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BY MINDY TAN

# MAKING THE LEAP

University graduates used to shy away from working for an SME but are now more aware of the benefits of being employed by one

**S**MALL and medium enterprises (SMEs) have traditionally faced an uphill battle when it comes to attracting university graduates. This however appears to be changing, with more graduates becoming aware of the benefits that working in an SME has to offer. “Graduates have generally moved beyond solely looking at tangible considerations such as remuneration to other aspects such as career progression, training opportunities, exposure to different job functions as well as the ability to learn directly from senior management,” says Darshan Singh, director, Human Capital Division, at Spring Singapore.

#### THE SME TALENT PROGRAMME

As part of efforts to help local SMEs attract talent from universities, polytechnics and the Institutes of Technical Education (ITEs), Spring Singapore launched its SME Talent Programme last year, in partnership with participating trade associations and chambers.

Under the scheme, students keen to understand more about working in SMEs can embark on a structured internship with a SME. This allows the potential SME employer to see if the talent is a right fit for the organisation; and for the young talent to understand the business, job functions and working culture in the organisation, notes Mr Singh.

Karalyn Ong, management associate, recruitment and talent management, at Select Group, joined the food and beverage group as a management associate through the programme after graduating from the Nanyang Technological University (NTU). She concedes that joining a SME never really occurred to her while she was studying, and that a major concern was career prospects – or lack thereof.

“SMEs tend to have a flat hierarchy so (there is some concern) about career progression,” says Ms Ong. “However, I believe SMEs can offer a wealth

of experience; you learn when you are a part of the building-up capabilities for the company.”

While job progression is a valid concern, Spring’s Mr Singh notes that in terms of career growth, SMEs offer many different opportunities.

“With many SMEs venturing 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 major projects,” says Mr Singh.

Now handling recruitment and retaining of talent, Select’s Ms Ong notes that graduates in general will try to apply for jobs at bigger companies. “Also, because of the nature of our industry (long hours, working on weekends etc) graduates are less inclined to join us.”

The company has nevertheless been actively reaching out to polytechnic and university graduates, offering scholarships and book prizes, as well as internship opportunities.

“By bringing on these talents earlier on, both the company and the talent can be given time to assess each other. Also, they are guaranteed accelerated career growth when they join us full-time after their studies. Through internships, many of the talents realise the scope and experience that Select can offer,” says Ms Ong.

“Many of our university graduates are also exposed to a wide spectrum of their respective departments, which is a good stepping stone for them in their careers.”

Indeed, precisely because of the flatter structure of SMEs, the talents that join Select are directly coached and mentored by the senior management.

#### HITTING THE GROUND RUNNING

SIM Global Education (SIM GE) graduate Roy Ang was in the unique position of knowing that he wanted to join a SME even as he was pursuing

his studies. Mr Ang, who is currently head of international business development, Asia-Pacific, at e27, said that one of the key things that attracted him to e27 was its small team size.

“Within a year, I got to know how the whole company works – the marketing side, and the strategies of the company itself,” he says. “That kind of exposure, that kind of knowledge, you probably can’t get in a corporate. Because in terms of the hierarchy system, it is usually harder for information to flow around.”

Mr Ang would know, considering that he was working at an international bank as a credit review officer while he was pursuing his part-time University of London degree in banking and finance.

When he graduated, he secured jobs at other international banks and Singapore’s largest telecommunications provider. He turned the offers down because he wanted a job that could provide him with an all-round work experience as he wanted to start his own business in the future.

“In terms of knowledge and skillsets, it’s more streamlined if you work in a corporate compared to a SME where the exposure and learning is more abundant. That is the main perk,” says Mr Ang.

But he acknowledges that while in school, most of his peers were gunning for jobs at large corporations, a sentiment Ms Ong echoes.

“While there are *magna* and *summa cum laude* graduates who had started their own business, few of our students with high GPA scores venture to work or intern with SMEs. Many of them prefer the bigger names,” says Sim Cher Young, director at Dato’ Kho Hui Meng Career Centre, at the Singapore Management University (SMU).

It is not for a lack of trying. The Dato’ Kho Hui Meng Career Centre encourages students to start with SMEs as early as from their first year in university, notes Mr Sim. The activities range from industry talks to internship opportunities and networking events. Indeed, the numbers suggest that sentiments might be at a tipping point.

#### A TIPPING POINT

According to the *SIM Global Education Graduate Survey* for the last three years (2011 to 2013), the percentage of fresh graduates pursuing careers at SMEs are between 40 per cent and 50 per cent.

“The majority of the disciplines are from accounting and finance, business, marketing, and management programmes,” says Aaron Tan, teaching and learning division, at SIM Global Education.

Since June 2013, 320 internships and 360 job matches have been made across the ITEs, polytechnics and universities through the SME Talent Programme.

The Singapore Institute of Technology (SIT), which primarily caters to local polytechnic graduates who desire to pursue a bachelor’s degree, has also seen a sizeable number of graduates from its engineering and infocomm disciplines join SMEs.

“In general, students may be uncertain about joining an SME only because they might not be aware of what SMEs have to offer. Our role is thus to provide an avenue for students to gather information to help them make informed choices,” says Tan Thiam Soon,



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– **Darshan Singh, director, Human Capital Division, Spring Singapore**

president, Singapore Institute of Technology (SIT).

“At SIT, we organise the annual SIT-SME Networking known as Enterprise Nexus to create a platform for students to interact with industry partners. Through such networking events, the students get to meet and interact with industry partners and understand from them the roles and opportunities.

“Also, we encourage our students to join SMEs for their Integrated Work Study Programmes (IWSP), and we believe a good experience during IWSP can also change their mind about prospects in SMEs,” says Prof Tan.

SIT’s IWSP programmes last between eight and 12 months, and are customised according to industry needs in terms of content and schedule.

“As most of our students are from the polytechnics and are job-ready, they are able to handle more realistic job assignments,” says Prof Tan. “The long IWSP duration allows the student to take on more responsibility on the job and to deepen his/her understanding of the industry.”

The school has signed a number of Memorandums of Understanding with various companies that have expressed keen interest in the IWSP, some of which are SMEs.

#### DOING RIGHT

ASME president Kurt Wee reckons that while there are still some reservations among graduates, the situation is “much improved”. “SMEs have been a lot more forward looking in their human resource (HR) practices since about two years ago,” he says.

“There’s a lot more effort now in training, matching and developing depth in the skillsets . . . That is going to be very powerful in creating a dual-pronged effort and support for the whole ecosystem . . . I think this is going to make a big impact, and the workforce will take their skills-oriented job more seriously in whatever SME they are working with. SMEs will also view that they can place a lot more

resource and commitment in HR, and develop depth.”

Spring’s Mr Singh agrees: “SMEs are also developing more flexible and creative ways to reward good performance – such as profit-sharing schemes, personal rewards, support for employees’ further studies and career development. Such value propositions form the core of branding messages that are being used by progressive SMEs to attract university graduates to join them.”

SMEs that are looking to make themselves more attractive employers can tap the self-help HR Capability Toolkit, which provides tools and templates which companies can use immediately, or with some customisation, to meet their individual HR needs.

SMEs can also tap the S\$5,000 Innovation and Capability Voucher (ICV) to receive consultancy support by engaging qualified HR consultants to develop their capabilities in recruitment & selection, compensation & benefits and performance management.

“Given the tight labour market and the strong competition for talents, SMEs need to put in place strategies to attract, develop and retain the right staff. SMEs have to continuously improve their HR capabilities in order to strengthen their value proposition and remain attractive as an employer,” says Mr Singh. ■

# BANKING ON SMEs

BANKS have also been channelling resources to reach out to SMEs in collaboration with educational institutions.

The UOB-SMU Asian Enterprise Institute, for instance, aims to help local enterprises grow domestically and regionally through providing additional skills and expertise. The institution also provides them with access to expertise to address challenges and barriers to growth such as business planning, productivity issues and employee development.

Beyond research, industry insight and knowledge creation, the institute also conducts biannual business intelligence surveys. This provides SMEs with in-depth commentaries and analyses of the economic outlook of SMEs in the region, expansion strategies and insight into the reality and opportunities for SMEs that venture beyond their home countries.

It has also launched an online resource centre for SMEs to exchange ideas. SMEs can participate in the SME Development Series Talks and Workshops, and annual symposiums organised by the institute. There, they can learn more about the current issues faced by SMEs and also share their experiences with other companies.

OCBC Bank has sponsored and co-organised a number of awards including the Emerging Enterprise Award, which recognises the achievements of emerging businesses, and Entrepreneur of the Year Award.

This year, the bank also introduced the Most Promising Startup Award to recognise the achievements of businesses that have been in operation for less than three years and with turnover of less than S\$1 million per annum.

Another award which OCBC sponsors is the Enterprise 50 (E50) Awards. Part of the process involves a collaboration with the National University of Singapore (NUS) Business School to make a limited number of business undergraduates available to assist in preparing the applicants’ business case and presentation.

This takes students out of the classroom for a real look at how real businesses work, and gives businesses a chance to benefit from their academic insights. It also gives the students a good opportunity to get exposure to the industry and opens up the possibility of working in the company.

In 2013, 31 students were involved in 22 projects. Between 2008 and 2013, a total of 301 of NUS Business School’s undergraduates were involved in the Enterprise 50 project.