

Key Insights

THE PULSE OF SMES: **SKILLS DEVELOPMENT, MEANINGFUL WORK, AND EMPOWERMENT**



Small and Medium Enterprises (SMEs)

are crucial to Singapore's economy, representing 99% of all enterprises and employing 71% of the workforce.



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The **Pulse of SMEs** explores Singapore's workforce landscape with a focus on SME employees' career needs, aspirations, and challenges. It identifies where SMEs are facing difficulties or making strides in upskilling, motivating, and retaining talent.

The study adopts a strengths-based perspective and applies archetypal analysis, segmenting organisations into four archetypes based on company types, employee size, and self-reported perception of their organisational growth:



SME Growth

SMEs with employee size between 50-200 or less than S\$100 million annual revenue, focusing on expansion and scaling



SME Sustain

SMEs with employee size between 50-200 or less than S\$100 million annual revenue, prioritising maintaining market position



LLE (Large Local Enterprise)

Companies with more than 200 employees and more than S\$100 million annual revenue, having a strong domestic presence with limited international reach



MNC (Multinational Corporation)

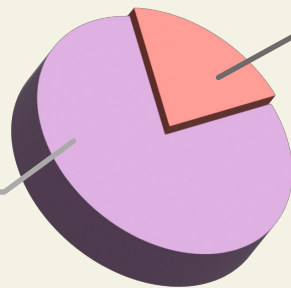
Companies with more than 200 employees and more than S\$100 million annual revenue, operating on a global scale

Note: Study surveyed other archetypes of SMEs (i.e. SME Rebound and SME Decline). However, due to their smaller sample sizes, analysis does not focus on these groups.

Challenges Faced by SMEs When Investing in Their Workforces

82%

Stay in current job/company



18%

Switch company/industry

The majority of SME employees surveyed **prefer to stay in their current company**, suggesting greater benefits for employers to invest in and develop their existing workforce.

However, SMEs faced **4 key challenges** preventing them from investing in their workforce:

Time Away from Work



Time spent away from work during training has been a cause for concern for companies

Cost of Training



Training expenses are a concern for at least 30% of companies across all archetypes

Finding Relevant Courses



Sourcing for the right courses to train their employees remains a challenge

Staff Learning Motivation



>40% of companies highlighted staff motivation and willingness to voluntarily attend training as a challenge faced

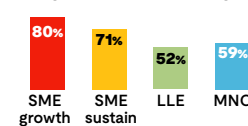
Learning Lessons From SME Growth Companies

Despite challenges and limited resourcing, SME Growth companies still prioritise **skills development** but through learning on-the-job more than formal training.

Lower Proportion of SME Growth Companies Use Formal Training Opportunities



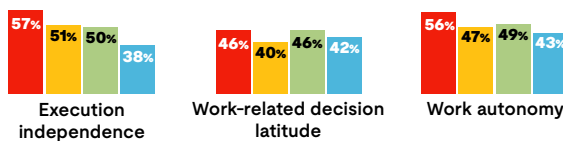
They Resolve This Issue Through Promoting Informal Learning and OJT



SME Growth companies drive learning through everyday interactions (i.e. through feedback, observations, and experimentation)

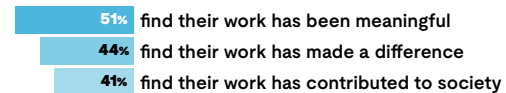
SME Growth companies are able to engage employees with meaningful work, which taps into deeper, non-monetary motivations beyond wages. **Meaningful work** can effectively engage self-determined employees.

SME Growth Companies Offer More Work Autonomy

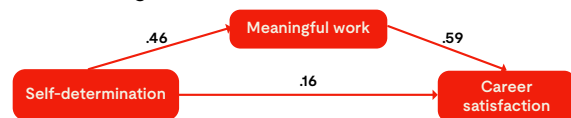


Employees in SME Growth companies exhibit higher career satisfaction where a higher proportion of employees have personal satisfaction, interest, and enthusiasm for their careers

SME Growth Companies Enable Meaningful Work



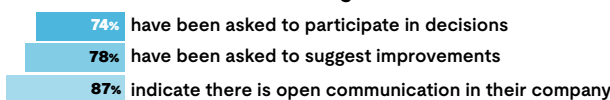
Meaningful Work Drives Career Satisfaction*



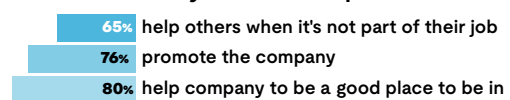
* The arrows and numbers indicate a positive correlation. Hence, self-determination (i.e. ability to make work related decisions) can lead to both career satisfaction directly or indirectly through making work more meaningful. When work is meaningful, it also leads to greater career satisfaction.

SME Growth companies offer a shared vision for their workforce, **empowering** decision-making at work, growing their careers, and fostering shared ownership and belonging.

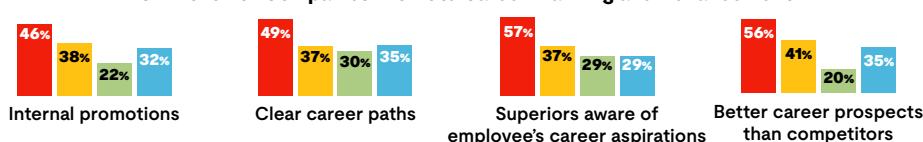
SME Growth Companies Involve Employees in Decision-Making at Work



Employees in SME Growth Companies Contribute Beyond Formal Responsibilities



SME Growth Companies Promote Career Planning and Advancement



Key Recommendations^

Cultivating a skilled, motivated, and engaged SME workforce that drives organisational success needs a multi-faceted approach. Drawing on the research findings, we recommend **S-M-E**:



Skills Development: Pooling shared support could help SMEs develop and upskill their workforce

S



Meaningful Work: Enhancing employee career satisfaction and retention by designing more meaningful work, beyond financial motivators

M



Empowerment: Enhancing human capital development capabilities, strengthening HR support, and encouraging more progressive HR practices

E

^ Detailed recommendations in the accompanying Research Report

**Every
Worker
Matters**

