



The Global Voice of Business

# RECRUITMENT AND RETENTION OF SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs) IN EMPLOYERS' ORGANISATION MEMBERSHIP



## Background

IOE MEMBERS OFTEN SEEK ADVICE ON HOW TO GROW AND RETAIN SME MEMBERSHIP IN THEIR ORGANISATIONS.

With "SMEs" ranging from companies employing fewer than ten people to those employing fewer than 250, challenges faced by SMEs are different and there is no one answer to the question of which member services are most useful. Employers' organisations (EOs) can however draw upon a range of approaches in efforts to recruit and retain SMEs.

## Why SME membership is important to Employers' Organisations

ACCORDING TO OECD, SMEs ACCOUNT FOR AN AVERAGE OF 60 TO 70 PER CENT OF JOBS IN MOST OECD COUNTRIES.

In smaller economies and developing countries, this figure can be even higher. It is also documented that SMEs are often resource-strapped in terms of financing and human resources. For EOs, this may mean that SMEs struggle to access their service offering on a regular basis. This can lead to SMEs joining for assistance to resolve a particular issue, and leaving once the necessary advice and assistance have been received. This turnover in membership can be expensive for the EO to manage,

but the absence of a significant body of SMEs in the membership impacts negatively on an EO's representativity and so a particular investment in recruiting and retaining SME members is worthwhile.

## How to enhance SME recruitment and avoid SME membership drain

HERE ARE A FEW USEFUL STARTING POINTS:

- Conduct a survey of SME needs in order to tailor services (such as legal advice) and advocacy efforts<sup>1</sup> - many examples exist on line - or use the findings of an survey undertaken in a context similar to your own as they are likely to be relevant;
- Dispel the perception that your Organisation is an exclusive club for "big business" by offering SME-oriented services based on your findings;
- Explain how the subscription paid is allocated to activities that defend and support the interests of SMEs;
- Ensure the EO governance structure recognises the specific needs of SMEs by establishing an SME committee to focus on particular challenges; or having an SME representative on the executive/management board;
- Consider your "opening hours" from an SME viewpoint - a weekend helpline or evening programmes might be more useful than a nine-to-five service offer;

<sup>1</sup> The Australian Chamber of Commerce and Industry SME survey found the "Big 4" areas for advocacy efforts on behalf of SMEs were: 1. Cut down red tape; 2. Simplify the tax system; 3. Make it easier to employ people and 4. Build better infrastructure

- Consider, and adapt as necessary, the format of your communications – shorter, more concise communications that state in plain language why an issue is relevant to SMEs will be more useful to time-poor managers;
- Bring resources to SMEs, rather than require them to come to you, by establishing in SME industrial zones “walk-in clinics” where companies can seek EO advice;
- Be creative with your service offer – propose member discounts on business consumables, for example, or organise opportunities for member-to-member exchanges on topics identified as being of interest to SMEs and at times that fit best with their schedules;
- Be flexible with your subscription scale and payment terms – make it possible to pay in instalments rather than require an annual fee payable all in one go.
- Engage in the IOE’s policy work to ensure that the challenges facing your SME members are reflected in the global employer messages delivered in international forums around the world. The IOE works to highlight the key role of SMEs in the global economy by raising awareness of their particular contributions, as well as the barriers to their sustainability, in multilateral debates and intergovernmental forums such as the G20.

### For more Information and Answers to your Questions

Please contact Mr Matthias Thorns, IOE Senior Adviser with responsibility for SME policy, e-mail: [thorns@ioe-emp.org](mailto:thorns@ioe-emp.org).

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The International Organisation of Employers is the largest network of the private sector in the world. With more than 150 business and employer organisation members around the world, it is the global voice of business in labour and social policy debate at the international level.