



Report on the IPS Corporate Associates Breakfast Dialogue on Sustainable Employment 3 February 2020

By Tasha Tan

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Background

On 3 February 2020, IPS held a Corporate Associates Breakfast Dialogue on Sustainable Employment. The first panellist at the event was Ms Goh Swee Chen, President of Global Compact Network Singapore, who had chaired the Singapore Business Federation's (SBF) 2019 project on Sustainable Employment. The second panellist was Mr Chia Ngiang Hong, President of Real Estate Developers Association Singapore (REDAS) and Group General Manager of City Developments Limited. The dialogue was moderated by Dr Gillian Koh, Deputy Director (Research) of Institute of Policy Studies (IPS).

The eight-month SBF project culminated in a report titled "[Sustainable Employment – Achieving Purposeful Business Success Together](#)" where deep consultation had been conducted on addressing the employment needs of senior workers, low-wage, low-skilled workers as well as white-collar professional workers facing technological disruption in their industries.

The backdrop to this project was the recognition that in the recent past, many advanced economies and countries had reached a tipping point where workers facing economic inequality and income insecurity had taken to the streets to express their anxieties about the future of their livelihoods. The corporate sector in Singapore was conscious that it needed to address such issues proactively to ensure the country never reaches such a tipping point.

The SBF report outlined six recommendations under the idea of "sustainable employment" and invited businesses to pledge to implement them. A four-page summary of these can be found [here](#). Sustainable employment as defined by SBF is the commitment to provide fair compensation to workers and adopt ethical employment practices throughout the business value chain; to invest in their long-term skills and career development; and to bring innovation to business processes that expand and generate meaningful work especially for low-wage, low-skilled workers.



Ms Goh Swee Chen (left) and Mr Chia Ngiang Hong (right) were panellists at the IPS Corporate Associates Breakfast Dialogue on Sustainable Employment moderated by Dr Gillian Koh.

PANEL DISCUSSION

Unfairness and Social Polarisation

Ms Goh said that the issue of “fairness” was driving the social movements today — every one wanted the best education, healthcare, and job opportunities but many felt they did not have equal access to it, resulting in social polarisation. She said that we did not wish to reach a point where, as Walter Scheidel put it, historically, it was only through violence and catastrophe that inequality was addressed. It was in the corporate sector’s enlightened self-interest to deal with inequality using both economic and moral lens because businesses would do well where there was social and political stability.

Ms Goh highlighted global trends that would shape such an agenda: First, with low birth rates and people living longer, it was important to provide employment opportunities for older workers; second, technology now meant that work did not have to be done in just one place; third, trade protectionism was rising as seen in the US-China trade war; countries that relied on open trade faced challenging times.

The recommendations in the SBF report to address those issues were:

1. Anticipate disruption and prepare PMETs through training.
2. Develop platforms for high-skilled gig workers.
3. Stamp out age discrimination of mature employees.
4. Redesign jobs to match needs and strengths of mature employees.

5. Select socially responsible vendors in outsourcing arrangements that consider outcome and value-based sourcing.
6. Widen the scope of work, promote job progression and the longevity of low-wage low-skilled workers.

The Lighthouse Project for Low-Wage, Low-Skilled Workers

As part of the implementation of the sixth recommendation, a “lighthouse project” would be piloted to cluster the roles found in the security, landscape, and cleaning industries. This would have a signal effect on other businesses to make similar changes and provide meaningful jobs for low-wage workers through job enlargement and raise their wages.

Mr Chia explained that his organisation had already established such a firm, which contracted out all these services under the rubric of “facilities management”, because it had for a long time practiced what was now called sustainable employment.

He shared that the main challenge was business cost. As the real estate, cleaning and security industries were labour-intensive, they required many workers but some of their wages were very low given how competitive these sectors were. While the progressive wage model applied to these industries, it was not enough to rely on that to tackle income inequality. Fortunately, the government provided necessary support and the unions were very cooperative. Another challenge was changing the mindset of workers so that they recognised the new systems benefitted them.

The Persistence of the Problem of Inequality

A participant shared his thoughts on why income inequality persisted in Singapore. He cited how garbage collectors in Sydney enjoyed a basic wage of \$5,000 and said that such a job paid so much less in Singapore because it was dominated by foreign low-wage workers who could afford to take relatively low salaries that translated into a lot of money when sent home. He suggested that wages of such workers should be raised to attract local ones. He acknowledged that this would raise business costs and the cost of living.

In response, Ms Goh and Mr Chia said it was not practical to “pull the plug” suddenly on the reliance of foreign workers but instead, what was needed was a transition to relying less on foreign labour. This could be achieved only through the cooperation of many industries and domains.

A Holistic and Collaborative Effort — Businesses, Government Agencies, Customers

A participant said it was important to look for solutions that were holistic and multifaceted in approach. Technology could help with garbage disposal for instance. In newer housing estates, a pneumatic system had centralised waste collection and reduced the number of workers required. Each worker was more productive and could earn more.

Firms could adopt digital transformation masterplans to create products or services (this participant’s organisation provided 200 e-services) or support key business and human resource management functions. The participant said that a manpower framework in her organisation allowed employees to identify the next step in their career development path and the requisite skills and competencies that the employers could then help the worker acquire.

Companies could introduce new technologies, but they had to actively help staff make the transition to using them; staff had to realise change was inevitable and be motivated to learn. Lastly, there needed to be a system to help customers make the same transition also.



A participant poses a question to the panellists in a lively dialogue session.

A participant said that organisations should examine if their processes were user-friendly rather than requiring, for instance, multiple sign-in processes before customers or staff could access the system. The system also needed to be jargon-free. Good feedback from various sources could help to improve user experience.

Building Workplace Culture

A participant in the banking industry shared that sometimes a business challenge might be an opportunity to adopt a new way of doing things. e-Banking systems, for instance, allowed organisations to get around certain barriers to entry, but it meant that the digital culture had to permeate the whole organisation. The lesson the participant wanted to share was that if digitalisation was done through small pilots or in a piecemeal fashion, internal stakeholders were likely to be reluctant to make a success of it. Second, it was important to encourage a culture of learning — allow staff to get on new technological platforms to learn and receive feedback. Third, it was important to have a culture of empowerment — organisations had to provide opportunities for employees to learn, but staff had to be motivated to take ownership of that learning.

CLOSING REMARKS

A participant commended the efforts of the initiative and said that conversations and time were needed to make the transitions discussed. The issue of inequality had been on the government's radar since 1980s — the wages of cleaners started to drop and companies started outsourcing such essential services. It was only now, with new technological and infrastructural developments, that significant changes could be made to benefit low-wage, low-skilled workers. Another participant encouraged more companies to pledge themselves to the sustainable employment agenda. (To read more about the pledge, click [here](#).) In due course, other changes in public policy may be required, and businesses as well as workers would have to be prepared to shift to a new level. At that point, there would be a need for arbiters between the two groups and more loving critics of Singapore to share their points of view.

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