

Retaining human touch vital for businesses

Shortage of manpower causing a lot of issues, adds Elim Chew

BUSINESSES must make sure they retain the human touch even with the current manpower crunch, said Elim Chew, founder and president of 77th Street.

She added: "It's really, I think, the shortage of manpower that's leading to a lot of issues."

These problems will only worsen as Singapore reduces its annual workforce growth from 3 per cent to one per cent, a transition that is to be completed by 2030.

Automation and technology is often offered as a magic bullet to manpower issues, but Ms Chew believes that business owners must be more discerning. "Technology makes services more efficient, but it will never replace the human touch," she said.

Limited manpower has derailed some of Ms Chew's plans. She had wanted to open 30 outlets in Singapore, but soon saw that it was not realistic. Instead, 77th Street has, like many of its peers, adopted a bricks-and-clicks model, with online stores complementing the physical ones.

77th Street is also involved in bringing foreign retailers into Singapore. One company that it is currently working with intends to provide an online service that promises delivery within four hours.

Ms Chew sees this as the ideal symbiosis of the real and the virtual. Customers are won over at physical shops, but can top up purchases online after they leave. As such, even as 77th Street takes to the Internet, its physical shops will not compromise on the human element of retail.

On the broader question of where technology substitution is acceptable, Fred Phillips, professor and programme chair in the Depart-



Identifying challenges: (From left) emcee Diana Ser; Mr Chan; Ms Chew; Piyush Sinha, professor of marketing, IIM, Ahmedabad; and Prof Phillips discussing 'The Future of Retail'

ment of Technology and Society at the State University of New York at Stony Brook, stressed the importance of culture.

He cited the example of Korean restaurants, where the tables have buttons installed, such that service staff can be called over only when they are needed, allowing them to serve multiple tables concurrently.

When the same scheme was tried in the United States, it failed terribly. As waiters and waitresses there work for individual tips, they were afraid that they would be called to one table while busy with another, leading to customer dissatisfaction.

Singaporeans, though, are more flexible on the matter. Lawrence Chan, vice president of Asia Pacific Merchant Services and GM of South-east Asia at Paypal, said that his company is working with local restaurants to roll out apps that can take order and accept payment. This would reduce the number of trips that service staff have to make.

"I think it's really (about) trying to understand the pain point and trying to make sure that it's the technology that solves

the pain point, and not leveraging on technology for technology's sake," Mr Chan opined.

Prof Phillips agreed: "The big challenge for managers ... is where and when to substitute technology for the human touch. There are technologies that will bring us closer together ... and there are technologies that will alienate us. There is no formula, only trial and error and management judgment."

The other side to this issue is the matter of attracting and retaining employees. Minister in the Prime Minister's Office Lim Swee Say said that employers need to do more to raise employee satisfaction. This, he added, must be one of the driving forces of the service industry as it gears up for the future.

Having happy workers need not imply costly raises. Instead, employee empowerment will go a long way towards achieving both greater satisfaction and a more productive workforce, said Marc Dardenne, chief executive officer at Patina Hotels and Resorts.

Rather than being given standard rules to follow, employees should be given

objectives and the logistical support to meet them. For instance, employees at his hotel can offer free meals to customers as compensation when they are unable to meet particular requests.

Google has found great success with the strategy. Mr Dardenne related a visit to the firm's famed Googleplex, to see an office that was half empty at 10am in the morning. He would later find out that the Google employees are given no fixed schedule, and have the freedom to do whatever they please so long as their projects are completed.

As employees are given greater autonomy, their selection will have to become more stringent. "The philosophy ... is to put incredible amount of resources to find the right talents then you don't even have to check on them," explained Mr Dardenne. A sales personnel he talked to had gone through 21 interviews to get his job.

Businesses can start offering greater empowerment from details such as employee uniforms. For Mr Dardenne, the benchmark is to have uniforms that employees would feel comfortable wearing to meet friends after work. Like-

wise, excessive procedures should also be cut.

Aside from empowerment, a sense of purpose is also important. Companies must have causes beyond financial gains. When employees can be rallied behind such a cause, they will be much more willing to put in the extra hours, noted Mr Chan.

Finally, retailers must help customer to see their position. That way, customers will be more understanding in the odd cases when service is subpar due to manpower shortage. Perhaps retailers should start with themselves, suggested Ms Chew. "We are all going to be customers for other people as well. So can we also be thoughtful when we visit other people's businesses and not expect so much?"

As the shroud of the labour crunch continues to loom over the Singapore economy, adjustments will have to be made on all fronts. Minister Lim, though, believes that retailers should find comfort in the fact that all businesses are equally affected. The playing field is level, and companies should see it as another frontier in which they can outdo their rivals, he added.