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Bringing out the best in SMEs



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Bringing out the best in SMEs



Collectively, Small and Medium Enterprises (SMEs) are the largest group of employers in Singapore. However, their HR teams are often focused on transactional activities rather than building HR policies. Spring Singapore's new Human Capital Movement in SMEs aims to bridge this gap. In an exclusive special, **HRM** chats with the 10 Volunteer HR Directors who are spearheading this mission to make HR in SMEs more strategic.

Sustaining competitiveness continues to be a key concern for companies in today's tight labour market. There is often a trade-off between business growth and investing in employees. Recognising this challenge, Spring Singapore has launched the *Human Capital Movement in SMEs*. The initiative hopes to highlight the importance of developing strong HR capabilities and talent management within small and medium-sized businesses as a way to attract and retain talent.

Human capital advocates

As SMEs are often constrained by their HR capability and capacity, Spring Singapore is building a community of ambassadors to drive the importance of human capital development. A group of volunteer HR directors from the private and public sectors have been appointed to share their expertise through learning platforms.

These SME Human Capital Advocates will share with SMEs their HR perspectives and experiences in talent development.

Comprising of HR directors from both the private and public sectors, the ten advocates will engage SME bosses or HR managers on a voluntary basis, and share their perspectives and experiences of talent development and human capital strategies for business growth.

This will help SME HR teams that spend most of their time on transactional HR activities, such as payroll and processing work, which comes at the expense of more strategic HR activities like talent management and development.

Supporting HR capability building

Spring Singapore, in partnership with consulting firm Hay Group, has also developed a new diagnostic tool for SMEs to build their HR capabilities. The tool will help SMEs to better assess the current state of their HR maturity, and identify

necessary intervention points. SMEs will also be able to identify gaps in their HR management and development processes, and the steps needed to address them.

Slated to reach out to 1,000 SMEs in the next three years, a pilot run of the tool was conducted with around 180 SMEs across various industries last year.

Results from the pilot showed that most of the SMEs were especially weak in the area of learning and development. Spring Singapore hopes that by having an accurate assessment of their HR capabilities, SMEs will move towards policies that value people development in order to achieve business success.

SMEs can also benefit from themed-workshops to enhance their HR knowledge, as well as the Capability Development Grant that can be applied to projects that upgrade HR capabilities.

Improving employer branding

Some SMEs with good HR practices are building their brands by connecting with various education providers to participate in career road shows, and to offer scholarships and internships.

Spring Singapore plans to work with these SMEs in branding themselves as employers of choice, and will also work with trade associations, chambers of commerce, and higher learning institutes to increase the number of student

engagement activities that SMEs can be involved in. Spring Singapore will also work with SMEs to engage young talent and to showcase promising career opportunities, and celebrate their success with public recognition and profiling.

"A unique employer proposition helps companies gain a distinctive advantage over their competitors. Hence, SMEs need to develop a conducive workplace culture and environment to attract new talents and encourage existing employees to grow with their company. Understanding the need for a strong HR foundation, the government will continue to work together with businesses and unions, as tripartite efforts are needed to support SMEs to develop HR capabilities and build talent, and drive momentum for this movement," Chew Mok Lee, Assistant Chief Executive of Spring Singapore, says.

Call for action

All of the 10 volunteer HR directors hope their efforts will inspire their fellow HR counterparts to serve the SME community as well.

Concurrently, Minister for Manpower Lim Swee Say, who launched the *Human Capital Movement in SMEs* initiative on July 30 this year, encourages SME bosses to step up their focus on the most valuable capital of the future: the human capital.

Upgrading capabilities

In his speech at the launch of *Human Capital Movement in SMEs* on 30 July, Manpower Minister Lim Swee Say shared an example of how one SME has benefited from the initiative.

Soon Aik Holdings, an engineering firm serving the automotive and marine industries, had difficulties in attracting talent to support its business expansion. By leveraging on the HR diagnostic tool, Soon Aik upgraded its HR capability with the support of Spring Singapore's Capability Development Grant.

The company has also strengthened its career progression and succession planning frameworks to better attract and retain talent.



ANGELINE OH

Senior Vice-President, HR,
CapitalLand Limited

Why did you decide to be a Volunteer HR Director?

I am always looking for opportunities to give back to society and have dabbled from serving in soup kitchens to cleaning houses. I believe that volunteering is a great and fun way to learn. When the opportunity to be a volunteer HR director in the Human Capital Movement came up, I thought it would be great to enable others in my professional domain.

Have you already started working with an SME to share best practices? Any examples?

I met my partner SME for the first time recently. We started by understanding the diagnostics and by sharing some common challenges and validating some of the practices. Reviewing and reflecting on how work is done in a conscientious manner is important. This is the first step to continual improvement. As the relationship grows, I look forward to sharing best practices.

Are there any particular human capital development aspects SMEs can adopt from their MNC counterparts?

SMEs need to be more open to the use of technology as it can free up time and resources, and remove more operational work so people can focus on value creation. It is also important that changes are considered and managed carefully. Every organisation is different and we need to be respectful of the culture and stage of growth the company is in.

Will the Human Capital Movement in SMEs encourage more SMEs to step forward and tap on the expertise and best practices of Volunteer HR Directors?

I certainly hope so! I think the Human Capital Movement creates a healthy environment for HR sharing, with no judgement, no hidden agenda – just HR practitioners trying to build a community. SMEs can now reach out to experienced practitioners for support and another point of view, just like having your own trusted advisor to give you an alternative point of view!



RITA CHAN

Head of HR, Singapore,
Fujitsu Asia

Why did you decide to be a Volunteer HR Director?

Over a cup of tea with Christophane Foo from Spring, she highlighted that SMEs need help in Human Capital Management (HCM) but that they do not have the capacity to hire senior HR professionals to provide more strategic advice. Thus, we spoke about pooling together a group of HR professionals to do some volunteer or community work to help SMEs. She took the conversation further and created the movement platform to what it is today.

Can you share an example of an HR best practice you have shared with an SME to drive business growth?

The SME I adopted was struggling in getting their technical subject matter experts to be managers as they were reluctant to lose their domain technical skill to manage people. I advised the CEO that he needed those technical SMEs to continually drive the technical services revenue for the business. Instead, as a retention tool, he should consider creating two career pathways such

as a managerial track and technical track to groom the individuals to own their careers in his company.

What are some of the important HR functions that SMEs should focus on?

Each SME is different and is in different phases of developing their business. What is important to one SME may not be something another SME should be focusing on. Thus, understanding the nature of the business, revenue size, sustainability in the industry landscape, change management readiness, state and availability of staff capacity, and capability in each SME is essential. We need to be mindful that SMEs do not have the financial and resource bandwidth like the MNCs.

How will the Human Capital Movement improve the HR fraternity as a whole?

At whatever size or phase a company is in, HR is an important business driver and enabler as a company will not function without people. The movement will bring forth a greater awareness on this front.



MATTHIAS GOH

Director, Human Resources
& Organisation Development,
SPRING Singapore

Will the new diagnostic tool for SMEs be a major barometer in implementing best HR practices for organisations?

The volunteer HR directors use the initial result from the diagnostic tool to delve deeper into the enterprise's talent needs. From there, we can suss out some areas for focus and make recommendations after speaking to the CEO.

It helps create a common language between the volunteer HR directors and the SMEs.

How will the Human Capital Movement improve the HR fraternity as a whole?

To truly unghie the mind-set of enterprises to the full potential of having excellent people practices, it is crucial for enterprises to recognise that running good HR operations and training is fundamental in catalysing the multiplying effect of excellent people practices.

The Human Capital Movement aims to help enterprises improve their people practices and strengthen their internal HR systems which would in turn, enhance the capability of the HR

practitioners in the participating enterprises.

How can the themed workshops help SMEs to be equipped with HR knowledge?

SMEs can participate in the themed workshops to gain an understanding of the various best practices in those areas of HR.

This would help them gain a broader sense of the practices today and help them decide if their organisation is ready to embark on some of those practices.

Will the Human Capital Movement in SMEs encourage more SMEs to step forward and to tap on the expertise and best practices of Volunteer HR Directors?

The response we have gotten so far is encouraging!

The volunteer HR directors who had been assigned have given feedback that the sessions were insightful while the participating enterprises have commented on its benefits and have requested for additional sessions. We hope this would encourage more SMEs to step forward.



D N PRASAD

Director, Google People
Services, Asia-Pacific,
Google

Why did you decide to be a Volunteer HR Director?

I grew as a professional, privileged to be mentored by some fantastic people. They guided me, asked me tough questions, challenged me with more responsibilities, trusted me, and were fabulous role models. Having seen and experienced the value, I have always believed in "passing on the favour" and I do spend some time coaching and mentoring. When I was invited by SPRING to be a part of this movement, I found an opportunity to do my bit for Singapore (which has been a treasured home for almost seven years) and for the HR fraternity. It helps though, that Google is also active in partnering with the government and contributing to the society we operate in.

How can SMEs formulate robust HR policies and frameworks, with help from the Volunteer HR Directors?

I was at the inauguration of the movement, and, have had an opportunity to meet the team from one of the SMEs I will work with. Let us be clear, their heart is in the right place and they have a vision. They also realise and

appreciate that people should be in the front and centre of their strategy. The HR directors can coach them, review and critique the plan, share best practices, and guide in prioritising.

Have you already started working with an SME to share best practices? Any examples?

I have just met the leadership team from the SME I have been paired with to advise them. We reviewed the Diagnostic report, and discussed their current strategy. And, while a bunch of best practices were discussed and debated – notably in the talent management space, it is too early to comment on these.

Are there any particular human capital development aspects SMEs can adopt from their MNC counterparts?

Let us remember that the best practices are always tied to a context and also to the culture. So, a direct adoption will not work. Having said, the frameworks, the approach, the thought process behind a best practice and the execution rigour can be understood and adopted as the situation demands.



JACLYN LEE

Senior Director,
Human Resources &
Organisation Development,
Singapore University of
Technology and Design

How can SMEs formulate robust HR policies and frameworks, with help from the Volunteer HR Directors?

Most of the SMEs in Singapore lack professional HR capabilities to attract, retain and reward their human capital. Most of them are worried about bread and butter issues, so this key area of development has been neglected. The companies don't realise that strong HR practices will help drive capabilities and attract good talents. Our role as volunteer HR directors is to mentor and guide them to become aware that HR plays an important role in the organisation. Secondly, our role is to give them practical advice to start developing such awareness, and to guide them in the steps of how to do it. This might involve several meetings to follow up and to then guide them on the implementation.

What are some of the HR improvements SMEs can make to brand themselves as the employers of choice?

Before SMEs embark on branding exercises, they have to fix their foundation. They have to put in

robust systems and processes to build strong HR practices. They can then begin the task of building a unique value proposition to potential employees and to keep their current core.

What is the biggest challenge you face when working with an SME?

The biggest challenge for them is the lack of resources and capabilities to build HR competencies. They may not see this as a key and vital area of development, but the company's survival depends on strong HR policies and structures to deliver productivity and success. My advice to them is to start small, and make incremental steps and improvement. Once they see the results, they will start to believe in it.

Will the Human Capital Movement in SMEs encourage more SMEs to step forward and tap on the expertise and best practices of Volunteer HR Directors?

I hope so. This is just the beginning. You need a matchstick to light a fire. We hope to see this spread, in a good way.



CHRISTOPHANE FOO

Executive Director
(Human Capital &
Organisation Development),
SPRING Singapore

What are some of the important HR functions that SMEs should focus on?

SMEs know they need people to sustain business, let alone grow the business. However, today's focus is on getting manpower just to do the job. The key is getting good people to join and keeping good people within. To do that, SMEs must show that they are good employers and that they care for the company's growth, care for the people and will treat them fairly, recognise them, and help them grow and remain relevant.

How can SMEs formulate robust HR policies and frameworks, with help from the Volunteer HR Directors?

The volunteer HR directors have the knowledge of progressive HR practices and the experiences to advice on what works and what doesn't and in what context to best do something. The interaction between the volunteer HR directors and the SME bosses is one of mutual respect where two peers share and learn. The decision to take action on the advice lies with the SME boss, and he or she can tap on the HR director as a coach or mentor in his implementation.

How will the Human Capital Movement improve the HR fraternity as a whole?

The group of us here strongly believe in the strategic value of HR, but we also see how HR can be relegated to just looking at hiring and firing process and payroll. We hope this movement will get bosses to see what good HR can do and to accord that responsibility on HR. There is strength in numbers and as we get more and more HR professionals on this journey, the sharing and learning will spread far and wide.

What is the biggest challenge you face when working with an SME?

Being so small, how does one choose to spend their time and energy? Looking for new business? Looking at how best to manage the finance? Looking at innovating new products? Looking at how to bring in the right people? I don't think we are asking for SMEs to prioritise these and one is definitely not mutually exclusive. We are asking SMEs to first have a talent mindset.



EUSTACE FERNANDEZ

Head of Human Resources,
Southeast Asia &
Decision Analytics,
Asia Pacific, Experian

What are some of the important HR functions that SMEs should focus on?

With the benefit of working in both MNC and SME environments, an area I feel SMEs should focus on is talent development. Most SMEs struggle with retention issues and the damage is more pronounced if the loss is a regrettable attrition (a talent). Singapore's economic performance has been relatively stable and unemployment remains low. We continue to be an ideal location for MNCs and as such, there is constant competition for talent. SMEs can and should do more to develop talent and establish clear and exciting career pathways.

How can employees benefit from the Human Capital Movement?

Majority of employees in Singapore are working with SMEs. Hopefully, through this Human Capital Movement, employers will realise the value of strengthening their management of their talents, engaging and developing their employees, and also recognising how effective engagement of employees will have a material positive impact on their business.

Why is there a strong call for SMEs to adopt human capital development as a core HR initiative?

The SME community can be a strong engine of growth for SMEs. As they dominate the business landscape in terms of the number of establishments and employees, the strengthening of this community will have a direct material impact on Singapore's GDP. Human Capital Development is just one area SMEs can strategically elevate themselves to compete better, expand overseas, manage cost, and increase their revenue and profit.

What are some of the HR improvements SMEs can make to brand themselves as the employers of choice?

Many SMEs suffer from poor image due to factors such as a lack of professionalism, best practices, and so on. Building the HR foundations - sound processes, systems, reasonable size teams, proper documentation, and so on - is critical. Above these would be excellent business partnering, positive engagement with employees, talent development, and more.



FOO CHEK WEE

Group HR Director, Zalora

Why did you decide to be a Volunteer HR Director?

I believe that human capital management is the key in gaining a competitive advantage for an organisation, across industries and geographies. In this spirit, I hope to make a significant difference in enabling good human capital management practices to be contextualised and to flourish in SMEs. Besides, by serving my HR community and my country, I am also learning.

Have you already started working with an SME to share best practices? Any examples?

I started sharing my perspective and guidance with an assigned SME's CEO and her HR senior manager two months ago. One key leveraged HR practice is my advocating of the 70/20/10 approach to development. In my observation, SMEs tend to rely solely on sending their staff for skills training and consider that as staff development. In the 70/20/10 development approach, staff development consists of 70% of the time practising and perfecting the job role, interacting and sharing with fellow colleagues and external bodies such as professional bodies (20%), and attending workshops or

conferences to "download" knowledge (10%).

Why is there a strong call for SMEs to adopt human capital development as a core HR initiative?

Two reasons: Scale and Leverage. According to the Ministry of Manpower, 70% of our workforce is working for SMEs. This huge workforce representation translates to a large employee population benefiting from the uplifting of human capital practice. To enable Singapore to thrive in the next 50 years, human capital practice cannot be stuck at HR administration excellence.

What is the biggest challenge you face when working with an SME?

Although I have yet to encounter this situation with my assigned client, I foresee the biggest obstacle is having full buy-in from the CEO's direct reports who report to the former. A CEO's influence is no doubt the strongest in any organisation, but without the full buy-in and advocacy from the people who execute and advocate the advancement of human capital development, the targeted result will not be realised, for sure.