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In Business Ideas this week, measures being put in place in Singapore to allow and encourage older workers to remain or re-enter the workforce.

Welcome to the program, I'm Melanie Yip.

EW: On the job front, it looks fairly optimistic, about 40,000 new jobs were created in the first 3 quarters of the year, unemployment has fallen to 3.4%.

Evelyn Wong (EW) is the Director of International Relations at the National Trades Union Congress, or NTUC in Singapore.

At a recent seminar organized by the Institute of Policy Studies, Evelyn first looked back at Singapore's employment trends in recent years.

EW: This is the first time the unemployment rate has fallen below 4% since 2001. So, barring any unforeseen crisis, the unemployment outlook for this year is positive, and the forecasts are that, with our moderate growth projections, it should be strong enough to create new jobs in Singapore. However, since the Asian Financial Crisis, our members in the trade union, and certainly all Singaporeans I think have been deeply affected by the impact of a series of global crisis that has changed our perspective on the economy, and our future employment prospects. I think if we look back, except for that very strong but very short-lived economic downturn in 1985, we've had virtually full employment, up until 1998, and the average Singapore was feeling relatively secure economically, we had more jobs, real wage increase, better prospects with higher skilled, and higher valued industries coming in, and generally improving standards of living.

However, Singapore's economic progress has also raised certain concerns for NTUC, because trends show more older and less skilled workers have difficulties in getting a job.

EW: Our biggest concern has been the experience of older, and generally less skilled, and lower income workers out of the crisis and continuing, we look at the data we have to 2003, the higher number of those retrenched are still the older and less skilled, lower income workers. And they are having the greatest difficulties finding re-employment. So the spectra of structural unemployment is a real one for us.

And this drives home the point that an ageing society forms part of the work force in Singapore.

EW: For Singapore, it is a realization that now, if we look forward to 2005, we have a rapidly ageing population, we still have a about 500,000 Singaporeans that have only a secondary level education, or less. And we are fast moving into a knowledge economy, higher skilled and higher value, can we keep up?

The question is not a matter of when, but how can Singapore keep up with an ageing workforce? For one, companies have to develop more proactive measures to retain older workers. David Ang (DA) is the Executive Director of the Singapore Human Resources Institute, and he tells me more.

DA: We have taken one step from rising the retirement age from 55 to 62, and the longer term projection is 67. Now, in the context of an ageing population, in the context of declining fertility, and birth rates, I think it is only logical that we should tap on this vast pool of matured, experienced people. Now, certainly for companies, it is a matter of labor costs, survival, profitability, and maximizing the profitability, and taking care of the bottom line, where you can cut costs, or save costs to remain competitive. In such context, of course, most organizations do not want to have high earning employees on the payroll, which is then a burden to the costs. Therefore, over the last few years or so, there have been pro-active measures, where they restructure the salaries of older workers.

This brings us back to Singapore's humble beginnings and economic changes in tune with industrialization.

DA: I would like to bring us back to the period of industrialization, particularly in the 1970s-80s, even up to the late 80s. At that time, I suppose, the management concept and philosophy were to take care of all employees, as well as to encourage loyalty within an organization. At that time, we do encourage people to stay on in their jobs, or acquire more skills, more experience, be rewarded accordingly and even if they were to work until they retired, they was something we could always wish for. But as the economy restructured, as manufacturing activities relocated to lower cost production areas, they seems to be a change in the management of employees within an organization.

The mindsets of both companies and employees have since changed. Companies tend to choose their employees, and employees in turn choose the companies, says David.

DA: When we enter the period of the knowledge era, we see or we have seen the management concept change in managing people as well. We know we cannot be certain of long employment within an organization. We should be ready to accept situations of "I sell my knowledge where knowledge is untapped" I go onto an area where I use the knowledge best for myself, for the organization. Tenure within an organization is no longer based on a situation where one would stay long within an organization. In fact, one would encourage other people to change jobs, and there have been statistics that show, going into the 21st century, people might change jobs 6-7 times within their career.

And till today, discriminatory hiring practices still exist among companies.

DA: Companies tend to see older workers as having a higher incidence of health, or medical problems. They may prefer to have younger workers, over the older workers. But this is not true for all mature, or older people. With the national focus on keeping fit, and taking care of their own health, I think a lot of Singaporeans, especially the older ones they are having good health, and able to take care of themselves, and thereby helping themselves, and the organization moderate or keep the health costs down.

I asked David Ang, from the Singapore Human Resources Institute, if cultures in the Western and Eastern societies have different hiring practices.

DA: I think if you look at advanced countries like Germany and France, where the unions play a key role, they will tend to protect the workforce, and their members, no matter young or old, and particularly the older ones where they encounter any form of discrimination, the unionists will be vocal, or strong in putting out their protests. But if

you look at the situation in Asia, or in developing countries, you look at the various types of jobs that are available, then I think one needs to overcome some of the perception that older workers may not be able to do some of those jobs that is needed.

For older workers, David feels that self-reflection is important before deciding when and how to feel more prepared about entering the workforce.

DA: I would like this older worker to critically do a self-reflection. Basically, I think the person would have to think and manage his emotions, or components of his mindset. He should not think this is the end of the road, I think h should be confident, he should be prepared to take on the task, and try to develop the skills and the confidence in entering the job, whether it is going into a new area or an area that he is familiar with. Next thing he needs to consider is his financial background, if he thinks that this is the job that is necessary for his survival, this is the job he is interested in and does not mind committing his time and efforts to earn something, or to keep his mind going. The next one is to know yourself, what are my strengths, what are my weaknesses. And for there, to take a profile of oneself, to see if this type of work is similar to what I've done or take a critical step to venture into something new.

That was David Ang, Executive Director of the Singapore Human Resources Institute.

You've been listening to Business Ideas. Join me at the same time next week. I'm Melanie Yip for Radio Singapore International.