

Exploring the Risk of Talent Loss and Countermeasures for Prevention in Small and Medium-Sized Enterprises

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Abstract: Because of their flexibility and technological innovation, SMEs have gradually become the key to high-quality economic development in China. On account of the small size of small and medium-sized enterprises and various resource restrictions, a large part of China's small and medium-sized enterprises human resources management mechanism is not flawless, there is a huge risk of brain drain, thus causing the small and medium-sized enterprises operation and management costs rising phenomenon. In this paper, the risk of brain drain in small and medium-sized enterprises in our country and the impact of a comprehensive analysis, and explore the corresponding solutions, summarize the experience and lessons, so as to future small and medium-sized enterprises in China to deal with the risk of brain drain questions put forward constructive solutions.

Keywords: Small and Medium-Sized Enterprises; Brain Drain; Risk Prevention; Countermeasures

Introduction

In the process of high-quality development of China's economy, the social status of small and medium-sized enterprises (SMEs) has been increasing, and they have gradually become an important and indispensable part of the social economy, while "people", as one of the core issues of strategic management of SMEs in China, also profoundly affects the long-term development of enterprises. However, there are many shortcomings in the human resource management of some SMEs in China, which leads to a large number of talent loss risks within the enterprise, making the enterprise management risks and management risks increase, which to a certain extent makes the organization inefficient and difficult to achieve organizational goals, and also weakens the competitiveness of SMEs in China's economic market, causing a certain degree of economic losses to SMEs in China. Therefore, it is of great significance to explore the causes and effects of the major risks of talent loss in SMEs and to propose effective solutions for enterprises to effectively prevent talent loss and thus to enhance the core competitiveness of SMEs in the market competition.

1. The risk of talent loss in SMEs analysis

1.1 The personnel team is unstable

If SMEs already have a high talent turnover rate, some of their employees will think that their company is not capable enough to attract talent^[1]. This will cause the employees of SMEs to think that there is no development prospect for the company, and the employees will be psychologically dissatisfied with the negative emotion, thus creating a "herd effect", which will cause more and more employees to be lost and cause instability in the workforce^[2]. Secondly, the loss of talents also means the absence of certain positions in some SMEs, which will increase the workload of the employees and make them resist easily, resulting in low employee satisfaction^[3].

1.2 Loss of technology and experience of SMEs

Brain drain is often accompanied by the loss of experience and technology in the SME, and the brain drain takes away the SME's relevant technology and trade secrets. SMEs have invested and spent time and effort to develop these relevant advantageous resources, which are even the key factors for SMEs to be in an advantageous position in the competition. The loss of technology and experience will inevitably lead to increased business risks for SMEs.

1.3 Small and medium-sized enterprises lost customers, and the operating costs of small and medium-sized enterprises increased

The brain drain problem in SMEs may increase a series of costs due to brain drain now or in the future, making the business operation cost higher, such as the cost incurred after the departure of key talents in SMEs. In this regard, SMEs need to re-recruit relevant personnel and train new employees with job competency requirements. And the loss of employees who are familiar with the core technology of the enterprise will definitely cause unimaginable losses to our SMEs. The loss of these talents who master key technologies to other enterprises will give them a lot of resource advantages, making some of our enterprises with talent loss phenomenon lack of core competitiveness in the market.

2. The causes of the risk of brain drain in SMEs

2.1 Enterprise factors

2.1.1 Backward management concept

Some SMEs in China still retain the traditional personnel management concept, which focuses only on the interests of the moment and is short-sighted, simply replenishing the organization with appropriate employees, training the workers and paying them on time, etc., and dealing with disputes and other very simple issues, without seeing people as an extremely important resource for the enterprise^[4].

2.1.2 The working environment is not ideal

Work office facilities, such as the ideal degree of office environment are important factors affecting the talent drain of SMEs, a quiet and comfortable office environment will allow corporate talent to work with a good mood, improve the completion of the work and get twice the result with half the effort. On the contrary, if the work environment is poor, it will reduce the efficiency of work, modern people generally aspire to a good working environment, the work environment is not ideal will cause the satisfaction of small and medium-sized employees to reduce, they will often compare their own work environment and other enterprises, if the work environment of other enterprises is far better than their own enterprises, this part of the enterprise talent will produce dissatisfaction, resulting in Talent loss^[5].

2.1.3 Lack of good corporate culture

Some SMEs in China lack a corporate culture in line with the concept of enterprise development, and do not pay much attention to the construction of the core culture within the enterprise, so in the field of ideology, employees lack overall values, the cohesion of employees within the enterprise is not strong, and the enterprise is scattered internally, so that the talents of SMEs lack emotional dependence on the enterprise where they are located, which prevents them from having a strong sense of identity with the enterprise they are in, resulting in a serious misalignment between the core values of personnel within SMEs and the concept of sustainable development of SMEs, which makes them think of leaving.

2.1.4 Lower salary level

Most of the employees in small and medium-sized enterprises regard the pursuit of material aspects as the basis for choosing a job, and an enterprise with high salaries and benefits is bound to be more attractive. However, some small and medium-sized enterprises have low salary levels due to factors such as the small size of the organization and various resource constraints, which prevent them from effectively retaining employees who aspire to a high-paid enterprise, as well as failing to attract many job seekers to follow them, resulting in the phenomenon of brain drain.

3. Small and medium-sized enterprises to prevent brain drain countermeasures

3.1 Improve the incentive mechanism to improve employee satisfaction

Herzberg's two-factor theory has pointed out that he personally believes that the factors that influence people's daily behavior are divided into two categories: one is the health factor and the other is the motivational factor. If the motivational factors are used well, they can make the behavior of the employees in the SME effectively motivated. Therefore, improving the incentive mechanism and increasing employee satisfaction is one of the effective ways to prevent brain drain in SMEs^[6]. Thus, the factors that can motivate employees and increase their satisfaction can be screened. In the incentive mechanism, focus on both material and spiritual incentives. Continuously increase the performance share of performance incentives in variable pay, such as constantly increasing the incentive share of corporate performance bonuses and pay and benefits, so that the proportion of performance incentives in corporate variable pay is constantly increased, and the level of management skills and business performance is considered as a landmark indicator for calculating pay, rather than the size of the workload^[7].

3.2 Change the traditional concept of employment and strengthen the awareness of talent

China's small and medium-sized enterprises should change the traditional concept of employing people, regard enterprise employees as a very important resource of the organization, emphasize the interrelationship between human resource management and the overall development strategy of the enterprise, make the two coordinate and symbiosis, and jointly promote the development of small and medium-sized enterprises^[8]. Secondly, it should focus on the future of SMEs, take a long-term view and focus on the quality, quantity and structural optimization of human resources. It is necessary to make the enterprise talents have a sense of identity for their own work, be responsible for their careers, and have high standards and requirements for themselves.

3.3 Create a good working environment and improve the comfort level of employees

A good working environment is one of the core demands of employees, and in the majority of SME employees, all they want is simply to have a better working environment. Two of the most critical points on how to effectively enhance the job satisfaction of corporate talents are to give them a superior working atmosphere and human environment. There are several factors that can have a significant impact on the human environment, including the corporate system, corporate culture, the core values of the top management and their respective leadership styles, etc. A work environment that can satisfy employees actually means that employees can be in a relaxed and pleasant working atmosphere.

4. Conclusion

China's SMEs must pay attention to the problem of talent loss risk, and regularly diagnose and adjust the human resource management activities in the organization in a timely manner. Improve employee incentive mechanisms, improve compensation and benefits, change traditional hiring concepts, strengthen talent awareness, and focus on talent training and development. Through these measures, the risk of talent loss can be effectively solved, which also helps SMEs to improve their competitiveness and at the same time enables the personal career development of talents in China's SMEs, thus retaining corporate talents and reducing the risk of talent loss.

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