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BY **VIVIEN SHIAO**

SKILLING UP FOR SUCCESS

SMEs need a pool of skilled talent to develop and execute innovative strategies to reach new heights

THE world is accelerating at a pace that has never been seen before. For businesses to keep up, there is a need to drive change, expand into new frontiers, and successfully transition into the digital economy. Small and medium-sized enterprises (SMEs) need a pool of skilled talent to develop and execute innovative strategies to reach new heights. Technological advancements may have opened up many opportunities for business transformation, but without the right people, SMEs will not be able to successfully leverage on technology to maximise gains.

This issue, *The SME Magazine* looks at the skills that are in demand, how SMEs can attract talent into their fold, and the number of ways that they are developing the potential of existing staff.

The line "people are the most important asset" has been touted by businesses far and wide, but few actually walk the talk. Like the proverbial chicken-and-egg conundrum, SMEs say that they have no time to focus on attracting and developing talent, and as a result, top talent are not keen to join them. And because top talent do not join, the SME cannot scale and grow its business. And so the cycle perpetuates itself.

Ang Ser Keng, senior lecturer of finance at SMU Lee Kong Chian School of Business, points out several possible reasons for the talent crunch among SMEs. "Chief amongst these is the lack of prestige and brand recognition when working with SMEs. In addition, there is a general weak focus on HR and practices in SMEs," he says.

He adds that it is "not uncommon" to see HR functions in SMEs as a small team focused largely on payroll and day-to-day issues, with no proper appraisal systems and training programmes. Training and development tends to take a backseat.

In findings from a study commissioned by Spring Singapore and the UOB-SMU Asian Enterprise Institute (AEI), the reason that potential employees do not join SMEs – and why current staff leave – is because they do not see structured training and development nor clear paths for advancement while working for an SME.

Dr Ang is also the vice-chairman of the Executive Committee and director of the UOB-SMU AEI. Drawing from his experience running the institute's flagship SME Consulting Programme, he notes that SMEs often see more value in projects that enhance their ability to sell more to customers.

But unless the internal foundation is strong, increasing sales can do more harm than good for the SME's brand, Dr Ang says. "It is so important to get the fundamentals right – as in the HR focus – so that the firm is well-placed to hire good resources that can help to scale sales," he adds.

But while SMEs might have lesser resources compared to multinationals, observers say that smaller businesses are not necessarily at the losing end. Feon Ang, vice-president, LinkedIn Talent and Learning Solutions, Asia-Pacific, says that even though SMEs do not always have pockets as deep as large enterprises to invest in new technology, they are still able to establish themselves as employers of choice.

They can do so by communicating distinct attributes of the business, such as their company and culture, she suggests. "Increasingly, we find that this is what professionals seek out and gravitate towards, instead of the perceived prestige of working for a big-name company," she says.

Aside from company culture and values, Ms Ang emphasises that good career growth and learning opportunities are must-haves for professionals here. SMEs would do well to communicate these attributes when building their brand online, she advises.

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Abhishek Mittal, director, talent consulting, Willis Towers Watson concurs on the need for learning and development initiatives. While the challenge for SMEs to compete with multinationals for talent is ever present, he believes that SMEs are able to attract talent by virtue of being an agile organisation and investing in people.

"SMEs need to ensure that they are helping employees achieve career security by providing challenging opportunities and investing in skills development. It is critical that SMEs measure and deliver a great employee experience," he explains.

SKILLS OF THE FUTURE

There is much talk on building skills for the future, but there is little that elaborates on what these skills entail. As Singapore strives to become a smart nation, hard skills in tech are undeniably a must for SMEs that want to move ahead of the pack. "Digital skills are in demand across industries as companies make a push towards digitalisation, automation and harvesting data," says Mr Mittal.

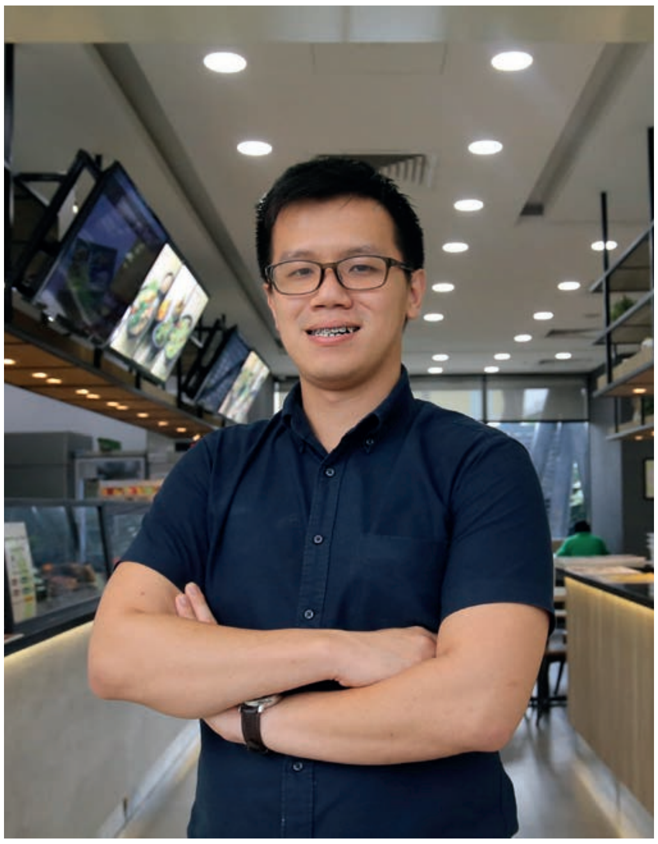
In line with this move, Tan Jek Min, director, Nanyang Polytechnic's Academy of Lifelong Learning & Skills, observes that more employers turning to the institution for courses ranging from cyber security, digital literacy, data analytics, digital media and advanced manufacturing.

But as more local companies are urged to venture abroad, having the right skills to navigate through unexpected scenarios and dealing with ambiguity will be key. Mr Tan says: "People skills – such as collaborative skills – and the ability to learn and relearn, critical thinking and complex problem-solving skills are also important. As Singapore plugs into the global economy, foreign language skills would be an invaluable asset for our people."

Mr Mittal concurs on the need for "soft" skills to manage paradoxes about the complex world that we live in. "As SMEs globalise, cross-country operating skills will become more important – and that means the ability to manage a diverse workforce, understanding international markets, and being open to new work experiences offered by new markets," he says.

Willis Towers Watson's *Global Talent 2021* study found that "agile thinking" skills are considered crucial in today's fast-changing world. This corroborates with data from LinkedIn, which also found that adaptability (35 per cent) is a skill that employers in the Asia-Pacific are looking for, but is hard to find.

Critical thinking (40 per cent), communication (39 per cent) and management skills (32 per cent) have been identified as the top attributes



"FOR THE YOUNGER GENERATION, THEIR FOCUS IS ON GROWTH. IT'S NOT ABOUT MOTIVATING THEM, IT'S ABOUT HAVING THE PLATFORM FOR THEM TO LEARN AND TO GROW."

– Fu Yong Hong** (right)**, CEO, Greendot

important in achieving success by respondents in the Asia-Pacific, according to findings from LinkedIn.

But LinkedIn's Ms Ang cautions that success factors tend to vary from market to market. "For example, professionals in India and Australia consider teamwork to be more important than their counterparts in the rest of the region, but overall what SMEs need is a strong team with the right skills to stay nimble in a fast-changing landscape."

Hard skills that need to be acquired may continue to change, but soft skills – such as the skills to adapt, move quickly, and deal with uncertainty – will become more important than ever.

MAKING TRAINING WORK

More SMEs are waking up to the realisation that they must play a role in helping staff develop skills that will drive positive change in the company. Not only will it help give the firm a lift, it helps to attract and retain the talent that SMEs so desperately need.

At information and technology company CrimsonLogic, the company uses the 70-20-10 model: 70 per cent of learning is through on-the-job experience, 20 per cent is through mentorship, and 10 per cent from formal training.

Its chief people officer Sylvia Koh says that the company caters a "substantial budget" for each employee when it comes to formal training. "Sponsorship for professional accreditation is our top priority . . . External courses are catered to map each competency level within each job family, delivered through e-enabled learning such as Coursera and external technology skills-based courses," she says.

In addition, the company also facilitates in-house technical training, conducted by "a trusted team of architects and product managers", adds Ms Koh. But much of its focus is still on on-the-job learning and coaching, as it is part of the role and responsibility of supervisors and leaders to coach staff.

Food service provider Select Group is another company that takes skills training of staff seriously. Its managing director, Vincent Tan, says: "Our company believes in continuous talent development, so that our staff grow with the company."

The group has been an accredited approved training organisation under the Singapore Workforce Development Agency (WDA) since 2006, and offers the Workforce Skills Qualifications (WSQ) certificate in food and beverage (F&B) operations.

As a mark of its commitment to training, its headquarters even features a culinary demonstration kitchen and a corporate training institute where in-house courses enhance employees' culinary and customer service expertise.

Employees enrol for training programmes regularly to ensure that their skills remain relevant for their scope of work. The group also makes a special effort to meet the training needs of its busy employees. To accommodate their schedule, the company customises their training schedules so that they are able to maximise attendance, such as through night classes or weekend classes, says Mr Tan.

Catering to the needs of staff is also a main draw at Julia Gabriel Education, says group managing director Fiona Walker. With its workforce comprising mainly of women who request for part-time or work-from-home arrangements at different stages in their lives, the company tries to be flexible with requests. This keeps the company culture strong and has also enabled it to achieve high staff retention.

"Being educators, we understand that people are inspired by progression," says Ms Walker. "By providing lifelong learning opportunities, we believe that employees feel that their contribution to the organisation is appreciated and valued. When they see progress, they will be more willing to continue working in the organisation."

The centre has its own training department which offers 80 different training topics conducted by senior members of the team as well as external trainers. Teachers from the childcare and kindergarten services attend between 20 and 50 hours of training while the enrichment centre teachers attend between 20 and 30 hours. "Besides the teachers, the other non-teaching staff also attend courses related to customer service, sales or leadership," says Ms Walker.

OVERCOMING CHALLENGES

But while bigger SMEs have more resources to upskill and train their staff, smaller SMEs sometimes find it a struggle to make headway in their talent development plans.

For e-trade and logistics cloud solution provider vCargo Cloud (VCC), a subsidiary of DeClout Group, one of its main challenges is the need to minimise downtime as well to budget effectively to offer enough training to meet business objectives. Another challenge is also to appeal to the younger generation who want to learn at their own pace and with their own devices, says VCC CEO Desmond Tay.

"The younger generation has taken centre stage of the job market, and we are evolving our work culture and policy framework to adapt to their aspirations," he says. For example, it is currently exploring e-learning to engage this group of younger workers, he adds.

Catering to the aspirations of younger workers is also another consideration for food and beverage chain Greendot. CEO Fu Yong Hong says: "For the younger generation, their focus is on growth. It's not about motivating them, it's about having the platform for them to learn and to grow."

However, he finds the relevance – or not – of training courses available to be a big issue. "I'm constantly trying to find out which course is relevant to us. Some trainers might do it for the sake of their job – which may or may not help our staff," he says. But while cost is a concern, he says that there are government grants and subsidies out there that help businesses like his train staff.

At education startup Gnowbe, learning is serious business – after all, the company runs a learning and engagement platform. Its founder Kang So-Young says that the team uses its own platform for its staff and partners, as well as for training purposes. "We encourage our staff to attend conferences, meet-ups, events and programmes to constantly learn. In fact, I am constantly introducing mentors, advisers and investors to our team so they can learn, get advice and continue to grow on the job in addition to formal training," she says.

Ms Kang says that fostering a continuous learning culture is the only way to develop talent. She adds that she has not had many challenges with staff training, as the startup only hires people "who love to learn". She also advises other startups or small SMEs which are resource-strapped to bite the bullet when it comes to talent development.

"That being said, as a small company, when staff is away for training or development, others have to pick up and support to ensure work still gets done. It just requires prior planning and communication. The benefit to developing our people far outweighs the minor short-term costs of others picking up for their colleagues," she adds. ■