

Singapore Human Resources Institute (SHRI)

Singapore

1. Current economic and political situation in the country

Economy and labour market situation

Singapore Workforce 2015

These are the key findings from the “Singapore Workforce, 2015” report by the Ministry of Manpower’s Research and Statistics Department, based on data from the Comprehensive Labour Force Survey conducted in mid 2015.

1. Employment rate rose from June 2014 to June 2015, helped by the strong employment gains in the second half of 2014
2. Strong median income growth over the year to June 2015 amid tight labour market
Unemployment rate remained low in June 2015
Amid softer economic conditions, employment growth slowed down in 1H2015.
For More Information

<http://stats.mom.gov.sg/>

<http://www.mom.gov.sg/newsroom/press-releases/2015/1130-singapore-workforce-2015>

Extension of 3% Wage Offset till New Re-employment Age of 67 Takes Effect

1. At the National Day Rally 2015, Prime Minister Lee Hsien Loong announced that the re-employment age would be raised to 67 by 2017, to provide more opportunities for older workers who want to keep working as long as they are healthy.
2. Tripartite partners are currently in discussion on the effective date of the new re-employment age of 67. In the meantime, employers are encouraged to continue to re-employ older Singaporeans aged 65 and above.
3. To encourage employers to voluntarily re-employ older Singaporeans aged 65 and above before legislation takes effect, the Government had during Budget 2015, introduced an

additional wage offset of up to 3% of wages for one year to encourage employers to hire workers aged 65 and above earning up to \$4,000 a month in 2015.

4. The Government has paid out over \$22 million to more than 49,000 employers who employed about 110,000 older Singaporeans aged 65 years and above, for work done in the first half of 2015.
5. To show our continued commitment and support toward re-employment of older workers, the Government has decided to extend the wage offset until the new re-employment age of 67 comes into effect.

<http://www.mom.gov.sg/newsroom/press-releases/2015/1201-extension-of-3-percent-wage-offset-till-new-re-employment-age-of-67-takes-effect>

Labour Market Report Third Quarter 2015

1. The seasonally adjusted overall unemployment rate in September 2015 remained low at 2.0%. Unemployment rose to 3.0% for residents and 3.1% for citizens amid softer economic conditions.
2. Total employment grew by 12,600 in the third quarter of 2015, down from an increase of 33,400 in the third quarter of 2014. Cumulatively for the first three quarters of this year, total employment grew by 16,200, which is the lowest growth since 2009.
3. The number of workers laid off in the third quarter of 2015 (3,460) was higher than in the preceding quarter (3,250), but similar to the third quarter of 2014 (3,500). The rate of re-entry into employment within six months of redundancy remained stable in the third quarter of 2015.
4. Even though job openings continued to outnumber job seekers, the ratio has moderated. The seasonally adjusted vacancies declined over the quarter by 11% to 55,600 in September 2015. The seasonally adjusted ratio of job vacancies to unemployed persons declined to 116 openings per 100 job seekers in September 2015 from 121 in June 2015, comparable to June 2013.

<http://stats.mom.gov.sg/Pages/Home.aspx>.

<http://www.mom.gov.sg/newsroom/press-releases/2015/1215-labour-market-report-3q-2015>

Tripartite Advisory on Managing Workplace Harassment

1. The Ministry of Manpower (MOM), National Trades Union Congress (NTUC), and Singapore National Employers Federation (SNEF), have jointly issued a Tripartite Advisory on Managing Workplace Harassment to help employers and employees prevent and manage workplace harassment.
2. After the Protection from Harassment Act (POHA)¹ was passed by Parliament in March 2014, a Tripartite Workgroup on Prevention of Harassment at the Workplace, which comprises stakeholders from the Government, unions, employers, HR professionals and subject matter experts, was set up to develop the Advisory. In drafting the Advisory, the tripartite workgroup also sought the views of the Association of Women for Action and Research (AWARE), Singapore Council of Women's Organisations (SCWO) and Migrant Workers' Centre (MWC).
3. Both employers and employees have an interest and responsibility in preventing harassment at the workplace and managing it properly if it happens. The Advisory provides guidance to employers and employees on preventive measures to adopt to ensure a safe and conducive workplace. It also recommends proactive management and remedial actions that employers and affected persons can take if harassment occurs at the workplace.
4. The tripartite partners and workgroup members will actively promote the adoption of the good practices recommended in the Advisory. SNEF has developed a course for employers on 'Prevention and Addressing Workplace Bullying and Harassment'. Affected persons who require assistance and support can refer to the resources provided in the Advisory.

<http://www.mom.gov.sg/newsroom/press-releases/2015/1223-tripartite-advisory-on-managing-workplace-harassment>

New Statutory Boards to Sharpen Focus on Skills and Employment

The Government will reorganise its functions for effective implementation of two key priorities: the national SkillsFuture initiative and the need to ensure competitiveness and quality jobs for Singaporeans over the long term.

<http://www.mom.gov.sg/newsroom/press-releases/2016/0112-new-statutory-boards-to-sharpen-focus-on-skills-and-employment>

(Source: Ministry of Manpower 2016)

Political situation

Singapore is a sovereign republic. When it became an independent and sovereign nation in 1965, it inherited a legal system that is based on the English law. The legal system has since evolved to meet the needs of Singapore and to reflect the political system within which it operates. In November 1993, the Application of English Law Act came into force. This Act clarifies the application of English law and statutes in Singapore.

The organs of government are provided for by a written constitution which forms the supreme law of Singapore. The Constitution lays down the fundamental principles and basic framework for the three organs of state, namely, the Executive, the Legislative and the Judiciary.

The Head of State of Singapore is a President who is directly elected by the people, following fundamental constitutional changes in 1991. The President possesses certain veto powers over the government which he can exercise with discretion in certain circumstances. Outside of those areas where the Constitution permits him discretionary powers, the President must act according to Cabinet advice.

The Executive comprises the Cabinet, which is responsible for the general direction of the Government and accountable to Parliament.

The Legislature comprises the Parliament and is the legislative authority responsible for enacting legislation. More information on the history of Parliament, Parliament House and activities of the House can be obtained from its web site.

The Judiciary's function is to independently administer justice. The Judiciary is safeguarded by the Constitution.

The Prime Minister of Singapore is appointed by the President of Singapore under Article 25 of the Constitution. The President, acting on the advice of the Prime Minister, also appoints other Ministers from among the Members of Parliament.

The Prime Minister is the effective head of the executive branch of government. He chairs the Cabinet, which is constituted under Article 24 of the Constitution. The Cabinet is the central decision-making body of the executive government. It is an organ of state and central to Singapore's system of government. In practice, all significant decisions or actions taken by the Executive are first discussed and collectively agreed by Cabinet. (<http://www.parliament.gov.sg>)

The Parliamentary Elections include the General Elections and By-elections. The Parliament has a term of 5 years but may be dissolved at any time before the expiry of its 5-year term by the President on the advice of the Prime Minister. The General Election must be held within 3 months of the dissolution of the Parliament. Legislations governing the conduct of the Parliamentary Elections comprise:

- The Constitution of the Republic of Singapore (The Legislature - Part VI);

- The Parliamentary Elections Act (Chapter 218);
- The Political Donations Act (Chapter 236); and
- Related Subsidiary Legislations.

The Singapore Parliament is single house and has three types of Members of Parliament (MPs). They are:

- Elected MPs;
- Non-Constituency MPs; and
- Nominated MPs.

Elected MPs form the bulk and are elected at an election on a one-man-one-vote system based on simple majority (popularly known as first-pass-the-post system).

Elected MPs could be returned from Single Member Constituencies (SMC) and Group Representation Constituencies (GRC). Each SMC returns 1 MP while each GRC returns 3, 4, 5 or 6 MPs, one of whom must be from the Malay Community or the Indian or Other Minority Communities. This is to ensure that the minority groups are represented in Parliament.

Non-constituency MPs (NCMPs) are chosen from candidates of a political party or parties not forming the Government. The Constitution and the Parliamentary Elections Act provide that for the next and subsequent Parliaments, the number of NCMPs shall be 9 less the total number of elected Opposition MPs in Parliament. The number of NCMPs coming from any one GRC shall be capped at 2, and the number from any SMC shall not be more than one.

The non-constituency MPs to be declared elected shall be determined from amongst the candidates of the Opposition parties contesting the General Election on the basis of the percentage of votes polled by such candidates. (Details are spelt out in Section 52 of the Act.)

Nominated MPs (NMPs) are Singapore Citizens nominated by a Special Select Committee of Parliament for appointment by the President. NMP does not stand for election. The Constitution provides for 9 NMPs.

The NCMPs and NMPs shall not vote on Bills pertaining to financial and constitutional matters.

(Source: Elections Department, Singapore 2013)

2. HR challenges

The main challenge facing the HR profession in Singapore at present are:

Shrinking workforce

The direst problem Singapore faces is labour shortage, said Miranda Lee, Director of People and Change Management of KPMG Singapore.

The falling Total Fertility Rate coupled with an increase in life expectancy from 66 years in 1970 to 82 years in 2010 has resulted in a shrinking and ageing workforce.

The median age of Singaporeans is expected to increase from 39 years in 2011 to 47 in 2030. In addition, Lee believes that the tightening of foreign labour policies has affected companies reliant on foreign workers, especially small and medium enterprises (SMEs), which already face a labour shortage.

The slower growth of Singapore's workforce was also evidenced in the White Paper on the population, which reported expectations of a 1%-2% growth from 2010-2020, compared to 3.3% growth in previous decades.

Lee noted that this labour shortage has been further challenged by the increased demand for workers in industries such as manufacturing, pharmaceuticals and information technology.

As Singapore becomes increasingly recognised as a key tourism hub, demand for staff in customer-facing roles and service lines will also grow. The severity of Singapore's current and anticipated labour crunch has fuelled the country's talent war.

Falling productivity growth

Another issue magnified by the labour crunch is Singapore's falling productivity growth rates. Despite the Government's emphasis on productivity, Singapore's workforce has experienced declining productivity growth (refer to chart below).

While targets for productivity growth were set at an optimistic 2%-3% in 2011, the figure has consistently remained below 1% since 2012. SMEs have been badly affected by both stagnant productivity and labour shortage.

According to the Association of Small & Medium Enterprises (ASME)'s National Business Survey in 2012, 1% of SMEs were forced to close down due to these constraints.

Differences in Singapore's past, current and future workforce have also brought about another unique set of considerations.

According to the MOM, current employees in Singapore search for workplace flexibility and career development opportunities. This is different from past generations who were motivated by continuing employment for financial reasons.

The management of such a multi-generational workforce will be challenging for the traditional HR department when it comes to attraction, engagement and retention of crucial talent.

HR professionals will need to bridge the differences between different generations and step up on retention strategies to cope with employee turnover rates.

<http://www.kpmg.com/sg/en/pressroom/pages/mc20150514.aspx>

3. SHRI projects and initiatives

Major areas of SHRI's activity includes the following:

- **Singapore HR Awards**

Organised yearly by Singapore Human Resources Institute (SHRI), The Singapore HR Awards celebrates leading organisations and HR practitioners in their drive for impactful human capital strategies. As one of SHRI's signature events, it serves as an excellent platform to promote and recognise excellence within the HR profession in Singapore by highlighting leading organisational HR practices and HR individuals (CEOs, HR Leaders, HR Entrepreneurs, HR Professionals and HR Executives).

Through The Singapore HR Awards, leading HR trailblazers and people management practices are honoured. New benchmarks and standards for the HR profession are also developed. Each leading Singapore HR Award is a distinctive recognition by Singapore's HR Professional body to mark the successes and accomplishments of people managers, thus further emphasising the importance of Singapore in putting human capital as a key business outcome.

In 2014, SHRI worked with Vietnam's TalentNet and was its Knowledge Partner to create the inaugural Vietnam HR Awards 2014.

- **Singapore HR Accreditation**

HR has been an established profession and a long time. The past few years have seen significant changes in the perception and outlook of HR by corporate leaders. Today, HR is

viewed as a key player in driving corporate success and customer satisfaction, and no longer just a support function. It is becoming an increasingly vital function in many organisations and businesses, playing a critical role in the sourcing, allocation and application of personnel, expertise and human resources for efficient and productive endeavours.

SHRI recognises and acknowledges the significant contributions the HR profession has made, and continues to make, to many organisations and businesses. With the increasingly competitive and complex business environment, the way forward for HR professionals is to acknowledge and respond to such challenges by sustaining and improving their own competitive advantages.

The HR profession needs to establish itself as a credible brand – through accreditation so as to raise its recognition, standing and reputation. To do precisely that, SHRI has taken the initiative to establish HR as a brand through accrediting HR practitioners in Singapore so as to raise the profession to meet avowed standards and practice.

In December 2003, SHRI commenced a comprehensive study on the accreditation of the HR profession in Singapore. SHRI reviewed the practices of accreditation bodies in Japan, Australia, New Zealand, Germany and the United States. We analysed the HR accreditation and certification schemes in various jurisdictions. We also looked into the Body of Knowledge Framework as promulgated after World Federation of Personnel Management Associations (WFPMA). This Body of Knowledge Framework presents a broad overview of the various competencies needed and expected of HR practitioners.

From this comprehensive study, SHRI developed a Singapore model of accrediting HR practitioners. This Singapore model adopts the best worldwide HR practices and takes into account local needs. The model was presented to senior practitioners in Singapore in several dialogue sessions to iron out the kinks in the model. This has resulted in the Singapore HR Accreditation Framework, which SHRI proudly presents to the HR profession in Singapore.

In 2014, a review done by the HR Accreditation Board - that comprises senior practitioners from various industries and sectors – took into consideration the competencies reflected in the Workforce Development Agency's (WDA) HR Work Skill Qualification (WSQ) Framework. These competencies were classified into their respective levels, and mapped into the HR Accreditation Framework to refresh and keep the framework relevant to today's HR landscape.

The Framework was revised to act as an umbrella framework that encompasses various functional and technical competency based standards in Singapore and across the globe. Aside from functional and technical HR areas, this framework includes an assessment of

personal core attributes and people management skills that aids in upholding a higher ethical standard and values which go beyond competencies alone.

- **Singapore HR Congress & Business-Connect Exposition**
The Singapore HR Congress and Business-Connect Exposition is a platform for global exchange, learning and sharing among business leaders, people managers and HR professionals. An annual signature conference of SHRI, this event sees about 500 HR Professionals and People Managers attending and benefiting from the discussions.
- **Singapore HR Challenge**
Into its 8th year, the Singapore HR Challenge 2015 serves to engage future leaders, people managers, critical thinkers, and contributors of the new workforce. The Challenge is a platform to showcase innovation and creativity as we as promote progressive HR to students.
- **SME HR Award**
The Association of Small and Medium Enterprises (ASME) and the Singapore Human Resources Institute (SHRI) have partnered to establish a new accolade - the *SME HR Award*. The Award seeks to acknowledge small and medium enterprises (SMEs) that have implemented relevant and productive strategies, thus enhancing their HR practices and overall work environment. Winners will be selected according to a holistic assessment of the local enterprises' human resource processes and initiative in introducing such policies in their workplace.
- **SHRI SME Charter**
Through this charter, the SHRI Council will address the HR needs of Small and Medium Enterprises (SMEs). SMEs require guidance and knowledge to strengthen their HR policies and practices. SME owners can benefit from cross-learning and best practices sharing from other members in the charter
- **Collaboration with Professional Bodies in Singapore / Tripartism**
SHRI has signed Memorandum of Understanding (MOU) with various organisations such as the National Trades Union Congress (NTUC), Singapore Computer Society (SCS), Singapore Institute of Building Limited (SIBL), Institute of Estates Agents (IEA), Association of Small and Medium Enterprises and have also become a member of the Chinese Chamber of Commerce, Malay Chamber of Commerce as well as the Indian Chamber of Commerce.
- **To build overseas connections & engage in HR regional development work**
SHRI aims to engage HR associations and other professional bodies overseas especially in the region such as China, Vietnam, Hong Kong, Myanmar and US. This is also to gather HR practices from expert organisations in the region. SHRI wishes to participate in study tours in the region as well.

4. Events and Conferences in 2016

- SHRI Outlook 2016
- Singapore HR Challenge 2016
- Commemoration of HR Day
- SME HR Awards Presentation Gala
- Leading HR Leaders/Entrepreneurs' Dialogue
- Leading HR Dialogue
- Singapore HR Awards Presentation Gala
- Singapore HR Congress & Business-Connect Exposition

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Singapore Human Resources Institute (SHRI)