

LEVELLING THE PLAYING FIELD

Feinmetall has conducted a bottom-up revamp of its human resource systems and policies after embarking on Spring’s HR Diagnostic, taking measures such as having performance appraisals that are tailored to the different types of work that staff do

WALK into Feinmetall at 10am or 3pm on a working day and chances are, you will hear a loud knocking sound from deep within the office – a particularly incongruous situation given that

Feinmetall is a precision engineering company that provides testing for semiconductor chips.

Wander deeper into the office and you may find general manager Sam Chee Wah in the pantry, mingling with staff, at round marble-topped tables, reminiscent of those found in a traditional Singapore coffee shop.

The foosball table – the source of the loud knocking noise – was something that the staff requested, and it shows. When we entered the pantry, a group was gathered around the table, and they barely acknowledged our entry before continuing their game. The relatively young workforce also did not like the long benches in the previous pantry because it reminded them of school, which explains the aesthetic of the current pantry.

At a blackboard along one wall, there is yet another avenue for employees to provide feedback – which they do, freely, judging by the number of sticky papers stuck to the board – this for what snacks they would like in the pantry, and what activities they would like organised.

Mr Sam welcomes this informal exchange. Indeed, this is why he is joining them during their break – to mingle, but also offer them an informal channel to provide feedback or ask him questions that they may otherwise feel uncomfortable raising in more formal settings.

As important as building rapport is, this is but one aspect of the way that Feinmetall looks after its employees. The company in fact conducted a bottom-up revamp of its human resource (HR) systems and policies recently, after embarking on Spring’s HR Diagnostic programme.

Launched in July last year, the HR Diagnostic tool aims to help small and medium-sized enterprises (SMEs) understand their current state of HR maturity and identify gaps for improvement. The diagnostic tool assesses businesses across 11 HR functional areas such as recruitment, training and development, performance management, talent management and employee engagement.

Since its launch, about 120 SMEs have undergone a diagnosis, notes Christophane Foo, executive director, human capital & organisation development at

Spring Singapore. “We have also seen a take-up rate of about 1,100 HR capability upgrading projects through HR Diagnostic, HR Shared Services, ICV (Innovation and Capability Voucher) and CDG (Capability Development Grant) since 2015.”

Broadly speaking, the top three areas where SMEs generally fall short are employee value proposition, talent management and succession planning, as well as compensation and benefits, says Ms Foo.

According to a talent development progress research study conducted by UOB-SMU Asian Enterprise Institute and Hay Group with about 120 graduates who chose to join an SME, respondents reported that working in an SME allowed them to gain a wide spectrum of skill sets and capabilities as they are exposed to different functions and job roles. They also indicated that they appreciated the opportunities to learn and grow early in their careers. This a value proposition that SMEs can use to attract young talents.

“With many SMEs on track to expanding into overseas markets with new product offerings, they will also require capable and motivated people to execute these business strategies for them. Talents who are committed and perform well are often given opportunities to be part of the pioneering teams working on such major projects,” says Ms Foo.

On talent management and succession planning, SMEs can look into identifying mission-critical roles and developing talent identification criteria to plan for succession, she adds.

CLOSING THE GAP

For Feinmetall, its weakest links, as identified by the HR Diagnostic, were talent retention and performance management.

In the case of talent retention, the crux of the problem was that recruits did not understand what was expected of them.



Feinmetall did not have detailed job descriptions and so recruitment ads relied on generic job descriptions with scant details.

“If, for example, someone from a different field joins us, and we find this person to be quite outgoing, we might suggest that he do sales. And he might agree, but he may not have the suitable skills, like talking to customers or having a passion for customer service . . . One of the other details of course is that you must follow up with customer requests, do quotations and follow up on the orders. He may not know this, and so there is no follow through.”

After working with its consultant, Feinmetall now has detailed job descriptions for all the jobs in the company. This replaces the generic job descriptions that it

used to issue, and has resulted in a higher calibre of applicants.

The company has also come up with an employee handbook which is given to staff when they join the company. It is currently working on producing a Chinese version of the handbook.

“If we have a very good HR system, it eliminates a lot of unproductive questioning. When an employee does not understand something, they will not necessarily go to HR to ask,” says Mr Sam. “Let’s say they want to apply leave, and they are not sure what the process is – is it three days’ advance notice or one day? (Because they don’t approach HR), somebody can give them the wrong advice and it can create unhappiness.”

The other area that Feinmetall set out to tackle is performance management. It previously had a standard performance appraisal form which was used by all levels of staff, which made grading staff problematic as their skilled workers for instance did not participate in the full range of activities required of managers.

“For the skilled workers, their communication is with peers, not subordinates, and they seldom manage projects so they were not scoring well on the leadership, project management and communication portions. The balance of the scores is maybe just 50 per cent (of the total appraisal) so they were always getting low scores,” explains Mr Sam.



PHOTOS: YEN MENG JIN

Having performance appraisals that are tailored to the different types of work that staff do – non-management staff now do not need to fill in the above portions – has evened the playing field. Feinmetall has also set up benchmarks within the grades so that there is room for growth in terms of salary and grade between positions.

MAKING THE INVESTMENT

Such a thorough overhaul of its HR systems was no doubt a time-consuming venture. The problem, notes Spring’s Ms Foo, is that between prioritising business growth and investment in people, the latter usually takes the backseat when resources are limited.

Mr Sam agrees – a lot of people questioned his decision to enhance his HR capabilities, saying that this does not add value because it is not revenue generating. But investing in improving the company’s HR capabilities is an investment that is already reaping returns.

In addition to undertaking the HR Diagnostic, Feinmetall decided to tap the HR Shared Services initiative and outsource its payroll processing and leave/claims/benefits administration to a third party HR service provider.

Previously, the HR team at Feinmetall would spend about one-and-a-half days every month computing payroll. The software provided by the third party HR service provider on the other hand can automatically compute the calculations after the shift pattern has been input. This, says Mr Sam, has given them the space and bandwidth to come up with more employee engagement activities and look into compensation and benefit structures that they were previously unable to.

Indeed, according to a HR manpower study conducted by KPMG in 2014, the HR function spends close to 43 per cent of its time on transactional HR activities such as payroll and processing work instead of strategic HR activities such as talent management and development.

In this current climate, growing and retaining talent is a proactive way to support business and prepare it for future growth. Investing in good HR policies and having efficient systems in place will not only help SMEs do better with less, it also provides meaningful jobs and develops a quality workplace so as to attract, develop and retain staff.

The benefits are multi-pronged. These include developing and training employees to acquire the right skill sets to contribute effectively and grow with the organisation and develop in their career; making their workplace a better environment where happier staff will be motivated to achieve higher performance; and strengthening the leadership and middle management team to ensure proper succession for business sustainability, notes Ms Foo.

Says Mr Sam: “With time, I have learnt that (having the right) HR initiatives are an important way to keep staff happy. And when the staff are happy, you won’t be in the difficult position of having to handle employee turnover. When the market is good, you don’t have to worry; when the market is bad, you don’t have to worry. That’s why we are investing a lot in HR, and I think this is something that other SMEs should think about.” ■

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WHAT EMPLOYERS CAN DO

Strengthen your leadership and HR capabilities to attract, develop and retain people with the following initiatives and schemes from Spring Singapore.

1 HR Diagnostic tool: Understand your current state of HR maturity and identify gaps for improvement, across 11 HR functional areas.

2 HR Shared Services: Outsource some of the HR operational activities and leverage on IT to enhance your HR systems and processes. This can be achieved through a common pool of HR service providers who offer SMEs shared access to HR systems and services, including advisory services.

3 ICV: Apply for up to eight, simple-to-apply, easy-to-use vouchers valued at S\$5,000 each, to develop your business through consultancy in the areas of human resources. Apart from consultancy, SMEs can use the ICV to implement pre-scoped Integrated Solutions, or productivity solutions under the supportable cost categories.

- HR Consultancy: Recruitment & Selection, Compensation & Benefits, Performance Management, Learning & Development
- Productivity and Integrated Solutions
 - Asset/Worker Identification and Tracking System
 - Attendance Tracking System
 - HR E-scheduling system
 - HR management system
 - HR Performance Appraisal system

4 CDG (Human Capital Development): Invest in human capital and put in place strategies to attract, develop and retain your talents.

5 SkillsFuture Mentors: Get matched with a mentor to enhance your learning and development systems and processes, and to coach managers and supervisors to improve their training delivery. This will build up your value proposition as employers of choice offering good career development and growth opportunities.

For more information, please visit <http://www.spring.gov.sg/hcd>

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– Sam Chee Wah, general manager, Feinmetall

