This research was designed to examine university graduates’ expectations and experiences of employment in small and medium enterprises (SMEs) in the Northern States of Malaysia. A self-reported questionnaire data was gathered from 84 graduate employees in SMEs (52 in Perlis and Kedah; 32 in Penang and Perak). Graduates reported positive experiences in many areas. These often exceeded their expectations, and in general over-met expectations were much more common than under-met ones. The graduates’ work appeared to offer quite high autonomy, the chance given to further training, good working conditions, but higher intention to leave, at least in the short term. In line with previous research, there were signs that pay and within organization career prospects were relatively weak areas. Taken as a whole, the results substantiated previous research done and challenge more negative images of employment in SMEs, and also the preoccupation with under-met expectations in the literature on new entrants to organizations.