

Talent recruitment tops list of challenges faced by Singapore's family firms

Nov 3, 2015

Though small, family businesses and SMEs play a huge part in Singapore's economy and have quite an [impact on the country's jobs, productivity and wages](#).

However, these family businesses are facing many challenges, especially when it comes to securing long-term sustainability, according to a new report by the United Overseas Bank (UOB) and the Singapore Management University's Business Families Institute (BFI@SMU)

The report found three in five Asian business families view talent recruitment and development as the main challenge to securing the long-term sustainability of their companies.

This was also the top challenge (67%) for family businesses in Singapore, followed by lack of succession planning (35%) and lack of plans for future development (35%).

The report surveying 192 respondents from seven Asian countries, namely, China, Indonesia, Malaysia, Myanmar, Philippines, Singapore and Thailand.

It added that to tackle this challenge, these Asian business families are hiring professional managers from outside their families who possess specialist skills in various areas such as financial management, technology implementation and human resources to set up professional talent development structures.

Eric Tham, managing director and head of commercial banking, UOB, said, "Many Asian business families are at various stages of preparing for the next generation to succeed them and they recognise the need to have professional help to ensure that their business grows and remains competitive."

"These professionals hold the specialist skills that business families require for a more resilient and sustainable business in these uncertain times. They also help to nurture the next generation of family members through knowledge transfer, coaching and mentoring."

Family businesses in Singapore said they saw the importance in trusting (96%) these professionals, giving them autonomy (92%) and treating them with fairness (90%).

Other than that, 88% of these businesses saw the importance of providing a competitive remuneration package.

Overall, trusting (86%) managers and treating them fairly (85%) were ranked as the top two ways to attract and to retain external professional managers while remuneration (83%) was ranked third.