

BUILDING A TALENT PIPELINE

The SME Talent Programme enables students to experience first-hand the opportunities that SMEs can offer, while business owners can assess if these students are the right fit for the company



IN THE lead-up to Budget 2015, manpower has been one of the key items on many small and medium-sized enterprises' (SMEs) wish list. Be it in terms of controlling manpower costs, or schemes to encourage companies to hire local talent (including older workers), talent management is clearly top of the minds of most *towkays*.

This is hardly surprising, given the current manpower situation where Singapore is facing an ageing and shrinking population as well as an educated workforce expecting more PMET (professionals, managers, executive, and technicians) jobs, says Christophane Foo, executive director, human resources and organisation development, at Spring Singapore.

But instead of looking outside, the trick to attracting and indeed retaining talent, could well lie within. It is first important to recognise the importance of building a talent pipeline to prepare the business itself for growth. "In order to attract talent, SMEs have to strengthen their talent management, training, and development capability and capacity," says Ms Foo.

To that end, the SME Talent Programme helps SMEs attract young talents from the Institute of Technical Education (ITE), polytechnics and universities, through internship and employment opportunities. This programme enables students to experience first-hand the opportunities that SMEs can offer, and to kick-start their careers with a fast-growing SME. In turn, SME owners too can assess these students and decide if they are the right fit for the company.

"While SMEs may have traditionally found it more challenging to recruit talent in today's competitive labour market, when compared to the larger organisations, many progressive SMEs have still been able to distinguish themselves as attractive employers of choice and created meaningful jobs for Singaporeans. It is important that SMEs continuously invest in human capital and strengthen their value proposition," notes Ms Foo.

Local home improvement products retailer Home-Fix DIY for instance, offers an Entrepreneurship Incentive Scheme, a gain-sharing initiative that allows

staff to manage a retail store to drive sales and improve profitability. Home-Fix also developed a Franchise Scheme which allows staff who are driven to own and run their own Home-Fix store while managing it within the company's guidelines.

"SMEs need to understand the career aspiration of today's workforce and seek to develop more flexible and creative ways to reward good performance, such as profit sharing schemes, personal rewards, support for employees' further studies, and career development," she says.

Indeed, a compelling employer brand is crucial in helping SMEs stand out among the various employment opportunities available in the market – whether by other SMEs or by multinational corporations (MNCs). Distinguishing themselves as an employer of choice will help SMEs build up their talent pipeline to further support their long-term growth plans.

There are three broad areas that SMEs can look at to further improve their brand proposition:

THE SME VALUE PROPOSITION

- **A close-knit family-like corporate culture:** In many SMEs, employees are valued for their strengths, and are mentored and trained by the management. This creates a conducive environment for young talents to learn and grow early in their careers, and be exposed to different functions and job roles, so that they can gain a wider spectrum of skill sets and capabilities.
- **Flatter corporate structure:** SMEs are typically more nimble in adapting to changes, quick to seize business opportunities and are less constrained by complex reporting and decision-making structures. As a result, they respond faster to changes in the environment and can become game changers for their industry.
- **Career prospects:** In terms of career growth, SMEs also offer many different opportunities. With many SMEs on track to expand into overseas markets with new product offerings, they will 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.

STRATEGIES TO ATTRACT AND RETAIN STAFF

- Prepare the company with good leaders and managers with a talent mindset
- Create a trusting work environment to motivate staff to achieve high performance
- Adopt sound human resource (HR) practices to strengthen their value proposition as well as capabilities to attract, develop and retain talents
- Strengthen business processes and operations to build a dynamic company

RELOOK HUMAN RESOURCE PRACTICES

- SMEs should continuously identify gaps in their current HR systems and process for improvement
- Implement HR capability improvement projects to drive business growth and improve productivity; tap tools such as HR Capability Toolkit, Innovation & Capability Voucher and Capability Development Grant
- Strengthen the leadership skills of the senior management and developing managerial competencies for middle management
- SMEs will need to strive to make their workplace a better environment as happier staff are motivated to achieve higher performance. This can be a positively reinforcing cycle as SMEs that are performing well will be able to continue investing in training and developing their talents.

Ms Foo adds: "Family-run businesses face the same opportunities and challenge that any other SMEs face. While recruitment of talent builds a pipeline, succession planning is the other critical function for sustainability. For the family-run businesses, there is greater complexity in succession planning; and the effort to look at family governance will be helpful." ■

EXECUTIVE director of Tan Seng Kee Foods (TSK), Raymond Tan, acknowledges that his business – a small and medium-sized enterprise (SME) in the food manufacturing business, located in an industrial area – is not exactly what young graduates think of when they consider their career prospects.

Yet, the third-generation family business has managed to attract two young talents in the span of a year, with help from the SME Talent Programme (STP), an initiative by Spring Singapore, in partnership with participating trade associations and chambers, the Institute of Technical Education (ITE), polytechnics and universities.

Delphine Chen, a mass communications graduate from Ngee Ann Polytechnic, says that she was attracted to TSK because of the passion that her then-prospective bosses had for the business. Seven months into her job, she herself enthuses that her colleagues are more than just people whom she works with, they are her friends.

WOKS UP

It no doubt also helps that her job keeps her busy. Within the short time that she has been with TSK, she has helped the company launch a new product range – hawker noodle kits in prawn noodle soup, curry and *laksa* flavours.

In her capacity as a sales and marketing executive, Ms Chen saw the project through from its initial concept stage to the final product – a ready-to-cook noodle kit that is packaged together with fresh pastes. This involved in-depth discussions revolving around the external packaging of the food packets, to how the product should be marketed and pitched.

All three hawker noodle kits went on to clinch the Great Singapore Food Gifts Award, which was held last year. The competition is an initiative by the Singapore Food Manufacturing Association to enhance "Made in Singapore" food as a hallmark of distinction for food gifts as well as a means of recognising high quality food products.

"It is my first time spearheading this kind of product development project. But Raymond and Annie guided me along, and I tried to learn on the job with the agency. I learnt a lot of new skills through it," says Ms Chen, of Mr Tan and his sister, Annie Tan, director at TSK.

Working under pressure – the team had three to four months to complete the project because of tight competition deadlines – afforded them greater learning opportunities.

"For Delphine, being here for seven or eight months is like being here for two years. That's the good thing about working for a SME where you get a lot more



THE RIGHT FIT

A third-generation family business of food manufacturing has managed to attract two young talents in the span of a year

exposure and have a close working relationship directly with the owners. We believe in going through the mentoring system, grooming young people, so they excel in their chosen fields," says Mr Tan.

In January, the company hired a food science graduate, Goh Gui Xin, as a food technologist. This hire was also facilitated by the STP programme.

"For a food manufacturing company, one of the very important aspects is QA (quality assurance) and QC (quality checks). In order for SMEs to grow, I think innovation is very important. So we are constantly looking at product innovation and product development. That's why we thought it's very vital to have a professional food technologist join us to further help us to develop new products, enhance our product quality, put in place solid QC and QA systems," says Mr Tan.

Ms Goh joins TSK at an opportune moment, when the company is embarking on a number of new projects – yet another new product line that it is targeting to roll out in the middle of this year; and upgrading of its HACCP (Hazard Analysis and Critical Control Points) certification to ISO 22000.

Meanwhile, Ms Chen is also helping TSK further develop its online presence on social media platforms. "This year, we are actively working on our Facebook page. We started a Facebook account maybe two years back but it's never really been active," says Mr Tan. "So now she's managing it, and we're seeing a lot of new things – new fans, a lot of exciting competitions, giving out of prizes through Facebook, and even Instagram!"

CONSTANT CHANGE

This culture of constant change is one that the Tan siblings brought with them to TSK when they left their corporate jobs to take up the mantle of leading the family business founded by their grandparents in 1936.

"We are always forward looking, making changes almost every other month. So our entire team is already very seasoned with constant change. Without any major change in a year, they will feel something is wrong," says Mr Tan. "In the beginning, they were resistant to change. But now they are used to it. So innovation is definitely an important aspect of TSK."

It is in that spirit that the company, in 2013, tapped Spring's Capability Development Grant (CDG) to hire a human resource consultant to look into the company's practices.

"For a SME to look into the HR aspect is quite rare because we are always very engaged and busy with everyday operations," admits Mr Tan. With the help of the HR consultant however, TSK has crafted a job description of all the different roles in the company, which helps them better recruit. The company has also established an appraisal system to better assess staff. "Since then, we have also created an employees handbook which is an easy overview of our HR policies," says Mr Tan.

Not that the company is immune to the operational challenges faced by SMEs. "Fighting fire is always there, but it's about prioritising which are our (areas of) focus. In the very beginning, to embark on these things didn't come easy. We needed a lot of support from everywhere, not just top management but right from the bottom," says Mr Tan.

"Having a family culture in an SME is, I think, a plus . . . real bonding is there. And as long as we are able to find the right people with the right attitude, we work together and all of us are clear about our goals, we can achieve things together better and faster."

For young graduates, finding a forward-looking company that embraces change and innovation is the first step to finding a successful fit. "There are a lot of different types of SMEs. A media agency, or an accounting firm . . . the setting, the people you meet, are very different (compared with the food manufacturing industry). Those are more modernised industries," says Mr Tan.

"In food manufacturing, you are dealing with many different levels of people, from wet market vendors to big institutional caterers. Now that we have embarked on export markets, we deal with distributors and direct importers from different countries. Over here (at TSK), one good thing is we are always forward looking. We don't behave like a traditional food manufacturer. So there're a lot of opportunities for young talents to come in and grow, and learn together and find a specialisation." ■

These features are brought to you by Spring Singapore



WORKING TOGETHER
(From left) Ms Goh and Ms Chen, with Mr Tan who notes that SMEs offer a lot of opportunities for young talents