

Singapore Human Resources Institute (SHRI)

Singapore

1. Current economic and political situation in the country

Economy and labour market situation

Singapore's economy expanded 6.1 percent on-quarter in October-December 2013 owing to a surge in manufacturing. The Ministry of Trade and Industry (MTI) had last month estimated a 2.7 percent contraction in the fourth quarter based on preliminary data from October and November, but a ramp-up in production and exports in December prompted the upward revision.

On a year-on-year basis, the Singapore economy grew by 5.5 per cent in the fourth quarter of 2013, easing slightly from the 5.8 per cent growth in the preceding quarter. Robust fourth quarter performance boosted annual GDP growth in 2013 to 4.1 percent, better than the government's earlier revised forecast for 3.5-4.0 percent expansion. The better-than-expected outcome was due to a strong growth in the manufacturing sector.

The star performer in the fourth quarter, the manufacturing sector, grew by 7 per cent on a year-on-year basis, extending the 5.3 per cent growth seen in the previous quarter.

The Singapore economy is expected to post modest growth in 2014 with externally-oriented sectors such as manufacturing and wholesale trade which are likely to continue to recover and provide support to growth, together with the recovery in global demand.

Unemployment remained low. For the whole of 2013, the annual average overall and citizen unemployment rates dipped by 0.1%-point over the year to 1.9% and 2.9% respectively, while the resident rate was unchanged at 2.8%. On average, 59,800 residents including 52,900 Singapore citizens were unemployed in 2013. The corresponding figures in 2012 were 60,000 and 53,900.

Employment creation remained high, mainly driven by locals, as the gains in foreigners continued to moderate amid tightened foreign manpower controls. Total employment grew by 136,200 or 4.1% in 2013, slightly higher than the increase of 129,100 or 4.0% in 2012. The growth in local employment (82,900 or 4.0%) was more than in 2012 (58,700 or 2.9%), while foreign employment gains slowed (2013: 53,300 or 4.2%; 2012: 70,400 or 5.9%). Excluding construction and foreign domestic workers, the growth in foreign employment in 2013 (16,800 or 2.3%) was only half that in 2012 (32,200 or 4.6%).

In December 2013, there were 2,172,200 locals and 1,321,600 foreigners (or 1,107,100 excluding foreign domestic workers) employed in Singapore. In other words, locals accounted for 66.2% of persons employed (excluding foreign domestic workers), with foreigners forming 33.8%.

Amid economic restructuring, 11,560 workers were laid off, slightly higher than the 11,010 in 2012. Despite the increase, the rate of re-entry into employment improved for the third successive quarter. Based on CPF records, 59% of residents laid off in the third quarter of 2013 secured employment by December 2013. This rate of re-entry into employment within six months of redundancy rose from 52% in September, 51% in June and 49% in March 2013.

More job openings were available to job seekers, as vacancies rose while unemployment remained low in 2013. The seasonally adjusted ratio of job vacancies to unemployed persons rose to an eight-year high² of 144 job openings for every 100 job seekers in December 2013, up substantially from 105 per 100 a year ago.

(Source: Ministry of Manpower 2014)

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 2 main challenges facing the HR profession in Singapore at present are:

- **Ageing population vs a shrinking local population**

The trend towards population ageing is an urgent problem in Singapore today. As of 2008, there are more than 300,000 persons who are aged 65 years and above in Singapore. The number of persons aged 65 years and above will escalate from 8.7% in 2008 to about 19% of our population in 2030. (Source: Brief on Ageing Population in Singapore, MSF) As of end of 2012, the percentage of number of persons aged 65 and above was 9.9%. (Source: Department of Statistics, Singapore 2013). The government has since formed the Ministerial Committee on Ageing (MCA) comprising several key ministers and headed by the Minister in the Prime Minister's Office. MCA has the vision of achieving "Successful Ageing for Singapore", through pursuing a whole-of-government response to ageing along the following four strategic thrusts:

- Enhance Employability and Financial Security;
- Provide Holistic and Affordable Healthcare and Eldercare;
- Enable Ageing-in-Place; and
- Promote Active Ageing

In line with providing holistic and affordable healthcare and eldercare, Agency for Integrated Care (AIC) was formed as an independent corporate entity in 2009 to be the primary body to advise and guide patients and their families on the use of appropriate healthcare services. It also looks into the enhancement and integration of intermediate and Long-Term Care (also known as step-down care) sector.

The government had also formed the Centre for Enabled Living (CEL) which helps to drive the strategic thrust of providing holistic and affordable healthcare and eldercare. It is a one stop centre for seniors who need eldercare and supportive services via its partnership with service providers.

In line with the strategic thrust of promoting active ageing, the Council for Third Age (C3A) was set up in 2007. C3A provides funding for pilot projects supporting the outcomes of active ageing and serves to educate the public on ageing, through events and exhibitions. (Source: [http://app.msf.gov.sg/Portals/0/Topic/Issues/EDGD/Brief%20on%20Ageing%20Population%20\(Public\).pdf](http://app.msf.gov.sg/Portals/0/Topic/Issues/EDGD/Brief%20on%20Ageing%20Population%20(Public).pdf))

- **Talent Shortage**

Singapore – Almost four in 10 (37%) employers in Singapore are struggling to fill key vacancies in their organisations. According to the latest Talent Shortage Survey, the top positions local employers have most difficulty filling is production operators, followed by accounting and finance staff, and engineers. Rounding up the top five are secretaries, personal assistants, administrative assistants, and office support staff, and sales representatives.

A lack of available applicants (38%) and lack of technical competencies (14%), are the most common issues employers face on their hunt for talent. To overcome these difficulties, employers said they partner with educational institutions to align with their talent needs (19%), focus more on improving their pipelines (11%) and provide additional training and development to existing staff to fill vacancies (8%). (Source: Manpower Group's Talent Shortage Survey 2013)

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.

- **Singapore HR Accreditation**

HR has been an established profession for 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 the 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.

- **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.

- **Singapore HR Challenge**

Into its 7th year, the Singapore HR Challenge 2014 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 well as promote progressive HR to students.

- **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**

SHRI aims to partner other professional bodies such as Singapore Retail Association and Singapore Hotel Association through joint industry events. This is also for co-marketing of services as well as to attract talents especially those interested in a career switch to the HR profession.

- **To enhance the SHRI accreditation framework and process**
SHRI aims to expand the accreditation criteria so that more HR professionals could qualify. It also wishes to broadcast the benefits of being an accredited HR professional.
- **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 India and Malaysia. 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 2014

- SHRI Outlook 2014 (22 January 2014)
- Singapore HR Challenge 2014 (15 February 2014)
- Leading HR Leaders/Entrepreneurs' Dialogue (26 March 2014)
- Joint Seminar with Khoo Teck Puat Hospital (4 April 2014)
- Leading CEOs Dialogue (07 April 2014)
- HR Day @ SHRI 2013 (28 May 2014)
- Singapore HR Awards Presentation Gala 2013 (11 July 2014)
- Singapore HR Congress & Business-Connect Exposition (09 September 2014)
- SHRI HRD Conference 2014 (06 November 2014)
- Monthly SHRI Engage Sessions and Breakfast Talks (on - going)

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