an Important Part of the Business.**

“these Blokes Have Turned Up and Keen As Hell, Punctual, Their English Is Excellent and They Really Get in and Work. And Their Skills Are Fantastic: I Haven’t Come Across Tradesmen As Good As Some of These Blokes for Many Years,” Stormon Says.

Another Advantage of Bringing in Workers From Overseas Can Be Loyalty. Anatas’s Mike Smith Says in Sectors Such As It, Where Highly Skilled Employees Tend to Be Highly Mobile, This Is Be a Big Plus.

“we Have Found Workers We Bring Tend to Stick with Us. Often They Will Be Looking to Become Permanent Residents in a Couple of Year or Perhaps It’s Just Because We Have Developed with Them, But We’ve Found They Stick with Us for a Bit Longer Than Australian Staff,” Smith Says.

As Long As Australia Continues to Enjoy the Fruits of the China-Led Resources Boom, Economic Necessity Will Continue to Drive Australian Businesses to Hire Skilled Staff From Overseas.

The Key to Making Overseas Recruitment a Good Experience Is to Take Advantage of the Information Available and Obtain Professional Advice and Assistance Where Necessary. By Going Into the Process with Eyes Open, A Business of Any Size Can Successfully Navigate the Migration Minefield.

**Suggestions That Can Be Implimented­­­­­­­­­­­­­­­­­­­­**

**Outsource**

Outsourcing Non-Core Activities Is Increasingly Becoming Popular Even for Smes. Instead of Incurring Huge Fixed Costs in Manpower to Manage Recruitment/ Retention Issues with Sophisticated It Software, Smes Can Reap the Following Benefits by Outsourcing Such Functions to the Experts in the Field:

**Cost Savings**

(Technology (A Simple Hr It Software Can Cost From to $50,000 To $300,000)

(Experienced Hr Staff to Manage Recruitment/retention Issues

(Administrative Time (Even with the Hr Software, Lots of Time Goes in Updating, Maintaining a Database Etc)

**Focus On Strategic Functions**

(By Outsourcing These Functions, The Hr Can Focus On Vendor Management and On Making Sure That Results Are Achieved. Access to World-Class Recruitment/retention Strategies

(Service Providers Typically Invest Millions in the Most Updated Systems and Technology As This Is Their Core Business. Hence by Outsourcing Such Functions, Smes Can Leverage On the Service Providers’ World-Class Technology.

**Create Employer Branding**

(The Service Providers Function As an Extended Arm of the Sme. Hence by Running the Entire Hiring Process (Right Up to Orientation) Effectively, A Positive Brand Image Is Created for the Sme.

**Measurement of Hiring Effectiveness**

(The Hr Can Extract Useful Indices Such As ‘quality of Hire’, ‘cost Per Hire’, ‘days to Fill Job’, ‘candidate Experience’ Etc. From the Service Providers. This Will Enable the Hr to Focus More On Strategic Issues Rather Than Administrative Tasks of the Hiring Process.

**Quality of Hire**

(This Is of Critical Importance to Any Organization - Whether Is There a Good Fit Between the Job and Person. By Outsourcing the Hiring to Experts, It has Been Proven That the Quality of Hire Will Improve. This Means That the New Hire Performing Better On the Job and Eventually Affecting the Organisation’s Overall Operational Effectiveness and Profitability in a Positive Way.

**Employer Branding**

Having Mentioned Outsourcing As One of the Strategies in Managing Talents, The Responsibility On Employer Branding Still Remains with the Organization. Companies Need to Brand Themselves As Choiced Employers Just Like How They Brand Their Products and Services.

There Are Some Distinct Advantages of Being an Sme Which Need to Be Communicated to Job Seekers and Existing Staff. Being Small Can Be an Asset in Many Instances. Having a Staff Strength of Less Than 300 Makes an Organization a Lot More Nimble, Fast and Flexible Compared to Larger Mncs Which Often Wait for Global Initiatives Before Implementing Changes in Their Hr Policies and Practices.

**The Following Are Some Tips for Smes:**

**Talent Attraction**

(Employer Branding – Focus On Key Strengths Such As “innovative”, “fast-Growing” “regional Exposure”

(Provide Flexible and Innovative Benefits/rewards That Cater to Individual Needs

(Measure the Current Hiring Effectiveness – Indices Such As ‘cost Per Hire’, ‘days to Fill a Job’, ‘effectiveness of Hiring Channels’, ‘candidate Experience’ Are Critical so That Smes Can Track Where There Are Bottlenecks and Where the Hiring Process Can Be Improved.

(Plan Career Path for Individuals

(More Growth Opportunities, Regionalization – Which Is Attractive to the Younger Workforce.

**Talent Retention**

(Shift From Being Family-Oriented to More Performance-Based

(Communicating the Corporate Goals, Vision, Direction (For a More Engaged Workforce)

(Hr Can Afford to Give Personalized Attention to Individual’s Needs in Terms of Benefits, Rewards, Career Goals, Training & Development Needs

(Invest in Meaningful Training & Development That Leads to Job Expansion for Staff

Once the Sme has Established Themselves As a Choice Employer with Attractive and Innovative Hr Policies, Retention Strategies and Career Advancement Opportunities, It Is Only a Matter of Time That Happy Employees Spread the Word. There Is Nothing More Powerful for an Organization Than Happy Staff Who Become Their ‘ambassadors’ Wherever They Go! This Inevitably Does Wonders for Enhanced Employer Branding and Attracting Better Talents Over the Years.

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