

# SUSTAINABLE EMPLOYMENT

Achieving Purposeful Business Success Together



## FOREWORD



**S.S. Teo**  
Chairman, SBF  
Sustainable Employment Report Sponsor  
Executive Chairman & Managing Director,  
Pacific International Lines Pte Ltd

Singapore is a small country with big dreams. Through the shared determination and will of our earlier generations, we have turned our vulnerabilities into strengths and built a strong and safe home centred on our people. Our present and future generations, however, will face a different gamut of decisions and challenges.

Social stresses exist globally and this emanates, at least in part, from inequality. As a small and open city-state, Singapore is more exposed to emergent pressures surrounding what I term the 3 'D's – Disruption, Demographics and Dissatisfaction. We do not want to see the 3 'D's exacerbating inequality in Singapore as this will turn our country upside down.

Our Government has rolled out concerted policies and initiatives to tackle issues related to inequality, and will continue to do so. The business community, too, plays a critical role in our economy and in fostering a cohesive and happy society. Businesses provide jobs, develop our employees, and increasingly, commit themselves to acting in socially responsible ways.

This is good, but we must do more. Firstly, because the actions of businesses impact social dynamics and communities. We hold critical levers including our relationships with the workforce and others in the business ecosystem. Secondly, the potential contributions and concerns of each of the 347,000 companies in Singapore vary vastly. Thus, our effectiveness will be maximised if we are proactive in exploring, adopting and sharing ideas that play to our strengths.

The Singapore Business Federation (SBF), as the apex business chamber here, is taking the lead in bringing the business community together to take action on fostering a stable construct that uplifts all stakeholders in society. This report contains six key recommendations developed together with the business community for sustainable employment. This is our gift to the nation as Singapore marks the Bicentennial of its founding, and we hope that businesses will adopt these recommendations in some way or another.



**I call on like-minded businesses to pledge their commitment to sustainable employment.**



We acknowledge that businesses alone cannot solve all problems, but SBF will work closely with the business community, Government and other stakeholders to keep this conversation flowing and to implement the recommendations in the report, through a newly established Programme Office.

I would like to put on record my appreciation to Ms Goh Swee Chen for championing this effort and to the business leaders and partners who have contributed their insights, expertise and resources to this meaningful endeavour.



# ACKNOWLEDGEMENTS

## Core Committee

### Integration Sub-Committee



Core Committee Chairman  
Sub-Committee Co-Chairman

**Ms Goh Swee Chen**  
Chairman, National Arts Council  
President, Global Compact Network  
Singapore (GCNS)



Sub-Committee Co-Chairman

**Mr Gan Seow Kee**  
Chairman & Managing Director,  
ExxonMobil Asia Pacific  
Vice Chairman / Honorary Treasurer,  
SBF



**Professor Ilian Mihov**  
Dean, INSEAD



**Ms Nadia Ahmad  
Samdin**  
Senior Associate,  
TSMP Law Corporation

### Professionals, Managers, Executives and Technicians (PMETs) Sub-Committee



Sub-Committee Co-Chairman

**Mr Abu Bakar Bin  
Mohd Nor**  
Group Chairman,  
InfoFabrica Holdings Pte Ltd



Sub-Committee Co-Chairman

**Mr Jason Ho**  
EVP & Head of Group Human  
Resources, OCBC Bank



**Mr Ho Meng Kit**  
CEO, SBF



**Mr Robin Hu**  
Senior MD & Head,  
Sustainability & Stewardship Group,  
Temasek International Pte Ltd

### Mature Workforce Sub-Committee



Sub-Committee Co-Chairman

**Ms Melissa Kwee**  
CEO, National Volunteer and  
Philanthropy Centre (NVPC)



Sub-Committee Co-Chairman

**Professor Paulin Tay  
Straughan**  
Dean of Students & Professor of  
Sociology (Practice), Singapore  
Management University (SMU)



**Mr Benjamin Chua**  
Founder, Spic & Span



**Mr Lim Siong Guan**  
Founding Chairman,  
Honour (Singapore)

# ACKNOWLEDGEMENTS

## Core Committee

### Low Income Sub-Committee



Sub-Committee Co-Chairman

**Ms Chong Ee Rong**

Chairman, SBF Young Business  
Leaders Network  
Council Member, SBF  
Board Director, Certis Group



Sub-Committee Co-Chairman

**Mr Veera Sekaran**

Founder & Managing Director,  
Greenology Pte Ltd



Overall Editor

**Mr Jason Leow**

Managing Director,  
Corporate Affairs and  
Communications, GIC

### Low Income Sub-Committee



**Mr Philip Ng**

CEO, Far East Organization



**Mr Eugene Wong**

Founder & Managing Director,  
Sirius Venture Capital Pte Ltd  
Council Member, SBF



**Ms Janet Ang**

Chairman, Digitalisation Committee  
Council Member, SBF  
Deputy Chairman, SBF Foundation  
Chairman, SISTIC Singapore



**Dr Gillian Koh**

Deputy Director (Research),  
Institute of Policy Studies (IPS),  
Lee Kuan Yew School of Public Policy,  
National University of Singapore (NUS)



## Sub-Committee & Resource Panel

### Integration Sub-Committee

**Ms Sumi Dhanarajan**  
Associate Director, APAC,  
Forum for the Future

**Mr Christopher Gee**  
Senior Research Fellow, IPS

**Mr Khoo Teng Chye**  
Executive Director,  
Centre for Liveable Cities,  
Ministry of National Development  
(MND)

**Ms Gwendolyn Loh**  
Assistant Vice President,  
Strategic Communications &  
Sustainability, Sembcorp Industries  
Limited

**Ms Rachel Teo**  
Head, Futures Unit, GIC Pte Ltd

### PMET Sub-Committee

**Mr Victor Bay**  
CEO, PAP Community  
Foundation (PCF)

**Mr Sriram Changali**  
Partner, EY-Parthenon,  
Singapore

**Ms Fang Eu-Lin**  
Partner, PwC Singapore

**Mr Richard Koh**  
Chief Technology Officer,  
Microsoft Singapore

**Dr Patrick Liew**  
Executive Chairman,  
GEX Ventures Pte Ltd

**Ms Quah Ley Hoon**  
Chief Executive, Maritime and Port  
Authority of Singapore (MPA)

**Mr Daniel Robinson**  
Programme Director,  
Maximus Asia Pte Ltd

**Mr Shahrin Abdol Salam**  
Senior Vice President,  
Plans and Development,  
SMRT Trains Ltd

**Mr Shee Tse Koon**  
Group Executive & Singapore  
Country Head, DBS Bank Ltd

**Ms Jane Tham**  
HR Director,  
Robert Bosch SEA Pte Ltd

**Dr Noel Yeo**  
CEO, Mount Elizabeth Hospital

### Mature Workforce Sub-Committee

**Ms Radha Basu**  
Research Director,  
Lien Foundation

**Ms Janice Chia**  
Founder & Managing Director,  
Ageing Asia

**Ms Henrietta Chong**

**Mr Koh Juay Meng**  
Chairman, RSVP Singapore

**Ms Lim Sia Hoe**  
Executive Director,  
Centre for Seniors

**Ms Normala Manap**  
Senior Associate Director,  
Centre for Ageing Research  
and Education, Duke-NUS  
Medical School

**Mr Victor Mills**  
Chief Executive,  
Singapore International  
Chamber of Commerce (SICC)

**Mr Shaik Mohamed**  
Director, Mini Environment  
Service Pte Ltd

**Mr Ng Cher Pong**  
Chief Executive,  
SkillsFuture Singapore (SSG)  
Deputy Secretary (SkillsFuture),  
Ministry of Education

**Dr Lily Phan**  
Research Manager,  
Marsh & McLennan Insights

**Mr Edwin Tiah**  
Partner & Managing Director,  
Elitez & Associates Pte Ltd

**Dr Mary Ann Tsao**  
Chairman, Tsao Foundation

### Low Income Sub-Committee

**Ms Chia May Ling**  
General Manager, SBF Foundation

**Prof Lam Swee Sum**  
Director, Asia Centre for Social  
Entrepreneurship & Philanthropy, NUS  
Associate Professor, Department of  
Finance, NUS Business School

**Ms Lim Cheng Bee**  
Executive Assistant,  
Terrific Mentors International

**Ms Low Khah Gek**  
CEO, Institute of Technical Education  
(ITE)

**Mr Ng Boon Gay**  
Deputy Chief Executive, Singapore  
Physical Security and Integrated  
Services, Certis CISCO Security Pte Ltd

**Mr Martin Tan**  
Executive Director,  
The Majority Trust

**Mr Teo Tee Loon**  
Executive Director,  
Lakeside Family Services

**Mr Daniel Thong**  
Co-Founder & CEO, Nimbus

### Resource Panel

**Dr Angelique Chan**  
Associate Professor,  
Signature Programme in Health  
Services and Systems Research and  
Executive Director, Centre for Ageing  
Research and Education, Duke-NUS  
Medical School

**Ms Kong Kum Peck**  
Director, ComCare and Social Support  
Division, Ministry of Social and Family  
Development (MSF)

**Ms Michelle Li Huiling**  
Head of Partnerships,  
New Zealand Trade and Enterprise

**Mr Justin Scott**  
Senior Lecturer,  
Centre for TransCultural Studies,  
Temasek Polytechnic

**Dr Tristan Sjöberg**  
Executive Chairman,  
TCS John Huxley Group

**Mr Bryan Yip**  
Deputy Director, Inclusive Workplaces,  
Workplace Policy and Strategy  
Division, Ministry of Manpower (MOM)

# ACKNOWLEDGEMENTS

## Contributors

### Mr Manu Bhaskaran

Founding Director and Chief Executive Officer, Centennial Asia Advisors

### Mr Han Fook Kwang

Editor-At-Large, The Straits Times

### Mr Laurence Lien

Chairman, Lien Foundation

### Ms Christine Lim Wee Kien

Senior Legal Counsel in a Multinational Corporation in the Energy Industry

### Dr Joseph Liow

Research Advisor, S. Rajaratnam School of International Studies & Dean, College of Humanities, Arts, and Social Sciences, NTU

### Mr Peter Ong

Chairman, Enterprise Singapore

### Dr Jared Poon

Assistant Director, Capability Development, Ministry of Culture, Community & Youth (MCCY)

### Mr Seah Chin Siong

President and CEO, Singapore Institute of Management (SIM)

### Ms Melissa Tan

Senior Deputy Director, Partnerships & Programmes, MCCY

### Dr Leslie Teo

Head of Data Science, Policy and Data Initiatives, Grab

### Ms Xiao Yifei

Assistant Manager, Plans & Research, MCCY

### Dr Yip Chun Seng

Director, Economic and Fiscal Analysis, Ministry of Finance (MOF)

### Ms Dawn Yip

Coordinating Director, Partnerships Project Office, MCCY

### Prof Belinda Yuen

Research Director, Lee Kuan Yew Centre for Innovative Cities, SUTD

## Secretariat Team

### Core Committee

#### Ms Joanne Guo

Assistant CEO, Strategy & Development, SBF

Also Lead Secretariat to Integration Sub-Committee

#### Ms Yvette Chee

Deputy Director, Strategic Planning, Strategy & Development, SBF

Also Secretariat to Low Income Sub-Committee

#### Ms Ti Kai Xin

Senior Executive, Strategic Planning, Research & Publishing, Strategy & Development, SBF

#### Ms Aurelia Rusli

Assistant Manager, Finance, SBF

### Integration Sub-Committee

#### Mr Alden Chng

Assistant Manager, Americas, Europe, Middle East & South Asia (AEMEA), Global Business Division, SBF

#### Ms Khairunnisa Zulkifli

Senior Executive, International Relations, Strategy & Development, SBF

### PMET Sub-Committee

Lead Secretariat

#### Mr Roy Tan

Deputy Director, Membership & TAC Engagement, SBF

#### Ms Sylvia Han

Assistant Manager, ASEAN, Global Business Division, SBF

#### Ms Alaxys Liu

Senior Manager, China & North Asia, Global Business Division, SBF

#### Ms Sacha Ong

Senior Executive, Advocacy & Actions, Strategy & Development, SBF

### Mature Workforce Sub-Committee

Lead Secretariat

#### Ms Esther Chang

Executive Director, GCNS

#### Ms Stella Ng

Assistant Manager, AEMEA, Global Business Division, SBF

#### Ms Siow Ching Ching

Senior Manager, Membership & TAC Engagement, SBF

#### Ms Aditi Tembe

Manager, GCNS

### Low Income Sub-Committee

Lead Secretariat

#### Ms Ho Wen Yiing

Senior Manager, ASEAN, Global Business Division, SBF

#### Ms Gan Jing Wen

Manager, AEMEA, Global Business Division, SBF

#### Mr Marc Tan

Assistant Manager, Marketing & Corporate Communications, SBF

#### Ms Nurulhuda Suwanda

Assistant Manager, SBF Business Institute, SBF

### Student Assistants

#### Mr Reuben Chan

SMU

#### Ms Fara Natasha

SMU

#### Mr Samuel Lim

SMU



# ACKNOWLEDGEMENTS

## Special Supporting Organisation



## Supporting Organisations



More Trade Associations and Chambers, and other organisations, are being approached to support the call to action to businesses.

# CHAPTER 1

## Executive Summary



## EXECUTIVE SUMMARY

The Singapore economy – the very bedrock of our society – is facing challenges. Rapid advances in technology are fundamentally changing how jobs are done at breakneck speed, causing a mismatch between the skills of our workforce and the jobs available.

The rising life expectancy of Singaporeans, coupled with a declining birth rate, are also putting immense pressure on society as a silvering and shrinking workforce struggles to support an ageing population. And all these are exacerbated by a group of low-wage employees whose wages seem stagnant.

At the heart of the situation is an issue that Singapore cannot be complacent about – income inequality. As the gulf between the skilled and unskilled, the young and old, and the rich and poor widens, such disruptions will worsen if not adequately addressed.

This multifaceted problem cannot be resolved just through government policies and initiatives. It requires the strong support and commitment of the business community and many other stakeholders.

As businesses form the backbone of the workforce and the economy, this report aims to inspire businesses to take action, providing recommendations on how to keep Singapore's business environment vibrant and competitive. In particular, this report zooms in on three groups of people who are most at risk: the elderly, the less well-off, and PMETs who are vulnerable to job displacement. Here are our recommendations.

### PMETs

Caught in the middle of technological disruptions, this group takes longer to find new jobs, and faces the largest skills gap compared to other

occupational groups. But businesses must play a role to help PMETs ride the technology wave. This will plug the capacity gaps in businesses and improve their competitiveness.

Many PMETs may opt to enter the gig economy, which is fuelled by technology-enabled platforms that allow for demand to be matched to supply in a sharing economy. Today, the gig economy is a fledgling development. Our emphasis is to offer support infrastructure to these employees, which is available to those in full-time employment. In the future, we expect the gig economy to expand to include many high-skilled jobs. This will provide opportunities to develop platforms that organise high-skilled professionals.

**Recommendation 1:** Businesses to take greater ownership of upskilling the PMET workforce

Training has always been costly for businesses, which results in a reluctance to invest in human capital. Such short-term thinking should stop, as there is a suite of resources to provide training guidance and financial assistance for employers. The resources include industry-related training programmes and grants that help to offset some of the costs incurred from training and innovation, as well as productivity and overseas expansion.

Businesses need to be proactive and take the lead in identifying the relevant job disruptions to develop a training and transition plan for reskilling their workforce. The Human Resource (HR) community, in particular, can play a major role in this effort.

**Recommendation 2:** Develop platforms to match high-skilled professionals to gig work

There is a business opportunity to aggregate high-skilled gig work in an online marketplace, with support infrastructure such as accreditation, insurance, legal protection, as well as training and development in place. This model offers gig

professionals a viable and empowered livelihood through freelancing, and provides companies or individuals in need of such services access to a trusted and talented group of professionals to meet their business or individual needs.

## Mature Employees

By 2040, one in three employees will be aged above 55. Compared to 2018, there will be about 40,000 fewer Singaporeans entering the workforce each year from 2030, made worse by tight foreign labour policies. It is hence critical to tap seniors who have retired or left the labour market early.

**Recommendation 1:** Stamp out age discrimination by championing policies, processes and programmes that help mature employees to contribute and thrive in their workplaces

Singapore's population will live longer and in better health. Employers should take stock of the strengths, skills and values that mature employees bring to the workforce, and redesign performance measurement and recruitment frameworks to capture these attributes that tend to be overlooked. For instance, the years of work experience, level of absenteeism, tenure at an organisation and professional worth of a mature employee should be assessed and recognised accordingly.

**Recommendation 2:** Redesign jobs to match the profile, needs and strengths of mature employees

As technology redefines how work is done, jobs can be redesigned to suit the mature workforce. It is also crucial to equip mature employees with relevant skills through regular training. Employers could look at customising training courses for older staff and engaging them in structured career-planning sessions at various age milestones. A reverse mentoring system, where mature employees learn from their younger colleagues instead, could also help them learn about new technology and

trends, as well as the values and viewpoints of the younger generation.

## Low-Wage Singaporeans

There is a group of employees in Singapore who may not be able to progress in tandem with economic growth due to the nature of their work. This group of employees typically delivers services that are essential to daily living comforts in an urban city but is often taken for granted. Apart from low wages, this group faces other associated pressures, including low morale, lack of belonging and community, and stagnant skills. Businesses ought to take steps to adopt progressive workplace practices, and help low-wage employees progress in their jobs.

**Recommendation 1:** Select socially responsible vendors in outsourcing arrangements – shift from pure cost considerations towards outcome- and value-based sourcing

Outcome-based sourcing is defined as procurement based on the premise that the supplier is contracted to directly achieve agreed outcomes and performance for the business, rather than being contracted in terms of delivery of the supplier's inputs. This and other aspects of outcome- and value-based sourcing, including defining prerequisites for tender eligibility and longer contract tenures, ensure that fair value is paid for quality work and minimises the margin squeeze on service providers and their employees.

**Recommendation 2:** Transform jobs by changing work processes through innovation to enlarge job scopes, raise wages and provide better career progression

Combining a number of low-wage jobs, which are increasingly simplified through technology, allows service providers to increase the productivity of employees and reduce overall headcount



requirements. This leads to better margins, which can be transferred to employees in the form of wage increases. Job enlargement could also provide broader and more varied job responsibilities, which could improve job satisfaction, build a multidisciplinary workforce for growth, as well as change the categorisation and perception of the job, thus improving the branding of identified industry sectors.

## CONCLUSION

Inequality is a broad and complex topic. It can only be tackled comprehensively through economic and moral lenses. Economist Branko Milanovic asserts that “there is ‘good’ and ‘bad’ inequality, just as there is good and bad cholesterol”. “Good” inequality, which he defines as inequality of factors such as effort, work and luck, motivates people to study and work hard or start risky entrepreneurial projects. But “bad” inequality, which stems from factors which one has no control over, such as race, gender and family background, can lead people to cling on to acquired positions.

This report lays out pathways that businesses can take to make meaningful contributions to the communities they operate in, and in doing so, help their business thrive. It recognises that more must be done beyond this report and calls on companies to pledge their support and action. SBF will establish a Programme Office to oversee the progress of the recommendations in this report, and also to rally businesses, including Trade Associations and Chambers, to action. It will also explore collaborations with the Government, social sector and academic institutions.

The various chapters in the report also highlight actions that businesses can take immediately, as well as suggestions for those who want to go the extra mile. In addition, examples of companies that have taken action as well as lighthouse projects will hopefully have a signal effect on other businesses that will look to them for inspiration.

Ultimately, it boils down to having the will to act. The steps that businesses take can have a powerful impact on narrowing income inequality and improving the economy and society. Companies should no longer say “it is not my business”. In this age where organisations are assessed by environmental, social and corporate governance (ESG) factors, businesses that adopt sustainable corporate practices that will benefit both staff and stakeholders can better secure long-term relevance and profitability. Socially conscious and responsible companies have consistently enjoyed long-term success.

# CHAPTER 2

Inequality: Why Does it Matter for Businesses?



## INEQUALITY: WHY DOES IT MATTER FOR BUSINESSES?

Singapore has made great economic strides since its independence. Singaporeans have experienced improvements in their lives, but some families have progressed faster than others. While the Government seeks to strengthen social cohesion, the business community can help to nurture an inclusive society by addressing the needs of the elderly, the less well-off and those who are vulnerable to job disruption.

Rising social unrest and political polarisation around the world have been largely fuelled by inequality. Such upheavals will worsen as the divide among communities widens. While Singapore has been spared so far, we cannot be complacent. We must act now before similar situations occur. This is why SBF has embarked on a long-term endeavour to rally the business community to play its part.

Businesses thrive in an environment with socio-political stability, high human capital and open markets. While competition incentivises innovation and investment – two key elements that drive the economy – there is a tipping point, beyond which inequality becomes a liability. There are no winners when the social compact breaks down and society descends into a downward spiral, as witnessed in a number of advanced and developing economies in recent years.

Businesses are an integral part of society and hold two important levers in addressing inequality: the first is the workforce, which depends on employers for good jobs, capability development, career progression and a sense of fulfilment; the second is the economic relationship with others in the ecosystem. Through purposeful action, companies can strengthen the very environment they need in order to thrive.

This report is a business-led effort that draws on the expertise and experience of over 60 business

leaders and stakeholders, as well as insights from close to 250 participants from among SBF members, the business community and its stakeholders through 16 focus group sessions. Through this “by business for business” initiative, SBF hopes to spark a conversation and inspire action from Singapore companies towards sustainable business success.

### The Story of Singapore's Growth

Since independence in 1965, the development of Singapore to its present modern state is an example how a successful nation is built on meritocracy, fostering a cohesive society as well as investments in education, housing and healthcare. By 1990, Singapore was a fast-rising “Asian Tiger” with a gross domestic product (GDP) per capita of close to US\$12,000 – higher than most of its regional neighbours but below the Organisation for Economic Cooperation and Development (OECD) average<sup>1</sup>.

During this period, Singapore underwent structural reforms to promote industrial upgrading and innovation, liberalised state-owned services and drew more foreign direct investments from advanced economies such as Japan, United States (US) and Europe. On the back of favourable global conditions and a strong economy, household income rose and the GINI coefficient – a measure of income inequality – dipped to a low of about 0.41 from around 0.44 a decade before<sup>2</sup>. Today, Singapore remains the most competitive economy in the world<sup>3</sup>. The GDP per capita stands at over US\$65,000, ahead of other advanced economies and the OECD average. The compact city-state has consistently played to its strengths. The can-do spirit of the Government, businesses and its people has led to the adoption of business- and investment-friendly policies to ensure that the economy grows, businesses succeed and the livelihood of employees improve through work.

However, Singapore's open and trade-dependent economy also makes it vulnerable to the threat of the US-China trade war and the global battle for technological supremacy. Other headwinds that the economy faces include the volatility arising from Brexit in Europe, geographical instability in the Middle East and fluctuating oil prices. Even as the city remains an attractive regional base for global new economy firms such as Alibaba, Grab and Facebook, further fragmentation of the global trade order will pose significant challenges especially to other parts of Singapore's economic structure. Economists have already predicted an economic slowdown.

Turbulent times could also lie ahead on the technology and innovation front. The Government has poured in significant resources to attract foreign direct investment in high-tech industries, support research and development (R&D) by enterprises and transform the country into a Smart Nation driven by digital innovation. The response of businesses to the impact of technology and digitalisation is mixed, with smaller companies being slower on the uptake. It is also unclear how well Singaporean employees are prepared for work in these emerging sectors. Despite Singapore's status as an innovation hub, the lack of an entrepreneurial culture threatens its success. An article in SMU Asian Management Insights cites unfavourable societal mindsets, risk-averse local consumers and investor conservatism as contributing factors<sup>4</sup>.

Tension lurks beneath the calm in the social sphere too. "A Study on Social Capital" by IPS released in 2017<sup>5</sup> identifies socio-economic class as the nation's most divisive fault line in its people's social networks. For instance, it found that people who study in elite schools tend to have weaker social ties to those in non-elite schools, and vice versa. Also, Singaporeans who live in public housing have weaker social ties compared to those who live in private housing.

These findings, together with an emotive documentary on the class divide by CNA in late 2018, sparked a national conversation on the issue. In line with its enduring intent to foster opportunities for all, the Government continues to refresh its policies to meet societal needs. Broad-based social transfers in the areas of housing, education, salary support as well as schemes for the Pioneer and Merdeka generations have been implemented in the past decade. In addition, the Government also recently introduced initiatives to lower childcare and tertiary education fees and provide larger grants for Housing and Development Board flats to tilt the playing field by supporting families that are less well-off.

The Government is increasingly mindful of the need to renew Singapore's social compact and address the challenges of widening inequality, intergenerational divide and political polarisation<sup>6</sup>. In fact, besides low-wage families, who are the main recipients of Government transfers, middle-wage households in Singapore also receive more benefits per dollar of taxes paid than households in countries such as the US, United Kingdom (UK) and Finland<sup>7</sup>.

The business community is tracking these trends and is conscious of its role in fostering an inclusive and cohesive society through the market and employment policies of businesses.

## What Could Lie Ahead for Businesses in 2040

Given the current global trends and considering how they might unfold from now till 2040, businesses and other thought leaders held a discussion in August 2019 and drew up two scenarios that Singapore could face: Globalism and Renaissance.

These scenarios recognise Singapore's unique characteristics – a city-state whose economic growth and place in the world order thus far are premised

on a liberal trade system, the strong rule of law and a stable, honest, pro-business and pro-labour government.

In a world that threatens to split into competing trading blocs, Singapore's relevance and continued success, while not assured, can be strengthened

through concerted action to deliver innovation-driven and inclusive growth.

Globalism and Renaissance describe two potential scenarios. These are not forecasts for the future, but rather explorations of plausible outcomes to stimulate action.

## GLOBALISM

In the Globalism world, big players grow even bigger. Innovation moves to large market economies as only top firms in these economies have the means to undertake expansive R&D activities. These top firms' access to resources through advances in technology results in pronounced income and wealth inequality, both within Singapore and globally. Small firms are frequently being squeezed out of competition, stifling entrepreneurship and hampering economic and social mobility.

Singapore maintains its ability to successfully navigate this hyper-competitive environment. Its businesses have expansive ties globally, especially with the top 50 cities that are economic and cultural powerhouses. It also remains relevant because its leadership is seen to be addressing world challenges like climate change, urbanisation and healthcare.

World economic power shifts towards Asia, but ASEAN flounders. A wealthy nation, Singapore remains attractive to foreign labour, skilled and unskilled. Its middle class is squeezed between the top earners and relatively cheap labour from emerging economies. Growth results in collateral damage in society and environment. Forces of digitalisation and globalisation drive a wedge between the "haves" and "have-nots", the young and the old.

In a scenario where the winner takes all, the powerful act to preserve the status quo. Populism takes on a xenophobic slant in many countries struggling with unequal societies. Singapore is spared so far but prolonged sluggish social mobility is beginning to sow resentment among the people towards globalisation, capitalism, immigration and the elite. The divide between the rich and the poor widens, and the latter think they are denied opportunities to improve their lives.

### Increased Competition

Singapore is the world's most competitive economy in 2019, and continues along this trajectory in 2040. It is home to a sizeable number of dominant firms that form the bedrock of the city's economy. Fierce competition drives significant productivity gains among the top 5% "frontier firms", resulting in a significant productivity gap of up to 40% between dominant firms and the rest of the private sector<sup>8</sup>. Powerful corporations grow in scale and influence, erecting barriers to entry. The average small and medium enterprise (SME) finds it a challenge to stay in the game, much less grow into a large enterprise.

The competition for talent among dominant firms gives rise to a stark two-tier labour market. A small cohort of highly qualified employees enjoy



career mobility and exponential financial gains as they are headhunted within and outside of Singapore. Highly-skilled gig workers contribute to the talent pool in Singapore, taking advantage of the relatively flexible employment regulations for talented foreigners. On the other end of the spectrum, struggling SMEs increasingly tighten their manpower needs, resulting in fewer job openings. This reduces the bargaining power of labour in the lower tier, leading to job-lock mechanisms and downward pressure on wages.

## Innovation Capital

Innovation capital is in the hands of the dominant few and Singapore continues to lead in innovation and R&D in the region. Despite government efforts to support SME innovation, concentrated market power, slow diffusion of technology and information, as well as a shortage of internal financial assets and competent personnel put the brakes on SME innovation<sup>9</sup>. Local start-up and entrepreneurship activity is low as the cost of failure is high, and promising Singaporeans favour the super-scale career path offered by the dominant firms.

Singapore's position as an innovation hub is gradually overtaken by countries with robust SME bases. Successful SMEs add to a country's innovation capital and can be more cost-efficient, given their capacity for rapid ideation and shorter decision chains<sup>10</sup>.

## Old But Not Gold

In a two-tier labour market, the bulk of the senior workforce that lack the relevant skills gravitate towards the bottom tier in an intense competition for jobs. Their average monthly Central Provident Fund (CPF) payout may not be sufficient to meet basic living standards.

Personal and corporate taxation will be a key source of government revenue that is used to fund support

for the elderly and the poor. Tax rates inch up but are insufficient to fund social transfers. Tax revenues thus have to be supplemented by higher Goods and Services Tax (GST) and other forms of asset taxes, potentially stifling the growth of the middle-income group. The Government has to spend more of its returns from its reserves to meet operating expenditure.

## The Social Fabric

Life in the Globalism world is fast-paced and dynamic. The winner-takes-all mechanism is rewarding for some but stressful for others. The top 10% own 70% of the country's wealth<sup>11</sup>, making it even more important to engineer entry into this bracket from a young age. For the rest, gig jobs are preferred. Overall, the younger generation becomes increasingly dissatisfied with the status quo and wonders if there is more to life than competition, money and status. The poor find it increasingly challenging to break out of the poverty trap.

Social polarisation develops along three main fault lines. First, the rich-poor divide widens due to the two-tier labour market. Advantage creates advantage, and the rich monopolise resources such as geographical enclaves, elite schools and medical advancements to stay ahead. Second, the young-old tension grows as both groups compete for jobs and public funds. Lastly, fault lines emerge along citizenship type, and Singapore's power to draw top-level expatriates wanes.

## RENAISSANCE

In the Renaissance world, innovation and agility trump all else. More innovation and entrepreneurship offer diverse businesses increased access to resources and ideas to scale and stay competitive. Policy makers recognise that income inequality and political problems are linked, so they work with the private and non-profit sectors to develop policies that help level the playing field for businesses and individuals.

World economic power shifts towards Asia. A wealthy nation, Singapore knows its success is dependent on the pioneering spirit of its population. This spirit is carefully nurtured through a system that values diversity and views failures as lessons for success.

Growth results in collateral damage in society and environment but is tempered with desired societal outcomes. Inequality is not eradicated but forces of innovation and globalisation offer opportunities for all – individuals and businesses are actively engaged in a vibrant economy. The Singapore workforce is transformed and success in life is redefined – a flexible workforce, portable careers and increased appreciation of culture and the arts are the new benchmarks.

### Many Paths to Success

There are many pathways to success. Singapore is recognised as the global capital for entrepreneurship, while social enterprises operating alongside agile start-ups, solopreneurs, Multi-National Corporations (MNCs) and Government-Linked Companies (GLCs) flourish under the nation's Industry Transformation and Smart Nation efforts.

SMEs strengthen their base in Singapore, with productivity gains translating to inclusive growth through higher-value job opportunities and wage

increases<sup>12</sup>. A picture of an "enlightened" economy emerges with diverse actors collaborating on shared interests for responsible long-term gains. Companies recognise that competitiveness and creativity, more so than ever, are crucial to generate growth – albeit not at previous levels. Diverse and niche skills, including craftsmanship, are supported, and non-white collar workers are treated with dignity and respect. The gig economy grows as individuals leverage digital platforms to develop and market their unique skillsets.

In this world, how people perceive a successful career evolves. By 2040, Singaporeans will have a plethora of options to make a living – full/part-time employment, sabbatical for self-development, own-account employment, etc. The dual forces of globalisation and technology enable jobs to be scalable – individuals with creativity and talents can prosper in a more even playing field. Singaporeans will have options for multiple career breaks throughout their life journeys to pursue their own interests, fulfil family duties or refresh ideas.

### Social and Cultural Capital

Social capital, defined by the OECD as "networks together with shared norms, values and understandings that facilitate cooperation within or among groups"<sup>13</sup>, is democratised. Deliberate efforts by the Government, such as introducing mixed-ability classes and moving top schools into the heartlands, pay off as social mixing takes place in schools, neighbourhoods, communities, as well as online and offline informal networks, blurring socio-economic class divides.

Cultural capital, once the badge of the elite, is similarly dispersed. There is a vibrant arts scene as people from all walks of life have opportunities to pursue their creative interests and forge alternative routes to success and self-fulfilment.

## Old is Gold

By 2040, about one in four Singaporeans will be aged 65 and above<sup>14</sup>. The proportion of seniors continues to rise as life expectancy increases by up to almost three years, pushing 90 years old, on the back of factors such as improved healthcare, a reduction in workplace stress and improved quality of living<sup>15</sup>.

The elderly population ages actively and is a valued contributor of society. Those who remain in employment find meaningful jobs. Those who choose to retire can opt for flexible self-employment that values their experience, leaving time for family commitments and personal interests. Enlightened companies take action, successfully tailoring jobs to the strengths of the mature employee. Young entrepreneurs and SMEs seek the expertise of mature employees, creating a vibrant network of innovators and seasoned knowledge workers.

## The Social Fabric

A culture of trust prevails in this scenario. Despite the rising old age dependency ratio, intergenerational

gaps are bridged. The young embrace government efforts, while the private sector and community join hands to help the seniors age with dignity.

Other conventional fault lines around education, income, wealth and related class disparities blur over time as social and cultural capital is democratised, offering new and diverse paths to success. Overt displays of privilege and elitist attitudes become unacceptable.

In a way, the nation experiences a rebirth, reviving the pioneering and cooperative spirit of the early days of independence after wrestling with the ramifications of increased inequality and polarisation during its economic heyday in the 2020s. As a result, societal values are rooted in the notion that all citizens ought to do the best for themselves and those around them, especially in a small and vulnerable country – a mindset similar to the Finnish concept of *sisu* or “stoic determination, tenacity of purpose and resilience”<sup>16</sup>.

## Not a Prediction but a Call to Action

These scenarios are not predictions of the future. Instead, they describe just two of many potential trajectories for Singapore as it faces the year 2040. Globalism and Renaissance are extreme scenarios meant to provoke thought and conversation about strategies for the future, and to encourage collective action to address inequality. The recommendations developed in this report build on possible ways in which the key driving forces underpinning the two scenarios could eventually pan out in Singapore. Some of these driving forces include market structure in the digital age, technology and its impact on jobs and modes of employment, aspirations of the mature population, and societal values and expectations.

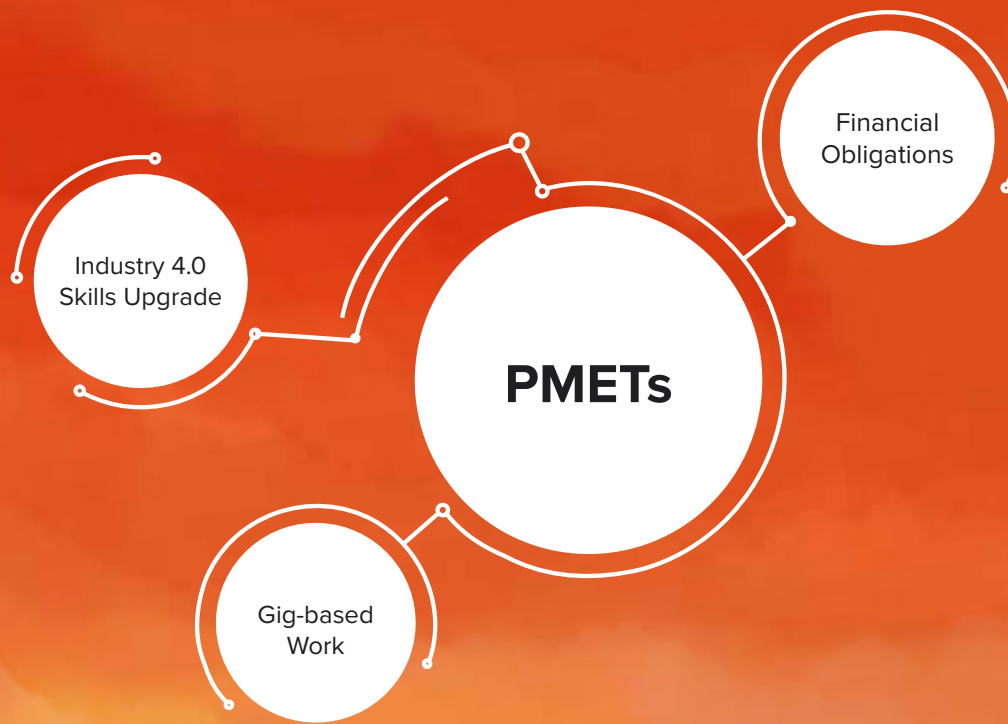
Specifically, by taking this long view, it is hoped that public and private actors will seek shared interests in preparing for the future and developing profitable businesses and sustainable employment for Singaporeans before less desirable options are foisted upon all by circumstances. Globalism and Renaissance should therefore be seen through this lens.



# CHAPTER 3

## Industry 4.0: Risks and Opportunities for PMETs





## INDUSTRY 4.0: RISKS AND OPPORTUNITIES FOR PMETs

The World Economic Forum (WEF) has raised the spectre of a technology revolution that will fundamentally alter the way we live, work and relate to one another. It would be unlike anything humankind has experienced before, it added. While this era has the potential to raise global income levels and improve quality of life, American economists Erik Brynjolfsson and Andrew McAfee also warned that it could cause greater inequality with its potential to disrupt labour markets<sup>17</sup>.

Demand for highly-skilled employees will surge, while those in lower-skilled job roles will be less sought after. The net result is a job market with a strong demand at the high- and low-wage brackets, but a hollowing out of the middle, leading to a large tranche of the workforce being vulnerable to loss of income. This unequal outcome is a major societal concern associated with the digital revolution.

As business restructuring intensifies, an estimated 375 million of the global workforce, or one in seven (14%) worldwide, would need to switch occupational categories between 2016 and 2030, according to the McKinsey Global Institute. The people caught in the middle of this disruption are the PMETs, especially those in roles related to financial administration, computer support, production work and machine operation. These middle-wage jobs will be swamped by a wave of automation in advanced economies, leading to a polarisation of wages<sup>18</sup>. By 2022, at least 54% of employees will require significant reskilling, based on 2018 data from the WEF<sup>19</sup>.

There is an urgent need to prepare the workforce to take on new roles in businesses impacted by Industry 4.0. The digital transformation, if managed well, could lead to an age of good work, good jobs and improved quality of life for all, as all stakeholders level up together.

## PMETs in Singapore

The global forces affecting middle-wage employees around the world are also felt in Singapore.

An indication of the impact is reflected in official retrenchment data. PMETs form the bulk of retrenched locals and their share was 77% in the second quarter of 2019, according to MOM<sup>20</sup>. It added that this group takes longer to find new jobs, and faces the largest skills gap compared to other occupational groups.

There appears to be a job mismatch in the labour market. On average, 21% of the PMET vacancies in 2018 were unfilled for six months or more<sup>21</sup>. Employers have observed that this is because jobseekers lack the requisite skills.

As more firms integrate technology into work processes, job openings related to technology

development and implementation are on the rise. These positions require skills that are not widely available.

The onslaught of technological disruption is simultaneously challenging and exciting. The workforce of tomorrow will comprise those with broad and complementary skills – for instance, a lawyer learning coding and blockchain technology to execute smart contracts. An expanding technology and innovation ecosystem will also enable new start-ups to bubble up together with their emerging workforce needs.

The gap between requisite and available skills can be addressed with investments in education and training. Businesses must help themselves by prioritising the reskilling and upskilling of its PMET workforce, making sure that this group does not fall behind economically.

## RECOMMENDATION 1: BUSINESSES TO TAKE GREATER OWNERSHIP OF UPSKILLING THE PMET WORKFORCE

### Training and Developing Human Capital: Actions to be Taken Now

Training is not a new solution, with the Government and labour movement constantly encouraging businesses and employees to reskill for relevance. But training has always been costly for businesses and employees, resulting in a reluctance to invest in human capital. A longer-term mindset recognising the value that a workforce brings to the company and industry is necessary as businesses transform to remain competitive. This must also include allocating time for employee training.

The following describes some of the resources available for businesses interested in taking the first step in this area.

### Collaborate with an appropriate training provider

The Institute of Technical Education (ITE), Nanyang Polytechnic (NYP) and NUS are some local institutions of higher learning (IHLs) that offer high-quality and industry-relevant training programmes. Reskilling is a continuous process. For mature PMETs, employers should take concerted effort in communicating the skills required of PMETs today as well as in the future, to help them prepare for future job roles.

- **Emerging skills:** The NUS School of Continuing and Lifelong Education (NUS SCALE) at NUS trains employees in emergent areas with potential for future growth, such as advanced manufacturing and cybersecurity.



- **Swiss and German standards:** The National Centre of Excellence (NACE) for Workplace Learning in NYP helps companies put in place training systems and certifications, and also customises training programmes that draw on the expertise of Swiss and German training institutions.
- **On-the-job training (OJT):** ITE's Certified On-The-Job Training Centre (COJTC) and Work-Study Diploma train PMETs in technical skills and help companies institutionalise structured OJT by certifying companies with quality OJT systems.
- **Career Support Programme:** Businesses can receive up to \$42,000 in salary support for a maximum of 18 months when they hire PMETs who have been jobless for at least six months. SMEs can also receive a grant of \$5,000 when they successfully retain each newly hired PMET for six months under WSG's P-Max initiative. P-Max is a Place-and-Train programme for SMEs to better recruit, train, manage and retain their newly hired PMETs and place job-seeking PMETs in suitable SME jobs.
- **Professional Conversion Programme (PCP):** These are career conversion programmes targeted at PMETs, including mid-career switchers, to undergo skills conversion and for deployment to new occupations or sectors that have good prospects and opportunities for progression.

### Tap existing human capital initiatives

Developing human capital and building organisational capabilities are crucial for success. SSG and Workforce Singapore (WSG) have put in place useful resources to guide businesses in these areas.

- **Productivity Solutions Grant:** It has been enhanced to include the SkillsFuture Training Subsidy to help businesses train their employees. It covers 70% of out-of-pocket training expenses incurred by businesses and is capped at \$10,000 training subsidy per company.
- **Skills Framework:** It provides key information on industry trends, skills and competencies required in job roles and recommended training programmes. To date, SSG has developed frameworks for more than 30 industry sectors.

Businesses could also tap the relevant Trade Associations and Chambers, Unions, the Employment and Employability Institute (e2i) and the Singapore National Employers Federation (SNEF) to discuss human capital development needs. SME Centres are available for complimentary consultations to support SMEs.

The benefits of PMET training go beyond improving employee welfare. The training plugs the capability gaps in enterprises and makes them more competitive. Improving the capabilities of local PMETs also lessens the reliance on foreign manpower.

## HR Community to Play a Critical Role in Enabling Cross-Industry Workforce Transformation

Technological advancement is expected to impact a fifth of all PMET jobs. Deloitte believes that jobs will continue to be created, enhanced and destroyed as they have been in the last 150 years<sup>22</sup>. New categories of jobs will emerge that will partly or wholly displace others, as these new jobs demand a range of new horizontal value-added and technology skillsets that are applicable across industries. In response, companies need to be better able to forecast job creation or technological disruption to deploy their workforce to respective jobs.

Businesses must be proactive in taking the lead to identify potential job disruptions, and to develop a training and transition plan for the reskilling of their workforce. This helps employees to be resilient, and enables progression across different job roles and industries to avoid the risk of redundancy.

### Driving cross-industry workforce upskilling

Businesses should begin the process by taking reference from the list of 18 Generic Skills and Competencies identified by SSG. These skills are applied across all the sector-specific Skills Frameworks, with training programmes mapped out for each of the 18 areas such as communication, creative thinking and problem solving.

The Skills Framework developed by SSG and industry partners is an integral component of the Industry Transformation Maps (ITMs). The Framework provides key information on sector-specific career pathways, occupation/job roles, emerging skills required, as well as training programmes for skills upgrading and mastery.

To further assist businesses in supporting job redesign and training plans, a “Workforce 4.0 Skills

Guide” could be developed as a supplement to guide workforce reskilling.

Transitioning to the Industry 4.0 workplace will require complementing existing technical and traditional soft skills with value-added and technology skills to help the workforce adapt to the challenges of a rapidly evolving industry landscape.

Value-added skills are those that involve integration and interdisciplinary functions while technology skills will help improve the workforce’s ability to find, evaluate, utilise, share and create expertise for Industry 4.0. Where needed, the Skills Guide can also serve as a basis for developing a cross-industry diagnostic tool to assess workforce Industry 4.0 readiness and reskilling requirements.

The HR community can play a major role in cross-industry upskilling, led by the Institute for Human Resource Professionals (IHRP). IHRP was established by the tripartite alliance – MOM, SNEF and the National Trades Union Congress (NTUC) – to professionalise HR practices and develop the competitiveness of Singapore’s workforce.

SBF will partner IHRP in its engagement efforts with HR professionals. This will provide a feedback loop for the identification of relevant and forward-looking cross-industry skills.

## AN EXAMPLE: BANKING ON NEW SKILLS

Here is how the financial services industry, in particular DBS Bank, has taken the lead in retraining employees to build a future-ready workforce.

### Individual Company Training

For nine years, Ms Nahariah Mohd Nor served customers as a Service Executive, helping them with opening bank accounts and making cash deposits and withdrawals.

Now, she is able to help customers from beyond the counter – via a virtual teller machine. This is all thanks to her retraining under DBS' PCP to be a Customer Service Officer. In addition to a sense of personal fulfilment from picking up new skills, Ms Nahariah also enjoys the flexible working hours afforded by this new role, allowing her to spend more time with her family. In August 2017, DBS announced it would invest \$20 million over five years in the broad-based PCP to train its employees across all levels and help them stay relevant in today's fast-changing business environment. The five-year strategy plan for workforce transformation looks at skills development, job placements and career pathways.

Since October 2017, 1,500 employees have been chosen for training under the PCP. This equips them with digital tools and the knowledge to migrate customers to digital channels. The PCP also helps employees to be versatile and multi-faceted in skills and sharpen their soft skills.

DBS also launched DigiFY for its employees in 2017. Hosted on a 24/7 artificial intelligence powered Learning Management System, DigiFY is a curriculum focused on seven digital skills – Journey Thinking, Digital Business Models, Digital Technologies, Agile, Digital Communication, Data Driven, and Risk and Control. Since the launch, 77% of DBS' employees have started on these digital courses.

### Ecosystem Training

DBS has established several learning programmes for businesses, one of which is The SME Academy. It is designed for SMEs to understand new methods of improving their businesses from a community of industry experts. "How to wow with innovation" and "Creating the right culture with the right talent" are some of the courses offered at the academy.



## Industry-led Training

The Institute of Banking and Finance Singapore (IBF) has reached out to the Association of Banks in Singapore and several financial institutions to identify job matches and associated skills gaps in the financial services industry.

They published the study “Impact of Wider Integration Data Analytics and Automation on Manpower in the Singapore Financial Services Sector”, which covered 121 jobs in the financial service industry. HR practitioners in the industry can use the study’s findings to identify the functional and future-enabled skills for their job roles and use them as a guide for workforce transformation.

In 2019, DBS partnered IBF in a new Technology in Finance Immersion Programme, which is designed to provide mid-career professionals with the opportunity to take up tech jobs in the financial sector. DBS is one of seven financial institutions to participate in the programme and has committed to offering 20 places across areas such as cybersecurity, cloud computing and full-stack development.

## Forging Institutional Support for Lifelong Learning

In order to better institutionalise lifelong learning for PMETs, there can be better integration between industries and IHLs. While some partnerships exist today, in the financial industry for example, more collaborations are needed in many other sectors and sub-sectors. A structured approach to develop industry-relevant training in IHLs serves two important purposes.

First, this builds up institutional support as a resource for PMETs to receive regular training to hone both industry and cross-sectoral skills. Large companies have the resources to collaborate with IHLs directly, but for smaller companies, this role can be taken on by the respective industry Trade Associations and Chambers which are in a good position to bring together businesses and

other stakeholders in the industry to organise collaborations with the IHLs. Second, these tie-ups between the respective industry sectors and IHLs can enable internship and apprenticeship opportunities, providing on-the-job and vocational training for students who will be the next generation of PMETs.

Over time, such collaborations will create a wide network of industry-specific competency centres to drive manpower development in an industry. Such centres would sit in closer nexus to the IHLs, while some might find better synergy with industries – for example, with the Trade Associations and Chambers. In Germany and Switzerland, many Trade Associations and Chambers are responsible for vocational training, including training standard certification. We need to build this ecosystem in order to respond robustly to the changes brought about by Industry 4.0.



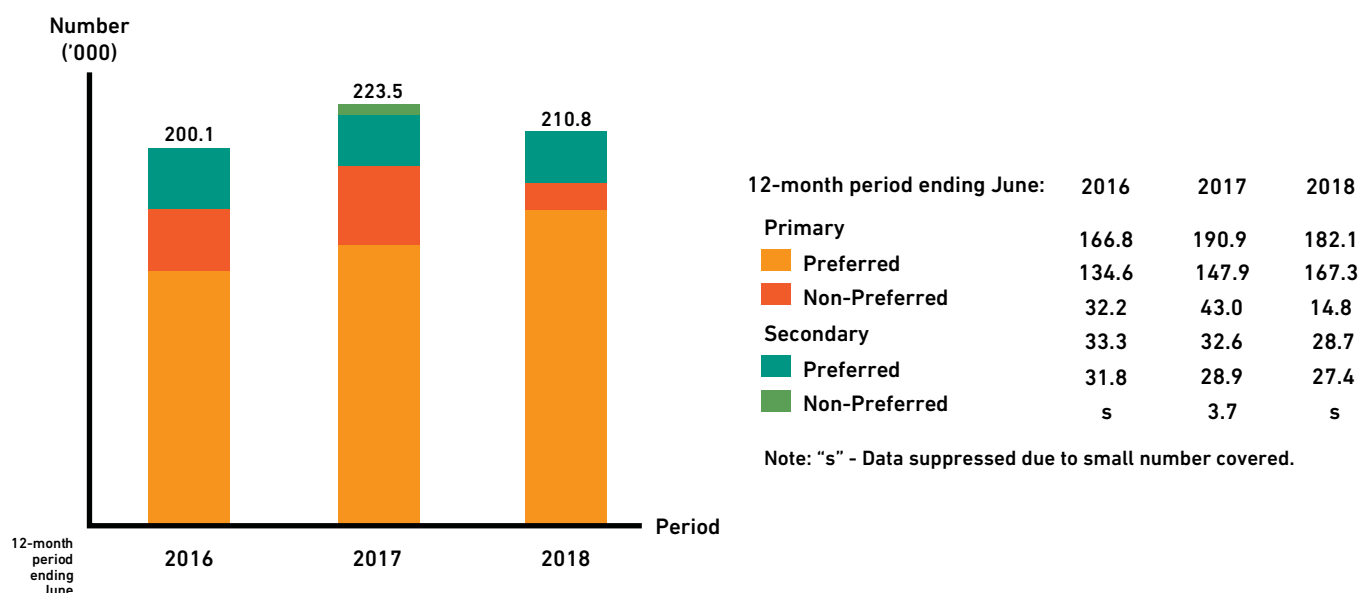
## THE DIGITAL AGE: THE GROWING GIG ECONOMY

Technology is also vital in creating new work opportunities. It is fuelling the rise of the gig economy, characterised by independent workers who take up short-term contracts or “gigs” for income. Technology-enabled platforms have disrupted traditional industry structures – from hotels to transportation – offering the ability to match demand to supply in a sharing economy. These online platforms also eliminate geographic barriers, growing the gig economy across borders.

### Gig Workers in Singapore

This report defines “gig workers” as independent workers, including SEPs and own-account workers, who take up short-term contracts or “gigs” for income. MOM refers to persons who operate their own trades or businesses as SEPs. Those who do not employ any paid workers are also known as “own-account workers”.

Number of Resident Regular Own-Account Workers in Singapore



#### Concepts

Primary Own-Account Workers	Persons who are own-account workers in their main job.
Secondary Own-Account Workers	Persons who are multiple job holders who spend fewer hours in own-account work relative to other types of employment.
Preferred and Non-Preferred Choice of Work	Own-account workers for whom own-account work is not their preferred choice of work are those who engage in such work because they are unable to find work as an employee.

Source: Supplementary Survey on Own-Account Workers, Manpower Research & Statistics Department, MOM

In Singapore, there are no official statistics on the projected growth of gig workers. Between 2016 and 2018, there was a 25% increase in the number of Singapore residents choosing to be own-account workers, according to MOM<sup>23</sup>. Self-employment can be an attractive arrangement, as gig work offers an opportunity for people to remain active while giving them full autonomy over their work schedule or allowing them to supplement their income while seeking full-time opportunities. Gig arrangements may also be suited to businesses facing immediate manpower shortage or those which want to keep the size of their full-time workforce lean.

As the pool of gig workers increases, regulations and safeguards must be in place to address the income security they face. These issues include slow or no pay for their work, irregular pay based on one's ability to land paid assignments, insufficient insurance coverage and retirement adequacy.

In 2018, the TWG on SEPs put up several recommendations to address some of these issues, namely to:

- Develop tripartite standard and mediation to resolve payment-related and other disputes;
- Make available insurance protection that provides cash benefit to mitigate the loss of income due to prolonged illness or injury;
- Introduce a contribute-as-you-earn model to make it easier for SEPs to save for their healthcare needs; and
- Support SEPs on developing occupation-specific competency frameworks to keep skills current and make self-employment a sustainable career.

Businesses are encouraged to work with the Government, which has accepted the TWG-SEP's recommendations<sup>24</sup>, in adopting these guidelines.

## **RECOMMENDATION 2: DEVELOP PLATFORMS TO MATCH HIGH-SKILLED PROFESSIONALS TO GIG WORK**

Rapid technological advancement will continue to change the way we work. There is potential for high-skilled work to be offered on gig platforms in the future, opening up new business opportunities that could be taken up by the private sector, social enterprises or even Trade Associations and Chambers.

While gig platforms are not new, aggregating high-skilled gig work in an online marketplace can be supported with a greater focus on accreditation, insurance, legal protection as well as training and development, particularly on a sector-specific basis. In an earlier focus group discussion conducted by SBF, businesses in the engineering and healthcare sectors cited a need for freelance engineers

and healthcare professionals respectively to supplement their permanent workforce during busy periods. However, identifying suitable freelancers was challenging as there was no trusted platform in place for such services to be offered and tapped.

An aggregator of high-skilled gig work with support infrastructure offers the following value proposition compared to a gig worker operating on his or her own. This benefits both the freelancer as well as the company or individual engaging him or her.

- **Accreditation:** There is a structured standard for ensuring proper qualifications, either through certification by professional bodies or

through a thorough verification of qualifications and references.

- **Insurance:** The aggregation of gig professionals allows insurance providers to offer a product that is customised to cover liabilities and hazards specific to the job or sector, in addition to basic protection for personal accident and loss of income. These are important safety nets for freelancers, as pointed out by the TWG-SEP.
- **Legal Protection:** Individual freelancers may not have the resources or know-how to draft appropriate service agreements to define their scope of service and payment terms, thus exposing them to disputes which could affect or delay payment for their services. Through an aggregator platform, a standard formal contract could be used by all gig professionals in the database.

- **Training and Development:** The cost of training and other capacity-building offerings such as counselling is optimised with a critical mass. This also provides gig professionals with a structured pathway and possible incentives for skills upgrading, which may not be foremost on their mind as independent operators.

This model is a new opportunity to tap Singapore's high-skilled professionals who may have left the industry due to various reasons such as familial commitment, retirement or job restructuring, but wish to use their skillsets under a more flexible and self-directed arrangement. This model is win-win as it offers gig professionals a viable and empowered livelihood through freelancing. It also provides companies or individuals in need of such services access to a trusted and talented group of professionals to meet their business or individual needs.

## AN EXAMPLE – CARING FOR CAREGIVERS

When Ms Yeo Wan Ling's grandmother was discharged from the hospital eight years ago, her family took a month to find a nursing team that could provide round-the-clock professional care at home as well as connect comfortably with her grandmother. It was this experience that inspired Ms Yeo to set up CaregiverAsia, a platform to connect Caregivers and Careseekers based on the principles of transparency, choice and empowerment.

CaregiverAsia is an online aggregator of on-demand health and caregiving services which has 10,000 Caregivers, of whom 6,000 are active at any time, in its database. CaregiverAsia offers a suite of services across medical, nursing, elder care, pregnancy and childcare needs. Unlike traditional providers or agencies, Caregivers under CaregiverAsia are predominantly freelancers who have the necessary training or experience, and mandatory licences where relevant, to provide care services. The Caregivers are all Singaporeans and Singapore Permanent Residents (PRs) as the company believes that it is important for Caregivers to communicate well with locals and understand local practices.

CaregiverAsia attends to the needs of the freelancing Caregivers in a number of ways.

### **1. Convenient and Secure Online Infrastructure**

Caregivers can post their services on the platform for free and do not pay any agency fees to CaregiverAsia. What they quote is what they take home, and all payment is handled through the platform once a booking is made.

### **2. Insurance Coverage**

CaregiverAsia provides its registered Caregivers with a named professional indemnity insurance which protects them from legal liability arising from any claim made against them for the rendering of, or failure to render, medical services which result in bodily injury, sickness, illness, mental injury or death of the client. This insurance is underwritten by Great Eastern, which has also partnered CaregiverAsia to offer personal accident and loss of income insurance to its Caregivers. This is an important financial safety net that enables freelance Caregivers to provide care with a peace of mind.

### **3. Legal Agreement Protection**

All bookings made through the CaregiverAsia platform are covered by a formal Contract for Service Agreement which includes scope of service, service variation(s), payment terms and dispute resolution. This is a result of interactions with NTUC's Freelancers and Self-Employed Unit (FSEU), through which CaregiverAsia learnt that not all freelancers are covered by a formal contract. Such an arrangement is necessary and important, especially in the area of health and caregiving services.

### **4. Training and Personal Development**

CaregiverAsia offers a comprehensive list of training courses to meet the training needs and preferences of its diverse base of Caregivers. This ranges from one-hour lunchtime talks to Workforce Skills Qualification courses and Specialist Diplomas. To incentivise Caregivers to upgrade themselves with new skills, CaregiverAsia has a badge system which recognises the training achievements of Caregivers as part of their profile.

### **5. Mental Wellness Support**

Recognising that caregiving can be a stressful and emotional job, CaregiverAsia organises monthly mental wellness workshops and group counselling sessions, in partnership with the Association of Psychotherapists and Counsellors Singapore to support Caregivers' mental wellness. These sessions, in addition to activities such as onboarding sessions for new Caregivers on the platform, provide an opportunity for freelance Caregivers to connect with their peers and form a community for mutual support and learning.

The initiatives by CaregiverAsia have provided freelance Caregivers with the tools and resources required to manage their livelihood, while retaining the autonomy to practise independently with full control over their time and terms of service.



Two such Caregivers who have benefited from the platform are Stephanie and Aunty Mabel (both fictitious names).



**Stephanie** is an ex-nurse who is unable to take on full-time shift work in a hospital as she has two young children to care for. CaregiverAsia provides an ideal platform for Stephanie to have a viable career and to keep her skillsets relevant while setting aside time for her family.



**Aunty Mabel** has decades of experience in taking care of young children and is interested in earning supplemental income as well as interacting with other families, as her own children have grown up. CaregiverAsia provides Aunty Mabel with access to Careseekers, while offering a structure for her to undergo formal training to match her experience.

In meeting an unmet demand among Caregivers and Careseekers, CaregiverAsia has carved out a strong position in the Singapore market, with a growing international presence in Malaysia, Taiwan, Hong Kong, South Korea and the United States. By caring for its Caregivers through its policies and practices, CaregiverAsia has empowered inactive Caregivers to return to the industry, transforming the way care is delivered to people and communities.

## SINGAPORE IN THE LEAD

Singapore has the attributes to become an active centre for high-value gig work for the region. These attributes include a highly-skilled and educated workforce, solid legal foundation and technology infrastructure. Singapore can be a leader in high-value gig work such as data engineering, brand identity and strategy – offering rich opportunities for PMETs to find diverse and well-paying work. Companies here also benefit from a large pool of talented gig workers in professional, creative and technology-related services.

The challenges and opportunities brought about by technology are not unique to Singapore. However, tackling these the right way will put Singapore at a competitive advantage. A vibrant economy built on diverse business and employment models, anchored by market needs, puts our businesses and people in a good position to stay ahead of global headwinds and developments.

# CHAPTER 4

## Maximising the Demographic Dividend of Mature Employees





## MAXIMISING THE DEMOGRAPHIC DIVIDEND OF MATURE EMPLOYEES

In 2018, close to 25% of Singapore's labour force was aged 55 and above, up from 15% a decade ago<sup>25</sup>. By 2040, more than one-third of the total workforce is expected to be aged 55 and above<sup>26</sup>. Life expectancy will be longer.

This report defines "mature employees" as persons aged 55 and older. This is meant to be a guide rather than to be prescriptive – the accompanying observations and recommendations may be applied to all employees experiencing age-related issues and barriers at work.

This demographic shift, along with a declining birth rate, will put immense pressure on society as a silvering and shrinking workforce has to support the costs associated with the transition. By 2030, about 40,000 fewer Singaporeans will enter the workforce each year<sup>27</sup>. This means businesses will face a manpower shortage, exacerbated by strict access to foreign labour within the current policy

framework. If businesses are unable to find sufficient labour, this could affect their competitiveness.

One critical pool of potential hires is seniors who have retired or left the labour market early. It is important that they rejoin or remain in the workforce as lifespan increases. The employment rate for residents aged 55 to 64 increased from 57% in 2008 to 67% in 2018, while the rate for those aged 65 and over rose from 16% in 2008 to 27% in 2018<sup>28</sup>. There is more headroom to tap.

But many seniors face barriers at work. According to the MOM's 2018 Labour Market Report, the percentage of employees aged 50 and above who were retrenched was 36% in 2018, similar to 2017<sup>29</sup>. Mature employees are also more likely to face challenges staying employed, with many expressing concerns of being replaced by younger staff or by automation.

Older people have a harder time finding new jobs too. The MOM report indicated, for instance, that older PMETs made up the largest group of those who were laid off in 2018. Among them, two groups

– aged 40 to 49, and 50 and above – had the lowest re-entry rates (64.4% and 53.3% respectively). These two groups also spent a longer time on average securing new jobs.

The stereotypes that plague mature employees, such as having poorer physical, mental and cognitive functions affect their prospects<sup>30</sup>. As ageing is correlated to a slowing of pace, older employees are commonly perceived as being unwilling or unable to adapt to new ways of working or learn new skills.

On the other hand, many employers have also not adjusted their mindsets and workplace practices to meet the needs of a rapidly ageing workforce and

tap the silver brigade's potential. Only a handful of employers recognised the positive dividend of mature workers, engaging and investing in age-neutral employment practices.

## Technology and Demographics: Keeping the Mature Workforce Engaged

An analysis of Singapore's workforce in 2018 showed that the top three industries with the highest number of mature employees were Wholesale & Retail Trade, Transportation & Storage and Manufacturing<sup>31</sup>. These industries are susceptible to disruption by technology such as blockchain, data analytics and AI.

**Employed Residents Aged 55 & Above By Industry, June 2018**

Industry	Number in Workforce Aged 55 and Above (Thousands)	% Employed
Wholesale & Retail Trade	90.9	25.8
Transportation & Storage	65.9	33.1
Manufacturing	55.2	24.2
Administrative & Support Services	50.4	42.0
Accommodation & Food Services	49.3	36.7
Public Administration & Education	41.3	13.9
Construction	33.2	31.9
Professional Services	29.7	17.1
Financial & Insurance Services	26.0	13.3
Health & Social Services	24.9	19.8
Other Community, Social & Personal Services	21.4	31.9
Real Estate Services	17.4	32.2
Information & Communications	8.5	9.2
Arts, Entertainment & Recreation	7.2	19.1
Others	6.6	30.7

Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM



Businesses will have to devote resources to reskilling and upskilling their staff to keep up. A fast-evolving technology-based workplace tends to favour younger employees, potentially limiting opportunities for older employees struggling to keep pace with the changes. If businesses are unprepared, a mismatch of skills to available jobs, coupled with the reduced employability of an ageing workforce, could have dire consequences for businesses and our society.

### Sustaining Economic Growth in Uncertain Times

If Singapore continues to suffer from a dearth of local human capital, it may lose its lustre as an investment destination. This could seriously affect Singapore's prospects for sustained growth.

Unless productivity per employee improves, a smaller labour force will result in lower overall output. This could translate to a lower GDP and a less competitive economy. In addition, the

Government would need to spend more on social needs and raise taxes in tandem.

Many businesses, particularly the SMEs, might not fully appreciate the impact of our ageing population. Changes take time, so those that plan and act early are more likely to survive and thrive.

During the 2019 National Day Rally, Prime Minister Lee Hsien Loong announced the raising of retirement and re-employment ages to 65 and 70 respectively, as well as increases in CPF contribution rates for older employees<sup>32</sup>. This will help Singaporeans remain active in work for as long as they are able and willing to, while businesses can continue to tap this pool of labour.

However, such moves must be accompanied by efforts to eliminate age discrimination. Progressive employers can anticipate jobs that must be reconstructed to match the knowledge and skills of mature employees to create win-win situations.

## RECOMMENDATION 1: STAMP OUT AGE DISCRIMINATION BY CHAMPIONING POLICIES, PROCESSES AND PROGRAMMES THAT HELP MATURE EMPLOYEES TO CONTRIBUTE AND THRIVE IN THEIR WORKPLACES

It is a challenge for older people to find employment again once they lose their jobs. Many businesses seem reluctant to hire older people, as reflected by their lower re-entry rate. Cost is one factor, as hiring mature employees can be more expensive. But age discrimination is usually the main reason.

Ageism and age discrimination were central issues surfaced by mature employees who participated in SBF's focus group discussions. The mature employees cited numerous examples where they encountered employers who have been blatantly against while interviewing them for positions. Such rejection bred frustration and led to a loss of

confidence, as the mature employees felt they had been unfairly denied the chance to showcase their abilities.

For those who were employed, many felt their contributions were not valued due to their age. Reaching a certain age also meant they were either forced to resign or compelled to accept lower salaries and a reduction in benefits, as they were placed on short-term contracts. From compilations of existing studies and focus group discussions, four causes and manifestations of age discrimination can be categorised as follows:

## Observations from Focus Group Discussions

### 1. Financial Disincentives



Mature employees in the focus group discussions reported various manifestations of financial discrimination. Their salaries are reduced even though their job scope and working hours stayed the same; the CPF contribution rates by their employers get smaller as they age; their new contracts do not offer medical benefits; and their contracts are short-term, leaving them with greater uncertainty as to whether they will remain employed.

Employers in the discussions were concerned that older employees are a bigger liability than younger staff. Specifically, the employers noted that one mature employee's salary could be used to hire two younger employees.

### 2. Social Barriers



Mature employees expressed that today's working culture is designed for younger employees with different "skillsets and mindsets". Some were treated with hostility by younger colleagues whom they felt "lack soft skills" because of the emphasis on their qualifications. Some younger co-workers also made them feel like they had nothing in common, and were irrelevant and that they were incompetent.

Older employees also pointed out generational differences in communication styles that inadvertently left them feeling alienated. For instance, they prefer direct interaction while younger staff prefer "impersonal" methods like instant messaging and social media.

### 3. Education Status



Educational background is also a basis for discrimination during the recruitment process. While tertiary qualifications are often a prerequisite for recruitment, older participants felt that the jobs advertised usually required skills honed from work experience – which they have – rather than paper qualifications – which some lack. Participants who were Chinese-educated also felt they faced discrimination at work due to their poor command of English.

### 4. Internalised Ageism



The discussions highlighted some degree of internalised ageism. Some stated that age discrimination was something they had to "accept" because they were "less valuable" as compared to their younger colleagues who were "more educated, physically fitter and more technologically savvy". Many also blamed themselves for being "stubborn" and unable to pick up new skills, while others expressed a gradual loss of confidence after being jobless for a prolonged period. While this might be a general sentiment shared by all who were jobless, the loss in confidence could amplify internalised ageism.

## Anti-Ageist Policies and Practices: Actions to be Taken Now

Companies that have welcomed older employees recognise their strengths. They are experienced, reliable, loyal and independent. They serve as role models, subject matter experts and mentors. They are also seen to enjoy a good working relationship with their colleagues and exhibit lower levels of absenteeism than younger employees.

Employers should take stock of the strengths, skills and values that mature employees bring to the table, and redesign performance measurements and recruitment frameworks to capture these oft-overlooked attributes. For instance, the years of work experience, level of absenteeism, tenure at an organisation and professional worth of a mature employee should be assessed and recognised accordingly. Performance evaluations that look at both results and attitudes give the silver brigade a fair shot at career progression and the remuneration they deserve.

The Government has put in place policies and programmes to support the creation of a conducive and age-inclusive workplace.

- **WorkPro:** Companies can receive grants of up to \$300,000 to help them implement age management practices (Age Management Grant), workplace and job redesign (Job Redesign Grant) and flexible work arrangements (Work-Life Grant).
- **Adapt & Grow:** Employers receive enhanced rates of training or wage support – up to 90% – for hiring mature and retrenched or long-term unemployed PMET jobseekers, as well as PMET jobseekers keen on reskilling and moving into new occupations or sectors.

- **Revised MediSave and MediShield Life:** Companies that still offer employees Group Hospitalisation and Surgical (GHS) schemes could consider changing their healthcare benefits, with the revised schemes catering to an ageing workforce. For instance, MediShield Life now provides all Singaporeans with lifetime protection against large hospital bills and expensive chronic treatments. This means employers can restructure their medical benefits schemes and provide additional MediSave contributions or other flexible benefits instead. They should also review the MediShield Life plan to eliminate duplicating coverage in the insurance schemes that they offer. Health insurers can work with employers, particularly in industries with a higher percentage of mature employees, to lower insurance premiums and promote wellness practices in the workplace.

In 2018, the Tripartite Alliances for Fair and Progressive Employment Practices (TAFEP) launched the new “Tripartite Standard on Age-friendly Workplace Practices” (TS-AWP)<sup>33</sup> which specifies the following:

- Age is not a selection criterion used when advertising for, shortlisting or selecting job candidates.
- A member of the senior management is appointed to champion age-friendly workplace practices.
- Older employees are trained to perform their jobs effectively.
- Workplace health programmes for older employees are implemented.
- Jobs and workplaces are designed to be age-friendly.

- Older employees who are not at the maximum of their salary ranges and have satisfactory work performance are given annual increments, if other employees are also given annual increments.
- Employees are engaged on re-employment issues at least six months prior to reaching the retirement age, and for any subsequent extension

of the re-employment contract. Employees are offered re-employment contracts at least three months before they are to be re-employed, with a duration of at least one year.

This is a good start for companies that wish to adopt age-friendly policies, processes and programmes.

## AN EXAMPLE - RETIRE ONLY WHEN YOU WANT TO

Prudential Singapore became the first financial institution here to remove the company level retirement age for staff in late 2018<sup>34</sup>.

“If we stop work at 62, we are looking at nearly 40 years of retirement if we live to 100. Such a long retirement period may pose financial challenges should you outlive your savings. A prolonged period of inactivity may also lead to health and social problems,” said Prudential Singapore’s CEO, Mr Wilf Blackburn.

“With this in mind, we decided to scrap the retirement age so that our employees can continue to work in Prudential for as long as they are able to perform their jobs well. We want to empower them to decide when they want to retire, or if they wish to retire at all, rather than specify a work expiry date.”

The insurance company also raised its CPF contribution rate for employees above the age of 55. These older staff can opt to increase their total CPF contribution to 37% – the same as that for younger colleagues<sup>35</sup>. This comprises 17% from Prudential if they increase their own share of the contribution to 20%.

Prudential also raised medical insurance for its employees to cover them until the age of 100<sup>36</sup>. This includes hospital and surgical, outpatient medical, and dental expenses.

To support an age-friendly workplace, Prudential has put in place various initiatives such as upskilling and training programmes. These initiatives support career progression within the company or allow staff to serve in the social sector for one year. There are also age sensitisation workshops for younger hires, as well as flexi-work and flexi-hour working arrangements.



## RECOMMENDATION 2: REDESIGN JOBS TO MATCH THE PROFILE, NEEDS AND STRENGTHS OF MATURE EMPLOYEES

Employees are anxious about job changes when they are unclear about how exactly their jobs will change or what they need to do to adapt<sup>37</sup>. Involving employees before revamping jobs offers three benefits:

- Helps employees understand the changes
- Helps businesses change jobs based on employee input so that the adapted roles best fit the employees' skills and ability to contribute
- Gives mature employees a personal stake in the outcome

A potential challenge of job redesign is the fear of losing privileges and/or status<sup>38</sup>. This is particularly true in traditional work environments, where seniority-related privileges are often earned through tenure. Mature employees who have climbed their way up over the years would understandably oppose job redesign, even when faced with the risk of retrenchment or retirement. These concerns could be alleviated through structured dialogue around career planning and performance targets at key career milestones.

### Systematic Training and Upskilling for Industry 4.0

As technology redefines how work is done, the skills required of the workforce will also evolve. It is thus crucial to equip mature employees with relevant skills through regular training. Closing their skills gaps will allow them to continue hitting their job targets and contribute to the business.

Employers could look at customising training courses for older staff and engaging them in structured career-planning sessions at various age milestones. This ensures that their skills and knowledge stay relevant to the evolving economy. Employers can work with SNEF to secure funding for technological upgrades or apply for schemes like the Age Management Grant under WorkPro.

The Skills Framework is a key component of the ITMs, which have been created by employers, industry associations, education institutions, trade unions and the Government. While the Framework offers vital information on the job roles, the existing and emerging skills required, and a list of training programmes for skills upgrading and mastery, the Framework would require contextualising for mature employees.

For starters, the training roadmap for the three industries which are the biggest employers of mature employees – Wholesale Trade and Retail, Manufacturing, and Transport and Storage – can be adapted for older staff and jointly worked out by the relevant companies, industry associations and SSG.

Company Training Committees (CTCs), set up by NTUC to identify the areas of training and skills that workers need to keep up with industry transformation, can also customise the training roadmap for older workers by analysing and addressing specific skills gaps faced by this group and future senior cohorts. NTUC aims to set up CTCs in some 1,000 companies over the next three years, with the potential to benefit 330,000 employees, of which a sizeable number will be seniors.

## Reverse Mentoring

Mentoring is common in the corporate world, where a more experienced or senior employee guides a younger one. The mentee gets an opportunity to learn from an industry veteran on how to adapt to a new workplace culture, and gain insights and wisdom on career-related matters. What is less common is reverse mentoring. MNCs such as Bayer, Procter & Gamble and many others have adopted reverse mentoring, where mature employees learn from their younger colleagues instead about new technology and trends, as well as the values and viewpoints of the younger generation. In the process, younger employees feel empowered and trusted.

Reverse mentoring enables younger employees to assist their seniors. Such programmes have been shown to:

- Boost millennial retention
- Improve diversity and inclusion
- Help employees keep abreast of technological advancement <sup>39</sup>

Mature employees often feel overwhelmed by their inability to keep up with technology. But with proper guidance, they can harness new technologies to work in their favour. Both the young and old should respect and accept each other for reverse mentoring to work. Pairing mature employees with younger colleagues allows for an exchange of knowledge and experience, which can help bridge certain skills gaps.

The SBF Foundation, as the foundation of the business community, will promote and facilitate the adoption of reverse mentoring among companies in Singapore. Successful matching is critical to establishing a rewarding mentor-mentee relationship.

The Foundation hopes to partner Trade Associations and Chambers to co-create matching guidelines and identify pilot companies to kickstart the reverse mentoring initiative. The Foundation will also reach out to early adopters to come onboard as champions to inspire other companies to take the first step. All companies with existing mentoring programmes should consider widening them to include reverse mentoring, with similar objectives of bridging understanding and facilitating knowledge and skills transfer in a multi-generational workforce.

## AN EXAMPLE – CREATING A FRIENDLY WORK ENVIRONMENT FOR MATURE EMPLOYEES

When reviewing its manpower needs for the coming years amid a manpower crunch, TMF Singapore turned to an untapped pool of skilled expertise – seniors.

TMF Singapore, the Singapore branch of multinational professional services firm TMF Group, teamed up with the Centre for Seniors (CFS). The firm sent its hiring managers to CFS-organised workshops where they learnt about the benefits of hiring mature talent.

Following that, networking sessions were organised by CFS to link hiring managers from TMF Singapore to mature candidates who were assessed on their suitability for positions within the company.

Finally, to foster a friendly working environment for mature employees, TMF Singapore conducted a networking session with CFS for younger employees internally as well, to educate them on how to leverage the experience of mature employees. Certain jobs were redesigned and staggered working hours were provided to allow older staff the flexibility to spend time with their grandchildren.

The company also engages mature employees in conversations about career aspirations and progression, and provides online courses on soft skills and face-to-face technical job training, to promote a culture of learning.



"In hiring, we don't look at age, but a person's attitude. Older staff are also very responsible, loyal and stay longer with the company," said Ms Siaw Kim Leng, TMF Group's Managing Director for Singapore. "It is important to have a balanced workforce with fresh graduates and mature employees so that they bring different perspectives and help us make better decisions."

Today, about 15% of the employees at TMF Singapore are aged 50 and above. The company plans to work with CFS to hire and support more mature employees.

CFS aims to work with other employers to modify work processes, scope out flexible work arrangements and review specific requirements in the job descriptions so that the work can be better suited for this age profile. Several job roles have been identified for this project:

1. Transport Concierge – Accompany seniors to their medical appointments either by public transport or specialised wheelchair vehicles.
2. Care Associate – Support and befriend seniors in day-care centres or nursing homes, conducting programmes or personal care activities for them.
3. Facility Associate – Perform roles of maintenance, security or facility support in the various care institutions.
4. EduCarer Assistant – Help monitor the safety of children, prepare meals, and organise mealtimes and snacks for children. Also perform basic caregiving activities such as bathing the children, and changing the diapers of infants and toddlers.

CFS will support the profiling and training of mature employees performing these job roles and help place them in various organisations. This project aims to add six new job roles to the Community Care and Early Childhood Education Skills Framework within 36 months.

## ENSURING OLD IS INDEED GOLD

In this age of technological disruption and economic uncertainty, businesses need to be proactive in developing win-win solutions and addressing concerns over manpower constraints. The findings and recommendations outlined as actionable steps in this report should prepare businesses to tackle future challenges by tapping or retaining mature employees. In summary, businesses should:

- Identify the strengths of their mature employees and redevelop jobs to capitalise on the mature employees
- List the changes, disruptions and/or transformations that might occur in the next

five years. This is especially so for companies in the top three sectors where the bulk of the employees are mature

- Identify skills gaps in job functions of mature employees and put in place suitable training programmes

By implementing anti-ageist measures and adapting jobs to maximise the strengths and abilities of mature employees, the business community can help itself by building a more inclusive and sustainable workforce.



# CHAPTER 5

The Low-Wage Challenge: Uplifting  
Singaporeans in Essential Services



## **THE LOW-WAGE CHALLENGE: UPLIFTING SINGAPOREANS IN ESSENTIAL SERVICES**

There is a group of employees in Singapore who may not be able to progress in tandem with economic growth due to the nature of their work. This group typically deliver services that are essential to daily living comforts in an urban city but are often taken for granted. Providing opportunities and progression to ensure that this group is not left behind is integral to maintaining the social compact. The Government has put in place policies and initiatives to support and uplift communities in this wage bracket. But businesses also have a part to play in valuing the contributions of these employees, who may not be as well-placed to benefit from market forces due to limited economic mobility.

In a desktop study of six potentially vulnerable household personas, the estimated income per capita after government transfers was found to be between \$477 and \$1,260 per month. It would not be possible to evaluate the sufficiency of these income estimates without digging into the specific circumstances, health status, support structure and lifestyle preferences of these households. However, there is recognition that there could be a shortfall in income to cover household spending for some in the lowest decile. Households under such financial strains could find their decision-making instincts impaired, making it even harder for them to break out of this cycle.

## Observations from Desktop Study

No.	Description	Adult	Children	Other Details	Estimated Income Per Capita after Transfers
#1	Newly married couple with 1 child	22-year-old male earning \$1,500 a month 21-year-old female is pregnant and not working	1 in childcare	Live in 2R Flexi HDB flat	\$517
#2	Couple with 2 children	45-year-old male earning \$2,000 a month 45-year-old female earning \$2,000 a month	1 in ITE 1 in Sec Sch	Live in 3R HDB flat	\$1,031
#3	Single parent with 2 children	40-year-old female working as a cleaner (own-account worker), earning \$1,400 a month	1 in Sec Sch 1 in Pri Sch	Live in 2R Flexi HDB flat	\$477
#4	Intergenerational family	40-year-old male earning \$1,800 a month 36-year-old male earning \$1,200 a month Elderly parents aged 67 and 65, both not working	1 in Sec Sch 1 in Pri Sch 1 in Kindergarten	Lives in jointly purchased 5R HDB flat	\$452
#5	Mature couple	67-year-old male earning \$1,200 a month as a cleaner 65-year-old female is disabled and not working	-	Lives in 2R Flexi HDB flat	\$1,260
#6	Mature single	57-year-old male earning \$800 a month doing part-time work	-	Lives in 2R Flexi HDB flat	\$909

At the heart of the issue is the role of businesses in providing meaningful opportunities and decent work conditions to this segment of the population that deliver essential services for urban living. Central to this is the belief that a motivated workforce yields business benefits in the longer term, as well as a prosperous and kinder society.

### Singapore Context: The “Kueh Lapis” Approach

Singapore does not have an official poverty line, but different thresholds have been set to access different types of government grants, including

education and healthcare assistance, wage supplements and housing subsidies. This is the “kueh lapis” approach – a term which surfaced in 2013 to reflect the multi-layered help provided by the Government to support those in need.

The National Wages Council (NWC) was established in 1972 to formulate wage guidelines in line with long-term economic growth, acting as a market-stabilising force and enhancing Singapore’s economic development. Over the years, the annual guidelines issued by the NWC have served to raise the pay of low-wage employees, setting an implicit “wage floor” in the process.

### Adoption of NWC Guidelines Over the Years

	2014/15	2015/16	2016/17	2017/18	2018/19
NWC’s basic wage threshold	\$1,000	\$1,100	\$1,100	\$1,200	\$1,300
% of resident employees earning up to NWC’s basic wage threshold	6.8%	6.9%	5.7%	7.7%	7.9%
NWC’s recommended built-in wage increase	\$60	\$60	\$50-65	\$45-60	\$50-70
% of businesses that gave wage increases to employees earning at or below basic wage threshold	58.9%	46.5%	40.2%	61.9%	60.7%

Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Workfare, comprising the Workfare Income Supplement (WIS) scheme and Workfare Training Support (WTS) scheme, was introduced in 2007 to top up the salaries and grow the retirement savings of low-wage employees while keeping Singapore's employment rate and competitiveness high<sup>40</sup>.

The Progressive Wage Model (PWM) was initiated in 2015 to increase the wages of the workforce in the cleaning, security and landscape sectors by upgrading skills and improving productivity. Under the PWM, there is a clear process for raising the wages of low-wage staff in these sectors in phases, as the staff upgrade their skills.

Enhancements continue to be introduced for both Workfare and PWM. Singapore's way of helping low-wage employees is positioned as a more holistic model than a pure minimum wage system, which carries unintended effects such as unemployment, wage stagnation at minimum wage level and placing the redistributive burden on industries and businesses that employ low-skilled labour.

This report does not set a definition for "low-wage" so as not to confine our target group. Rather, the intention is to consider

jobs and sectors with a higher proportion of staff that require salary support through schemes such as Workfare, and what more can be done by businesses for this segment.

## Sorting Out the Work Blues

According to official statistics, 539,700 employees in Singapore earn a gross monthly income (excluding employer CPF contributions) of \$2,000 and below, which is the current Workfare threshold<sup>41</sup>. By occupation types, a significant 87% of those engaged as cleaners, labourers and related employees earn below \$2,000 a month. Specifically, these employees are mostly engaged in accommodation and food services, administrative and support services, as well as transportation and storage sectors. It comes as little surprise that a common challenge cited by businesses operating in these sectors is manpower crunch, exacerbated by low recruitment and retention levels as wages are too low to attract Singaporeans and Singapore PRs to take on these jobs. As a result, some of these sectors, such as cleaning, security and landscape, are heavily outsourced.

Share of Employed Residents Earning Gross Monthly Income From Work (Excluding Employer CPF) of Below \$2,000 by Occupation, June 2018

	Percent (%)
Cleaners, Labourers & Related Workers	86.8
Service & Sales Workers	54.7
Plant & Machine Operators & Assemblers	50.4
Professionals	2.8
Managers & Administrators	1.1
<b>National Average</b>	<b>25.0</b>

Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM



Apart from wages, low-wage employees also face other associated pressures, as identified during focus group sessions conducted by SBF involving small local enterprises, large local companies, MNCs and industry representatives. These pressures include:

- **Dignity:** Employees are not treated with dignity. Most are expected to remain invisible while performing the most essential of roles required for businesses and operations to function seamlessly. Some are not permitted to rest or have their meals in public or common areas.
- **Respect:** Those employed by service providers are deployed to workplaces where they are not regarded as part of the team. Overly frequent changes in work environment can be stressful and deprives outsourced employees of the opportunity to be rooted in a community where they spend the bulk of their time as many also work long hours.
- **Opportunities:** Many do not see value in going for training unless it translates into immediate economic value, such as salary increments or career progression. In reality, training is at times associated with a loss of income as employees are required to attend courses at their personal time and cost, given the demands of shift work. Some may also resist career progression in situations where salary increments might not make up for the loss in social assistance they would otherwise continue to receive if they maintain the status quo.

## Providing Decent Work Conditions: Actions to be Taken Now

There is an impetus for businesses to do more for low-wage staff, not only out of the desire to foster universal concepts of creating a non-discriminatory and dignified work environment, but also because it makes business sense. In a tight labour market where the supply and inflow of Singaporean and foreign workforce in the cleaning, construction, food and beverage, landscape, manufacturing, retail and security sectors are constrained, businesses that can attract and earn the loyalty of these employees benefit from higher productivity, operational continuity, knowledge transfer and lower recruitment and onboarding costs arising from reduced staff turnover. This translates to economic gains in the medium- to long-term.

These are five progressive workplace practices that businesses can adopt for a start:

### 1. Dignity – Boost morale by making employees

**feel valued:** Ensure basic provisions such as healthcare, clean uniforms, safe and proper rest areas, as well as equal access to common areas. These small but important steps help to raise the image of some of these professions and correct dated misconceptions that those in these jobs are second-class.

### 2. Respect – Build a trusted community within

**the workplace:** Include low-wage employees in company-wide programmes such as career counselling, as well as events such as team-bonding activities. Service buyers could also extend company benefits to outsourced staff by sharing key components of their Employee Assistance Programmes (EAP) or organising appreciation events for their outsourced staff and partners.

**3. Broaden Opportunities – Design training with the employee in mind:** Overcome traditional resistance to training by providing staff with a conducive and appropriate training programme. For most low-wage employees, bite-sized and on-the-job training are most effective and mitigate the scheduling constraint for employers. Different modes of training, such as e-learning and virtual reality, can also be explored to keep the concept of learning new skills fresh.

**4. Extending the Family:** Many companies engage in Corporate Social Responsibility (CSR) activities today. While these initiatives are important, taking care of the needs of vulnerable employees is equally meaningful yet overlooked at times. Efforts could include offering bursaries to the children and grandchildren of staff, providing meals or meal vouchers for certain groups of employees, as well as working with voluntary welfare organisations (VWOs) to help needy employees apply for financial assistance.

**5. Ownership and Purpose – Going the extra mile:** Give employees an opportunity to take ownership in the business. Creative ideas can be adopted to extend this to employees at every level. An example is REBEL GURL, a sandwich deli which offers employees a profit-share programme and the chance to own equity in the business – a unique practice for a food and beverage business. Ownership creates pride in jobs and, ultimately, in the company and brand.

There is a well-known story from 1961, when the then US President John F. Kennedy was visiting the NASA headquarters for the first time. He introduced himself to a janitor who was mopping the floor and asked him what his role at NASA was. The janitor replied, "Sir, I'm helping put a man on the moon!" The man understood the vision, his valuable contribution, and he had purpose. Purpose brings dignity to jobs.

## AN EXAMPLE – THE REBEL SPIRIT

With a tagline like “Normal Is Boring”, one can expect this eatery in 111 Somerset to be a little bit different.

REBEL GURL or REBEL, in short, is not about resistance, opposition or rebellion. Instead, in a market of well-established Food and Beverage (F&B) business practices, it chooses to ask the question: “Can this be done better?”

Founded by Mr Sandy Monteiro, a senior executive from the music industry, this idea of being different underlies a spirit that runs through every element of the business – from the choice of eco-friendly packaging, to offering great quality and healthier food options at affordable prices, to, most importantly, a better way of engaging people to work in the F&B industry.

REBEL hires people regardless of background, experience or qualifications. It looks for those with the right motivation and attitude; people who want a chance to change their lives and are willing to put in the effort to make it happen. In return, REBEL gives them a fair industry wage, a profit-share programme, the opportunity to have equity in the business and a pathway to participate in and grow with the regional roll-out of the brand.

This has resulted in an employee base that is proud, motivated and incentivised with a high sense of brand ownership. It is the kind of attitude that has seen REBEL top the list in several independent publications reviewing the food business. It has also drawn full-star ratings from consumers in almost every online platform. This is a feat, considering that 85% of the staff started with zero F&B experience before joining REBEL. That, together with an unheard-of F&B industry staff retention rate of 80%, is proof that the deli has a special recipe for success.



Taking care of our workforce results in shared and long-term success. Hiring and retaining staff is a key challenge for SMEs. Therefore, if we train our employees, invest in them and look after them and their families, we will have staff who will in turn look after the company. At the fundamental level,

everyone wants to work for a good company and boss, and desires opportunities to learn, grow and progress. This is crucial in creating a pipeline of staff for essential services, without which Singapore would neither be the clean nor safe city that it is known to be.

## **RECOMMENDATION 1: SELECT SOCIALLY RESPONSIBLE VENDORS IN OUTSOURCING ARRANGEMENTS – SHIFT FROM PURE COST CONSIDERATIONS TOWARDS OUTCOME- AND VALUE-BASED SOURCING**

Outcome-based sourcing is defined as procurement on the premise that the supplier is contracted to directly achieve agreed outcomes and performance with and for the business, rather than being contracted in terms of the delivery of the supplier's inputs. Value-based sourcing is a comprehensive approach to sourcing that goes beyond costs. It considers a range of factors including the outcomes achieved and hidden costs to service buyers such as operational disruption, and opportunity costs that are not traditionally priced into outsourced contracts.

Cost should not be the primary factor in procurement decisions, as the lowest quote may not always translate to value for money or be sustainable over time. With margin pressure, contractors face difficulties in raising wages and investing in people development, technology or better equipment while maintaining the bottom line. As a starting point, decision makers should consider fair value for good service as a principle that makes better business sense.

The key elements of outcome- and value-based sourcing are:

### **1. Stipulating service-level outcomes and performance standards**

Service-level agreements (SLA) should allow flexibility in job design rather than set a requirement for a minimum number of personnel on the ground. Service buyers

should work with service providers to explore mutually beneficial work arrangements that collaboratively achieve said business outcomes. For example, service buyers can consider supporting job-share arrangements which allow for shorter shift cycles for staff who may require such an arrangement, as well as scope for the same employee to perform adjacent roles and duties.

### **2. Defining prerequisite conditions for tender eligibility to drive responsible behaviour towards employees, and for sustainable long-term growth**

This method serves to weed out errant contractors that treat their staff badly with impunity and offer low prices to clinch jobs. Service providers who cut prices at the expense of quality of work and employee salaries should be stopped.

#### **Prerequisite: Workplace and HR practices**

Terms of employment, employee benefits, employment track record in terms of training hours and staff turnover rate could be included in the agreement with contractors. This will incentivise service providers to be mindful of the compensation and benefits package offered as well as the employer-employee relationship.



### **Prerequisite: Investment in Technology and Innovation**

Service providers should demonstrate a commitment to investing in the appropriate tools and equipment to enhance productivity or introduce new ways of doing the work. This will drive their behaviour towards smart solutions rather than assigning cheap labour to achieve the desired outcomes and service levels.

### **3. Provision for longer contract terms**

This enables service providers to justify the investment in training and technology, which are essential to raising productivity. With a longer strategic runway and long-term collaborative relationship between service buyers and service providers, the focus of this partnership can shift from cost-cutting to win-win initiatives to manage costs without compromising the wages offered to employees.

MOM has taken the lead in employing best sourcing practices. However, with government bodies employing only a small percentage of cleaning and security staff, impactful transformation of industry practices will require the collaboration of more businesses. As the saying goes, "A rising tide lifts all boats". If more businesses adopt similar procurement practices, the entire ecosystem will become robust and sustainable.

For this to happen, companies and procurement teams need to take the first step in updating their contracting guidelines and practices with the benefits of outcome- and value-based sourcing in mind. To help companies get started, the Government has produced detailed industry-specific guides on outcome-based sourcing that include actual contract templates and evaluation scorecards. Some of these resources include:

- Step by Step Guidebook on Best Sourcing for Service Buyers <sup>42</sup>
- Guide on Specifications for Outcome-based Cleaning Contract (2017) <sup>43</sup>
- Guide on Outcome-based Security Contracts <sup>44</sup>

For more complicated service requirements and contracts covering services across different sectors, such as an integrated facilities management contract for cleaning, security and landscape work, more can be done. Industry bodies including businesses with deep knowledge of such operations, Trade Associations and Chambers and the tripartite partners can craft model contracts for use. Implemented well, this recommendation benefits businesses which are service buyers, companies providing outsourced services, as well as outsourced staff.

For businesses, outsourced services are delivered in accordance with the needs and expectations of internal and external customers. Cost savings are expected especially in the medium- to long-term.

For service providers, bidding for contracts is no longer a race to the bottom with the lowest bidder being awarded. This is the backward spiral seen today. Instead, there is scope for longer-term investments in technology, R&D and staff development – key ingredients for business success and scaling up.

For outsourced employees, there are opportunities for job enlargement and upskilling as their job scope is no longer constrained by headcount requirements. As a result, staff in traditionally low-wage jobs will have access to higher wages and career progression.

## **RECOMMENDATION 2: TRANSFORM JOBS BY CHANGING WORK PROCESSES THROUGH INNOVATION TO ENLARGE JOB SCOPES, RAISE WAGES AND PROVIDE BETTER CAREER PROGRESSION**

Career pathways in the identified outsourced industries tend to remain stagnant and stunted. As such, even with the PWM, employees may still face barriers to higher wages, especially when only a select few can be promoted or meet the stringent requirements of necessary certifications.

A solution is to combine a number of low-wage jobs which are being increasingly simplified through technology. This allows service providers to boost staff productivity and reduce overall headcount requirements, leading to increased margins which can be transferred to employees in the form of wage increases.

Beyond improving the skills of employees, this allows for businesses to enlarge jobs by encouraging multi-skilling, opening alternative career paths that can facilitate upward social mobility especially in the cleaning, security and landscape industries. The horizontal integration of job roles across industries can extend the career runway for low-wage staff.

Job enlargement could also provide broader and more varied job responsibilities, which could improve job satisfaction, build a multidisciplinary workforce for growth and change the categorisation and perception of the job, thus improving the branding of these industry sectors.

A lighthouse project will be initiated to convene service buyers and service providers in the estate and facilities management space to rethink the job roles of staff performing essential services, such as cleaning, landscaping and security work in residential and commercial properties in Singapore. Recognising that the employee profiles across these job roles are similar, these businesses see the potential to create better jobs by clustering suitable roles to increase the contribution and productivity of these employees. Ultimately, this can be a win-win, as it provides for career progression and wage increases for those equipped with the skills to perform custodial work across sectors. Property owners and service providers also benefit from a more flexible and knowledgeable talent pool and productivity improvements when these are coupled with the use of technology.

### **LIGHTHOUSE PROJECT**

This is a model project that aims to have a signal effect on other businesses that will look to it for inspiration and guidance.

Pioneer partners for this lighthouse project include Far East Organization, CapitaLand, Certis Group, CBM, Greenology, ISS Facility Services and Pontiac Land.

In Phase 1 of this project, there will be three concurrent workstreams:

1. Research will be conducted in conjunction with employees and stakeholders in the industry to identify suitable job roles, complementary competencies and skills to be clustered and redesigned into enlarged multi-skill job roles. As an illustration, these consultations will explore if zonal work covering cleaning, gardening and patrol duties is feasible.

2. Partners in this project that already have similar initiatives in place will continue to test-bed, gather and share results. As an illustration, **Certis Group** has started reviewing job design to extend the employment runway for its security workforce. **CBM** has established an internal training centre to promote skills development and certification for various job functions, facilitating career progression.
3. Partners with suitable projects to pilot this model will test-bed it with a selected group of employees. As an illustration, **CapitalLand** and **ISS** (as a service buyer and provider) will pilot job-skill clustering with a pioneering cohort at one of their shared properties. Meanwhile, **Far East Organization** will pilot a proof of concept for redesigned multi-skilled jobs at one of its private residential or mixed-use developments.

The learnings from Phase 1 will contribute to the establishment of an Estate Management Centre (working name) in Phase 2, where staff will receive on-the-job training to be proficient in their cross-sector job roles. With the launch of the Singapore Skills Framework by SSG and WSG, sector-specific information and connections between skills, competencies, job roles, career pathways and training programmes to acquire existing or emerging skills are now readily available and will be valuable resources for the training programme. The mandate of this centre would be to develop the manpower pipeline by training both existing and new employees in estate and facilities management.

This phase will also include trials to calibrate the workload, operational feasibility and productivity gains from this new model at selected properties and job sites. This is to ensure that the underlying objective of improving the wages and lives of employees providing essential services is achieved.

The project encourages more companies, small and large, to participate. Having a critical mass of developers and service providers can serve the joint purpose of providing a decent living and meaningful jobs for low-wage employees. Ultimately, it benefits companies through an engaged and motivated workforce.

## TIME TO MAKE THE CHANGE

The case for low-wage staff can be an emotive one, but businesses need to look beyond that to appreciate that the jobs performed by such employees are not just low-wage jobs, but essential roles. Cleaning, security and landscaping services are almost universally required by all companies. There is an urgency to reconsider the model in which we employ and engage with these employees, to ensure that we have a productive and motivated workforce in place to journey with us towards sustainable long-term growth. In the grand scheme

of things, these employees are also our customers and community, and their success is necessary for our success.

Businesses have an opportunity agenda to adopt practices and policies that will help better spread the benefits of economic growth. Although this may not seem logical for businesses, as making profits and controlling costs to sustain business success are the norm, such a short-term perspective may result in detrimental effects on society that will eventually hurt businesses and the economy. Hence, this call to action is a necessary and urgent one.

# CONCLUSION

Calling Businesses to Action: What's Next?



## CALLING BUSINESSES TO ACTION: WHAT'S NEXT?

In their 1968 book, *The Lessons of History*, historians Will and Ariel Durant made the following point: “In progressive societies the concentration [of wealth] may reach a point where the strength of number in the many poor rivals the strength of ability in the few rich; then the unstable equilibrium generates a critical situation, which history has diversely met by legislation (redistributing wealth) or by revolution (distributing poverty)”.

Nearly 50 years on, their observation still rings true as countries grapple with growing income inequality. Inequality increasingly dominates conversations at all levels, in political, societal and, most recently, business circles. Economist Branko Milanovic asserts that “there is ‘good’ and ‘bad’ inequality, just as there is good and bad cholesterol”.

“Good” inequality, which he defines as inequality of factors such as effort, work and luck, motivates people to study and work hard or start risky entrepreneurial projects. But “bad” inequality, which stems from factors which one has no control over such as race, gender and family background, can lead people to cling on to acquired positions.

There is no easy solution. Pushing for absolute equality reduces the incentive to work, causing the economy to stagnate – a dire outcome for nations dependent on open trade. But widespread inequality is a pernicious threat to societies and businesses if not properly addressed.

While businesses hold much sway over the outcomes, this complex and multi-faceted issue cannot be solved by a single actor. Instead, this issue must be tackled through both the moral and economic lenses. Economic growth is a powerful tool for lifting families out of poverty and narrowing the inequality gap. More importantly, it

attracts investments in key infrastructure, goods and services.

On the other hand, social stratification puts up structural barriers that lead to economic segregation. In such a context, family background plays a key role in determining income outcomes. Where one lives matters too: the “right neighbourhood” connects people to better opportunities. Children born to poor or less educated parents will likely experience lower social mobility compared to the offspring of the rich and well-educated. Unequal access to opportunity deprives children from low-wage families of the chance to realise their intellectual and economic potential.

Today, in Singapore, there are concerted government policies and schemes that directly address the problem of inequality. Examples of these include education programmes – from early childhood development to lifelong skills training, public housing policies, people-centric labour policies, social transfers and support for low-wage families.

The Singapore Smart Nation initiative is another example. The inculcation of the spirit of innovation and constant renewal is fundamental to Singapore’s long-term relevance. Confronting technology disruption and the opportunities that it presents, the Singapore Smart Nation initiative envisions a thriving economy powered by digital innovation that boosts employability and opportunities for its people. This initiative also equips Singaporeans with vital technology skills necessary to remain engaged with society at large.

Government actions alone are not sufficient. Businesses play a pivotal role in tackling disparities. By offering fair and equal opportunities to

employees, they can make a positive impact. Sustainable employment plays a major role in bridging income inequality, where workers are nurtured, and their role in the workforce is assured for as long as they are willing and able to work. In turn, a competitive and engaged workforce is synonymous with business prosperity and a vibrant economy.

SBF is calling on companies to pledge their commitment to sustainable employment in the ways that have been set out in this report.

A self-evaluation tool, Pathway to Sustainable Employment, is available to companies that wish to understand how their existing practices may be contributing to or addressing inequality. A set of actionable suggestions is also included.

SBF will establish a Programme Office to oversee the progress of the recommendations in this report and rally businesses for action. The roles of the office are to:

- Generate awareness and call to action among the business community, Trade Associations and Chambers and Foundations
- Run the Pledge campaign.
- Convene key players for sharing and learning.
- Manage relationships with industry partners, Government, academics and other stakeholders.

Public-private partnerships are needed to develop solutions that would benefit those who are lagging behind. The Programme Office will also establish partnership and engagement models with policy makers to advance the recommendations made in this report.

This report has intentionally excluded philanthropy and employee volunteerism from its scope. However, not-for-profit establishments are well-positioned to address the inequality challenge. The SBF Foundation, a registered charity set up by SBF in 2013, will review this report to further explore its role in addressing the recommendations.

Businesses must act now. Actions around sustainable employment protect both Singapore's competitive advantages and mitigate against societal risks. As the most competitive economy in the world, Singapore is also an open marketplace for talent, innovation and ideas. Businesses protect these advantages when they ensure fair rewards for all. They also help themselves when they help workers. Altruism works best and lasts the longest when it is not founded on charity but compelled by enlightened self-interest.

Conversely, a lack of fairness manifesting in widening income gaps or social stratification will feed political discord and tear up Singapore's social fabric. How the workforce fares may cause productivity to decline, result in a lack of ability, motivation and innovation, and worst of all, breed cynicism, which could cause a breakdown of social norms. Everyone loses when the social compact unravels and resentment sets in.

No business ever believes it is powerful or large enough to cause or arrest national decline. Only the Government has that sway. But this “**not my pasal**” response is not helpful for Singapore. In the end, it comes down to having the will to act and being clear-headed about the need for short-term adjustments to ensure Singapore survives. This is our call to action.

## **SUSTAINABLE EMPLOYMENT PLEDGE**

Thriving customers, employees and communities lead to better business and healthier long-term growth. Purposeful actions by companies will foster a vibrant economy and society through sustainable employment practices and encouraging innovation. We want to play our part.

- Our employees are critical to our success. We will compensate them according to performance, providing important benefits for their well-being and training and education support to keep their skills and knowledge up-to-date. We offer a work environment that treats every employee with respect and dignity.
- Mature employees are valued assets. We will redesign roles to fit their strengths and abilities and make best endeavour to help them contribute their best to the business.
- Fair and ethical contracts are essential for businesses to grow together. We will be good partners to our suppliers, large and small, and the individuals that we engage.
- We can learn from each other. We will share our best practices in sustainable employment to help Singapore move towards a more caring and inclusive society.

We pledge to make at least one improvement to our practices in sustainable employment every 12 months.

# ANNEXES



## Legend

----- Opposite

## ● Finance-Related Factors

- Social Capital Factors

## Core Factors

● Health Factors

● Quality of Life Factors

## ● Education Factors

## ● Job Factors

- Employers can contribute

# SYSTEMS MAP

## Contextualising the Factors Contributing to Inequality in Singapore





## **PATHWAY TO SUSTAINABLE EMPLOYMENT**

### **Background:**

Worldwide, inequality has become a destabilising force on the economy, social cohesion and political outcomes. In Singapore, this topic has gained increased interest in recent times. When thinking about the environment in which they do business, many leaders find it unsustainable for businesses to operate in a society where there is pronounced inequality or where inequality is allowed to persist and worsen.

### **Introduction to the tool**

This tool was developed as part of this initiative to help a business determine if there are aspects of organisational and human resource norms, policies and practices in the company which may address or exacerbate inequality. This is a call to action so that win-win outcomes for both businesses and employees can be achieved. The questions in this tool can provoke reflection, as a starting point for further conversations in the organisation to decide the way forward to achieve inclusive employment practices.

### **How do you use this tool?**

This tool is not an assessment. Hence, there are no scores. It is structured as a series of questions within a set of themes, i.e.:

**(A) Hiring and recruitment**

**(B) Staff development and welfare**

**(C) Business practices**

**(D) Cooperation and co-ownership**

To use this tool, discuss and answer the questions, and then deliberate on the action. These actions, while improving the welfare of the workforce, can at the same time be beneficial to your business. To help frame the discussion on the issues surrounding the topic, further information is provided in the "Notes" section.

## **(A) HIRING AND RECRUITMENT**

**Does your company have a structured process for recruitment (including for internships)?**

### **Notes:**

An open and inclusive recruitment process will enable your company to attract and hire a more diverse pool of talent.

1. A structured process for recruitment refers to a process where there are clear steps:
  - To advertise a vacancy
  - To receive applications and shortlist candidates
  - To interview and assess candidates (such as standardised questions and scoring)
  - To make hiring decisions which are consistently applied

2. Recruitment processes which are unstructured or informal (reliant on networks) can result in candidates from less privileged and connected backgrounds being disadvantaged, as these candidates usually have limited access to such networks. Structured recruitment processes will help the recruiting manager stay objective in the assessment process and reduce unconscious bias which may lead to a less positive view of a candidate who is from a background different to that of the recruiting manager.
3. Companies can also consider how they hire younger new employees, i.e. whether when doing recruitment rounds, they are open and inclusive in their selection of IHLs and groups of students who are invited to be assessed.

### **Do you have policies which guard against discrimination of mature employees in the hiring process and during their employment with the company?**

#### **Notes:**

Hiring and retaining mature employees and keeping them motivated and productive will enable you to tap a wealth of experience.

1. As Singapore is facing an ageing society, many will seek to remain in employment for as long as they are physically and mentally able to do so. It is common for mature employees (particularly PMETs) to be retrenched in their late 40s or 50s. They have many more economically productive years ahead before retirement. However, many face huge challenges when they seek new employment. Some send out many applications but are never shortlisted. Others turn up for interviews to face open surprise at their age or inappropriate comments. Even when they are willing to go for roles with salaries that are lower than their last drawn salaries, they could be turned down for being "overqualified".
2. Recruiting managers' hesitation to hire mature talent could be due to commonly held assumptions that a mature employee is less able to learn new skills, has little runway for development, is fixed in his/her ways, is technologically challenged or generally less motivated. These are assumptions which are not necessarily factual as many people remain healthy, fit, highly motivated and engaged well into their later years.
3. As mentioned by Deputy Prime Minister Heng Swee Keat at the Singapore Summit 2019, the long-held three-stage paradigm of education, work and retirement has shifted to a more fluid paradigm of multiple cycles of work involving lifelong learning coupled with taking on new roles and responsibilities.





## **(B) STAFF DEVELOPMENT AND WELFARE**

**Do the lower-wage employees in your company have a path for wage increases or career progression?**

**Notes:**

1. Jobs which do not require specialised or high skills can remain static and have a wage ceiling which may not keep pace with the rising cost of living. Such jobs are also at greater risk of being made obsolete or redundant by technology, leading to job and income insecurity for people in such jobs.

**Does your company provide a decent working environment and good working conditions for your lower-wage employees (including your outsourced contractors' employees)?**

**Notes:**

1. It will make a real difference to the well-being and ultimately, productivity of lower-wage employees or contractors' employees (e.g. cleaners and security personnel) if their work environment is set up to meet their basic needs. Access to certain amenities which are standard for management or office staff may at times be subconsciously overlooked for this group of employees.
2. Many such jobs are physically demanding and involve shift work. Making adjustments to their working conditions could help them cope better with these demands.

**Are all groups of employees in your company given training and access to relevant development programmes to continuously upgrade their skills?**

**Notes:**

1. The company and its workforce (i.e. not just certain levels, e.g. executive or management levels) can benefit from training and development. Employee engagement and motivation will increase as they learn new skills or better ways to do their work, leading to increased productivity.
2. There may be some misconceptions that mature employees are in the twilight of their careers and are uninterested in skills upgrade or that it is not worthwhile investing in this group of soon-to-be retirees. However, more than 50% of respondents to a survey conducted by the Mature Workforce Sub-committee were of the view that government schemes to assist in the training, retraining or re-equipping of mature employees are effective.

## (C) BUSINESS PRACTICES

**Does your company outsource any work or services? If yes:**

- Are cost and headcount your main criteria when awarding the contract?
- Are you aware that outsourcing contracts can be designed to be outcome-based instead of having headcount as the Key Performance Indicators (KPIs)?
- What is the usual cycle of your contracts?

### Notes:

If you design your outsourcing contracts with sustainable outcomes, you could benefit from a more stable workforce who can work more efficiently and productively.

1. The push for even cheaper sourcing drives down wages and is not sustainable in the long term. Focusing only on cost and not outcomes may not necessarily be the most effective way of getting value out of your outsourcing contracts. Frequent re-tendering cycles could result in job insecurity for the employees of the contractor.
2. To achieve more equitable outcomes, there is also room for companies to require contractors to have practices which do not result in the employees ultimately shouldering the burden of the cost squeeze.
3. The Government has produced detailed industry-specific guides on outcome-based sourcing that include actual contract templates and evaluation scorecards. The following are some useful resources for companies:
  - (i) Step by Step Guidebook on Best Sourcing for Service Buyers  
<https://www.mom.gov.sg/-/media/mom/documents/employment-practices/step-by-step-guidebook-on-best-sourcing.pdf>
  - (ii) Guide on Specifications for Outcome-based Cleaning Contract (2017)  
<https://www.nea.gov.sg/docs/default-source/resource/participate/here.pdf>
  - (iii) Guide on Outcome-based Security Contracts  
<https://www.mha.gov.sg/docs/default-source/default-document-library/guide-on-outcome-based-security-contracts.pdf>

**Has digitalisation or increased use of technology disrupted how jobs have traditionally been performed in your company and the numbers of employees required to perform certain tasks?**

### Notes:

Technology will continue to evolve and make an impact on business and industry. Better outcomes for all can be achieved if businesses take responsibility and ownership to upskill or reskill their employees and also to transform or redesign jobs.

1. SMEs can tap the SMEs Go Digital programme to get started on digitalisation. As part of this programme, the Infocomm Media Development Authority (IMDA) has rolled out sector-specific Industry Digital Plans (IDPs) for digital adoption and training, as well as a Start Digital Pack with foundational digital services for new SMEs. More information can be found at <https://www.imda.gov.sg/programme-listing/smes-go-digital>.

## **(D) COOPERATION AND CO-OWNERSHIP – WITH EMPLOYERS, EMPLOYEES, GOVERNMENT AND SOCIETY**

**Does your company actively follow developments in government policies on advocated employment practices and actively access the relevant governmental assistance (such as grants and other incentives) to encourage adoption?**

### **Notes:**

Businesses do not have to “go at it alone” as many incentives and government assistance schemes can be accessed on the pathway to sustainable employment.

1. Assistance is available to help businesses take action which is aligned with governmental policies on employment practices. Generally, there is a recognition that additional costs could be incurred to adopt some of the practices and the assistance is intended to help companies defray these costs especially during the initial period.
2. Below are some grants and incentives which companies can tap. Those asterisked (\*) are detailed in the report. This is not an exhaustive list but provides a good base for further exploration.
  - (i) To support the employment and training of PMETs:
    - Productivity Solutions Grant \*
    - Career Support Programme \*
    - PCP \*
  - (ii) To support the employment and training of mature employees:
    - WorkPro (including Age Management Grant, Job Redesign Grant and Work-Life Grant) \*
    - Adapt & Grow \*
    - Special Employment Credit (SEC) which provides employers with continued support to hire older Singaporeans and Persons with Disabilities (PWDs).

**Does your company showcase your efforts in sustainable and inclusive employment practices?**

### **Notes:**

1. There are several existing avenues for companies to showcase sustainable and inclusive employment practices, and to seek inspiration from the efforts of others.
  - (i) NVPC's Company of Good programme empowers businesses in Singapore to give in strategic, sustainable and impactful ways. Companies can sign up for initiatives such as the Company of Good Fellowship and Champions of Good, a national platform recognising leadership and partnerships in doing good for the community. More information can be found at <https://www.nvpc.org.sg/index.php/programmes/company-of-good>.
  - (ii) The Singapore Centre for Social Enterprise (raiSE) aims to build up the local social enterprise sector to be an active part of a more caring and inclusive society. The organisation maintains a Business for Good directory which showcases companies that have committed their resources to advancing social causes or creating social impact. More information can be found at <https://www.raise.sg/directory/directories>.

(iii) SG Enable is an agency dedicated to enabling PWDs. The biennial Enabling Employers Awards (EEA) recognises organisations which have demonstrated commitment towards hiring and integrating PWDs in the workforce. More information can be found at <https://employment.sgenable.sg/story/5th-enabling-employers-awards-see-record-number-recipients/>.

2. It is well-known that many employees (especially millennials and Generation Z ) consider purpose, values and contribution to society as key criteria when selecting which employers to work for. Adoption of these values could be a differentiator for your company in the race to attract top talent.



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## **ABOUT THE ARTIST WHO PAINTED THE ARTWORK ON THE FRONT COVER**

Aaron Gan is the 2015 UOB Painting of the Year, Gold Award, Established Artist Category, Singapore winner.

Born in Singapore in 1979, Gan graduated with a Bachelor of Commerce (Dean's List) from the University of Western Australia in 2003. In 2012, he gave up his corporate career to fulfil his childhood dream of becoming a professional artist.

Following his numerous sell-out shows, Gan's artworks have been collected and commissioned widely both in Singapore and internationally. These include The Prime Minister's Office, The Ministry of Foreign Affairs, National Library Board, GIC, Wheelock Properties, Julius Baer, Citibank, The Association of Banks in Singapore, Nespresso, Faber-Castell and others.

[www.aarongan.com](http://www.aarongan.com)



160 Robinson Rd #06-01  
SBF Center, Singapore 068914  
[www.sbf.org.sg](http://www.sbf.org.sg)  
✉ [sustainable.employment@sbf.org.sg](mailto:sustainable.employment@sbf.org.sg)