

# SUSTAINABLE EMPLOYMENT

## Achieving Purposeful Business Success Together

Singapore has made great economic strides since its independence, but some Singaporeans have progressed faster than others. We have seen how inequality has fuelled social unrest and political polarisation around the world. While Singapore has been spared so far, we cannot be complacent.

Even as 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. There are no winners when the social compact breaks down.

### A "By Business For Business" Initiative

The Sustainable Employment – Achieving Purposeful Business Success Together Report is intended for the business community, including Trade Associations and Chambers, to take action and pledge to improve their sustainable employment practices.

SBF will establish a Programme Office to oversee the progress of the recommendations in this report and rally businesses to action.

### Why Does Sustainable Employment Matter to Businesses?

1. Sustainable employment enables **employees, customers and communities to thrive**. This leads to **better businesses and healthier long-term growth**.
2. Businesses are an **integral part of society**. Purposeful action by businesses has a **direct impact** on their employees and partners.
3. Taking **proactive action** now, in anticipation of future trends, affords businesses the **flexibility to explore and adopt ideas that play to their strengths**.

## 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.

# INDUSTRY 4.0: RISKS AND OPPORTUNITIES FOR PROFESSIONALS, MANAGERS, EXECUTIVES AND TECHNICIANS (PMETS)

The technology revolution will fundamentally alter the way we live, work and relate to one another. As demand for highly-skilled employees surge, 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.

In Singapore, PMETs form the bulk of retrenched locals. They take longer to find new jobs, and face the largest skills gap compared to other occupational groups. Some may subsequently opt to enter the gig economy, but worry over the lack of proper employee benefits and protection. How can businesses help PMETs ride the technology wave?

## RECOMMENDATIONS

### 1. Businesses to take greater ownership of upskilling the PMET workforce



#### ACT NOW

- **Partner and tap** the expertise and resources of existing training providers to step up efforts on PMET reskilling
- **Sign on** as Professional Conversion Programme (PCP) partners to hire reskilled mid-career PMETs
- **Adopt** the Tripartite Workgroup on Self-Employed Persons (TWG-SEP) recommendations to address issues faced by SEPs

### 2. Develop platforms to match high-skilled professionals to gig work



#### NEXT STEPS

- **HR Community to enable** cross-industry workforce transformation and upskilling
  - o Institute for HR Professionals (IHRP) to collaborate with SBF in engagement efforts with HR professionals
- **Industries & Institutes of Higher Learning (IHLs) to deepen integration** to institutionalise lifelong learning for PMETs
  - o To be undertaken by larger companies acting as industry anchors as well as Trade Associations and Chambers acting as industry integrators



#### BUSINESS OPPORTUNITY

- **There is potential for high-skilled work to be offered on gig platforms in the future**, a model which could be taken up by the private sector, social enterprises or even Trade Associations and Chambers
- These platforms can provide supporting infrastructure, such as accreditation and insurance, and aggregate services such as training and development for high-skilled gig professionals
- This is an opportunity to:
  - o Tap Singapore's high-skilled professionals who may have left the industry
  - o Expand the market reach of high-skilled services beyond Singapore
  - o Maintain displaced PMETs in the workforce

# 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. By 2040, this figure will rise to above 30%. Compared to 2018, there will be about 40,000 fewer Singaporeans entering the workforce each year from 2030.

This demographic shift, along with a declining birth rate, will put immense pressure on society as

an ageing and shrinking workforce has to support the costs associated with the transition. On the other hand, stereotypes that plague mature employees affect their prospects. How can businesses be proactive in developing win-win situations for the mature workforce, addressing concerns over future manpower constraints?

## RECOMMENDATIONS

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



### ACT NOW

- **Recognise and internalise** the reality that the older workforce will be Singapore's future workforce
- **Put in place** inclusive policies and create a conducive work environment for older employees, as well as value and provide opportunities for inter-generational interactions
  - o To take reference from the Tripartite Standard on Age Friendly Workplaces developed by the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP)

2. Redesign jobs to match the profile, needs and strengths of mature employees



### NEXT STEPS

- **Redesign** jobs with mature employees in mind through:
  - o Structured dialogue around career planning and performance targets at key career milestones
  - o Systematic training and upskilling for Industry 4.0
  - o Customised training courses that suit the learning needs of older staff
- **SBF Foundation to promote and facilitate** the adoption of reverse mentoring among companies in Singapore, where mature employees learn from their younger colleagues about new technology and trends, and the values and viewpoints of the younger generation

# 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. They typically deliver services that are essential for daily living in an urban city but are often taken for granted.

According to official statistics, a significant 87% of those engaged as cleaners, labourers and related employees earn below \$2,000 a month. Apart from low wages, this group faces other associated pressures, including low morale, lack of belonging and stagnating skillsets.

Households under financial strain could find their decision-making instincts impaired, making it even harder to break out of this cycle.

A motivated workforce yields business benefits in the longer term, as well as a prosperous and kinder society. How can businesses provide meaningful opportunities and decent work conditions to this segment of our population?

## RECOMMENDATIONS

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



### ACT NOW

- **Adopt** progressive workplace practices such as:
  - o Boosting morale by making basic provisions such as clean uniforms and proper rest areas a norm
  - o Building a trusted community by including low-wage and outsourced workers in programmes and events
  - o Designing training programmes with the worker in mind
  - o Internal CSR to support vulnerable staff
  - o Giving employees the opportunity to take ownership in the business – ownership creates pride in jobs, purpose brings dignity to jobs



### NEXT STEPS

- **Restructure** contracts for outsourced essential services (cleaning, security and landscape) based on performance and value-based sourcing
- **Industry bodies including businesses with deep knowledge of such operations, Trade Associations and Chambers, and tripartite partners to craft** model integrated contracts that cut across various sectors



### LIGHTHOUSE PROJECT

- **Far East Organization, CapitaLand, Certis Group, CBM, Greenology, ISS Facility Services and Pontiac Land** have come on board as pioneer companies to explore clustering suitable jobs in the Estate/Facilities Management sector to boost workers' value, productivity and wages
- There will be pilot trials with smaller groups of workers as a lead-up to the formation of an Estate Management Centre