



Shanyuan Foo

## INTRODUCTION

In Singapore, a key concern is to encourage employers to adopt workplace flexibility and family-friendly benefits and practices. As the fertility rate continues to decline below the numbers needed to maintain the current population size, policies that encourage people to have more children are vital to the future of the nation. Due to the aging population, the state is also encouraging employers to hire older workers. In this paper, we will discuss (where data is available), how some of these issues have been approached by Singapore employers.

Organizations that want to remain employers-of-choice must periodically assess how shifts in the business environment might impact the effectiveness of their talents: management strategies, policies and programs. Globalization and changes in the age composition of the workforce are two important 21st century trends that can have a significant impact on the need to customize and adjust core strategies and practices. Employers around the world are challenged by the need to establish talent-management policies and practices that are both globally strategic and relevant to specific country contexts. Forward-thinking employers are considering:

- How might shifts in the economic structure and age composition of the workforces in different countries affect the next generation of human resource policies and practices?
- And, how might these policies and practices support the sustainability of great places to work?

### *What does “mind the gap” mean?*

Train stations across England play recorded messages to remind passengers that they should “Mind the Gap.” These words of caution urge train travelers to pay attention to the space between the door of the train car and the platform in the station for safe commutes and travels.

For this series of research publications, we have adopted the phrase “Mind the Gap.” The Mind the Gap series aims to remind employers to pay attention to any gaps that might exist between employees’ priorities and needs and employers’ allocation of workplace-based resources. Our Mind the Gap papers also aim to help readers mind such gaps in quality of employment in other country contexts.

## Table of Contents

Quality of Employment: Dimensions of a “Good Job” and a “Good Place to Work”	3
Quality of Employment in South Korea	
Indicators of Fair, Attractive, and Competitive Compensation & Benefits	4
Indicators of Opportunities for Development, Learning & Advancement	6
Indicators of Wellness, Health & Safety Protections	8
Indicators of Opportunities for Meaningful Work	10
Indicators of Provisions for Employment Security & Predictabilities	12
Indicators of Workplace Flexibility	14
Indicators of Culture of Respect, Inclusion & Equity	16
Indicators of Promotion of Constructive Relationships at the Workplace	18
Summary and Conclusion: Minding The Gap, Closing The Gap	20

The Sloan Center on Aging & Work in Boston, in collaboration with the Middlesex University Business School in London, created the Mind the Gap series to provide employers with basic employment-related information country-by-country. There are two types of papers in the Mind the Gap series.

**Employee Series:** This series examines the perspectives that adults of different ages have about employment and the assessments that they make about their employment experiences. These papers focus on one central question: *Does age affect employees' preferences for an idealized job and their assessments of their employment experiences?*

**Employer Series:** This series examines the prevalence of human resource policies and programs at workplaces in a selected country. Because most talent-management strategies and programs are age-neutral, we compare the availability of selected human resource policies in practices in the targeted country with the availability of similar policies and practices in a small number of countries with approximate economic circumstances. These papers focus on one core question: *How does the availability of human resource policies and programs in the targeted country compare with other countries?*

Although papers in both series focus on a single country, when the information contained in two or more papers are considered in tandem, it is possible to consider whether employees' perceptions of their employment experiences vary from country to country.



## Quality of Employment: Dimensions of a “Good Job” and a “Good Place to Work”

Most people would agree that good jobs are a good thing. High-quality jobs offer benefits to employees and to the organizations where they work.

- **Benefits for Employees:** The quality of employment affects the health and well-being of employees. Research confirms that poor-quality jobs (such as jobs requiring extreme work hours or jobs that are very demanding – particularly those where employees do not have access to the resources they need to meet those demands) are associated with negative outcomes, including high stress levels and physiological reactions such as cardio-vascular problems.<sup>1</sup>
- **Benefits for Employers:** Employers often connect the quality of employment they offer to employees to their employer-of-choice strategies. There is some evidence that the adoption of policies and practices that promote the quality of employment available to employees is related to positive outcomes for organizations, such as customer satisfaction and organizational performance.<sup>2</sup> Employer-of-choice strategies can result in enhanced employee engagement that, in turn, can be linked to organizational outcomes, including financial measures. For example, higher employee engagement can reduce costs such as those associated with unwanted turnover. One study found that 59% of highly engaged employees report that they “intend to stay” with their employers in comparison to the 24% of disengaged employees who “intend to stay.”<sup>3</sup> A number of studies have linked employee job satisfaction with positive performance indicators. *Fortune* reports positive relationships between being recognized as a “great place to work” and stock indices.<sup>4,5</sup>

The Global Institute focuses on eight important dimensions of the quality of employment:

- Fair, Attractive, and Competitive Compensation & Benefits
- Opportunities for Development, Learning & Advancement
- Opportunities for Meaningful Work
- Workplace Flexibility
- Culture of Respect, Inclusion & Equity

Three additional dimensions are not discussed due to lack of data availability. These are: Wellness, Health and Safety Protections, Provisions for Employment Security and Predictabilities, and Promotion of Constructive Relationships at the Workplace. The following sections of this paper use the quality-of-employment framework as a structure to discuss the perspectives of employees about their employment situations.

# QUALITY EMPLOYMENT IN SINGAPORE:

## I. Indicators of Fair, Attractive, and Competitive Compensation & Benefits

- ▶ *Compensation and benefits are distributed in a fair and equitable manner, meeting most of employees' basic economic needs.*

About 67% of private sector employers in Singapore reported that they had increased the total wages of their workers in 2007. The average wage increase was 5.9%.<sup>6</sup>

- By company size, larger companies reported higher wage increases. Employers with 200 or more employees reported the highest wage increases (7.0%) compared to employers with 100–199 employees (5.7%) and those with 25–49 employees (4.7%).
- By industrial sector, the financial sector reported the highest total wage increase (10.7%) followed by transport and services (8.7%) and professional services (7.1%).

About 1.5% of employers in the private sector in Singapore offered childcare benefits in 2003, a drop from 1.7% in 2001.<sup>7</sup>

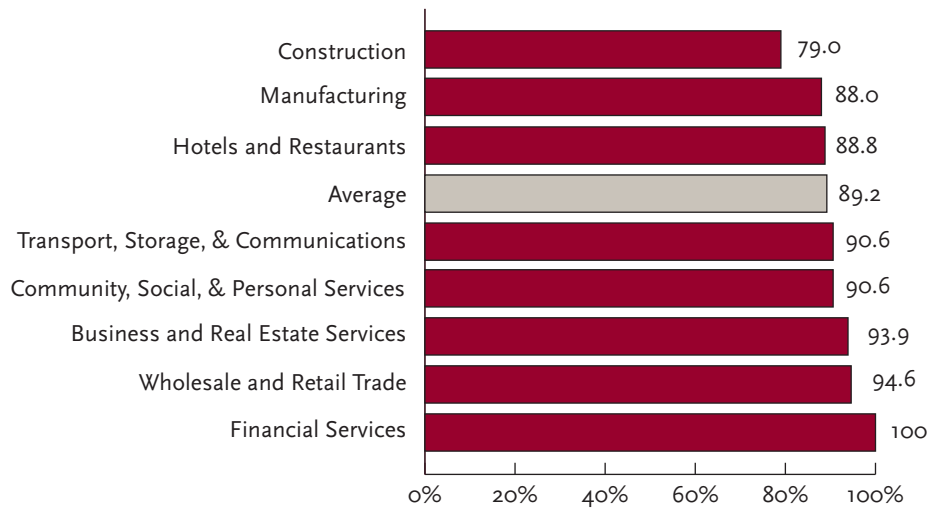
- By industrial sector, childcare benefits were more likely to be provided in Community, Social, and Personal Services (5.1%), due to the higher rate (18%) of the hospital and childcare operators sub-sector. Financial Services is the next most likely to provide childcare benefits at 3.6%.
- By company size, the larger the company the more likely they were to provide childcare benefits. Employers with 550 and more employees reported the greatest amount of childcare benefits (10.2%), compared to employers with 250–549 employees (4.3%) and those with 100–249 employees (2.2%).

18.0 % of private sector employers whom employed low-wage workers increased the wages of low-wage employees. This was more prevalent in unionized sectors (40.0%), compared to non-unionized sectors (17.0 %).<sup>6</sup>



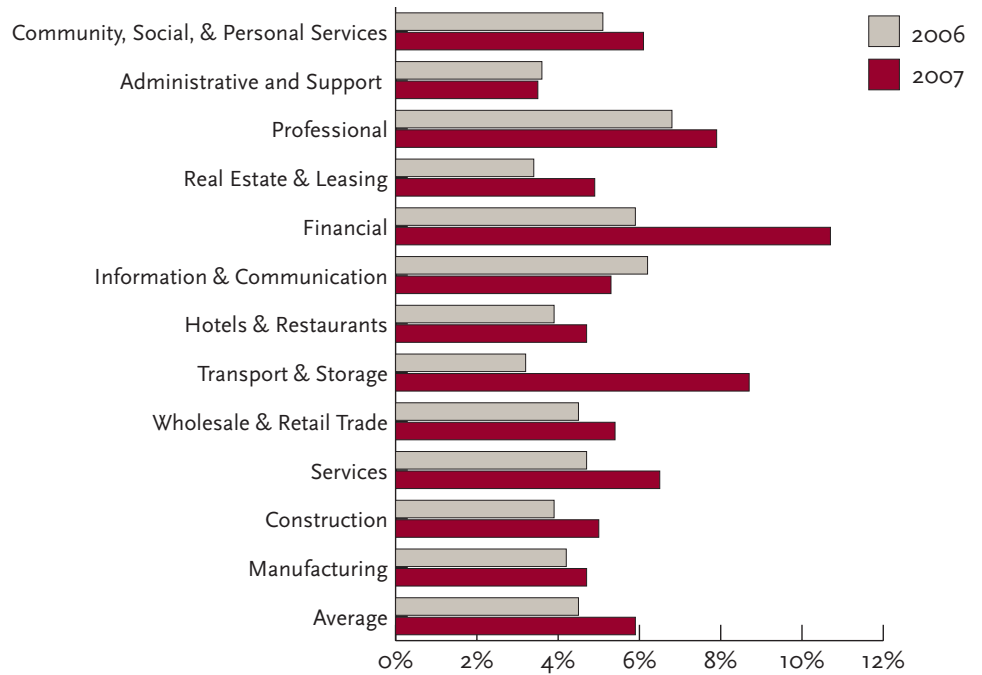
In Figure 1, Compassionate or Bereavement Leave is very common and offered by most employers, with 100% of employers in the Finance Sector offering this benefit, and 89.2% of employers across all industries.

Figure 1: Percentage of employers in the private sector that offers Compassionate or Bereavement Leave, 2003



Source: Ministry of Manpower, Staff Leave and Welfare Benefits 2003<sup>7</sup>

Figure 2: Total wage change by Industry, 2006 and 2007



Source: Ministry of Manpower, Annual Wage Changes 2007<sup>1</sup>

## II. Indicators of Opportunities for Development, Learning & Advancement

- ▶ *Opportunities for the development of expanded skills and responsibilities are available.*

In 2003, 8.2% of private sector employers in Singapore provided paid study leave to their employees, while 16.0% offered unpaid study leave. The figures for paid examination leave are higher, with 35.0% and 17.0% of employers providing paid and unpaid examination leave, respectively.<sup>7</sup>

- By industrial sector, opportunities for paid study leave were more likely to be offered by financial services (22.2%) and least likely to be offered by hotels and restaurants (3.8%).
- By industrial sector, opportunities for paid exam leave were more likely to be offered by financial services (58.7%) and least likely to be offered by hotels and restaurants (18.6%).
- By company size, the larger the employer the more likely opportunities for paid study leave were offered. Employers with 550 or more employees reported the highest figure in terms of paid study leave (12.2%), followed by employers with 250–549 employees (10.8%) and employers with 100–249 employees (8.9%).
- By company size, the larger the employer the more likely opportunities for paid exam leave were offered. Employers with 550 or more employees reported the highest figure in terms of paid exam leave (77.6%), followed by employers with 250–549 employees (65.5%) and employers with 100–249 employees (46.5%).

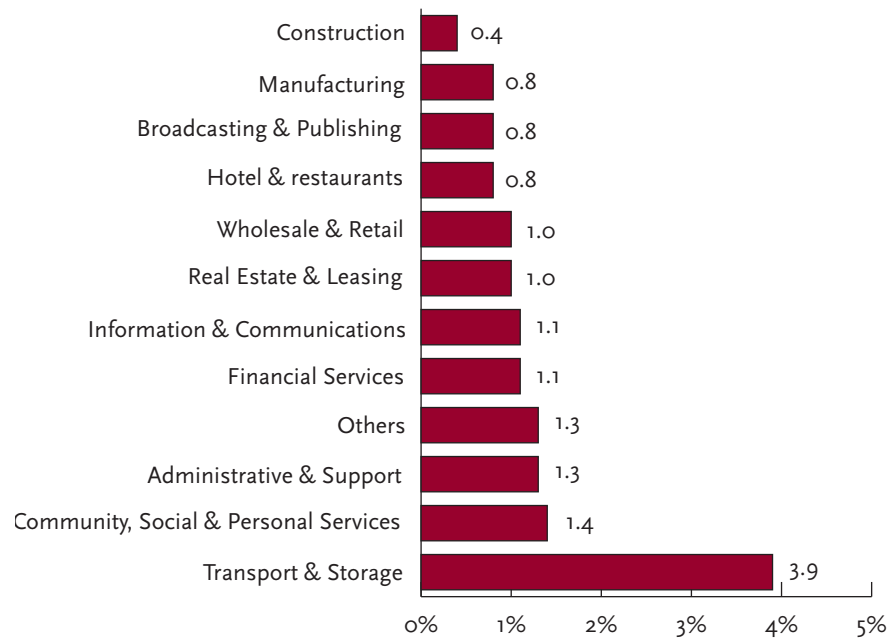
In 2005, 72.0% of private sector employers offered structured training for their employees.<sup>12</sup>

- By industrial sector, structural training opportunities were more likely to be available in insurance (100%), telecommunications (100%), and health and social services (97.0%), and were least likely to be offered by hotels and restaurants sector (35.0%).
- By company size, such opportunities were more likely to be provided by both large and middle-sized employers. For instance, 96.0% of employers with 250 and above employees and 89.9% of employers with 100–249 employers offered structured training. This compares to 65.6% employers with 25–99 employees who offered training.



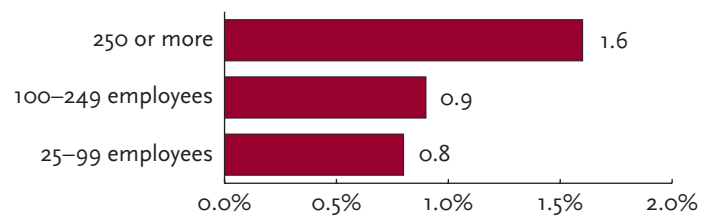
The Transport & Storage sector spent the highest percentage amount of total payroll (3.9%) on training for employees compared to all other sectors.

Figure 3: Average percentage of total payroll employers spend on training employees by industry, 2005



Source: Ministry of Manpower, Employer Supported Training 2005<sup>8</sup>

Figure 4: Average percentage of total payroll employers spend on training employees by employer size, 2005



Source: Ministry of Manpower, Employer Supported Training 2005<sup>8</sup>

### III. Indicators of Wellness, Health & Safety Protections

- ▶ *Well-being is promoted through workplace policies, and social protections are offered in case of illness.*

This dimension is omitted due to lack of data availability.



### IV. Indicators of Opportunities for Meaningful Work

- ▶ *Opportunities for meaningful and fulfilling work are available.*

In 2003, only 6.6% of private sector employers offered paid/unpaid leave for staff to pursue personal interests of more than three months.<sup>7</sup>

- By industrial sector, opportunities for paid/unpaid leave for staff to pursue personal interests were more likely to be offered by community, social, and personal services (13.0%) and least likely to be offered by transport, storage, and communications (3.4%).
- By company size, the larger the employer the more likely opportunities for paid/unpaid leave for staff to pursue personal interests were offered. Employers with 550 or more employees reported the highest prevalence (24.4%), followed by employers with 250–549 employees (12.8%) and employers with 100–249 employees (7.2%).



### V. Indicators of Provisions for Employment Security & Predictabilities

- ▶ *Terms of employment are communicated clearly, with an emphasis on smooth transitions through jobs and careers.*

This dimension is omitted due to lack of data availability.





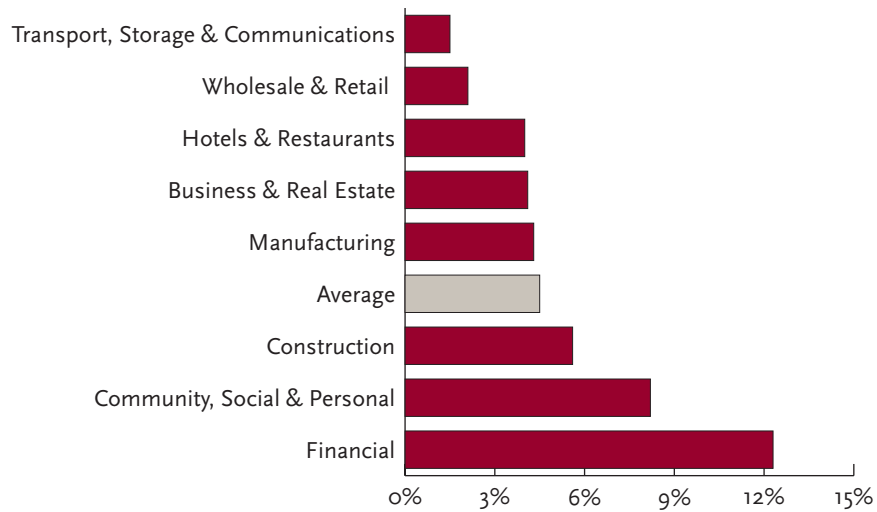
## VI. Indicators of Workplace Flexibility

- *Options, choice, and control over work conditions and hours are available.*

In 2003, 4.5% of private sector employers offered paid leave to their employees with sick elderly parents.<sup>7</sup>

- By industrial sector, opportunities for paid elderly dependant care leave were more likely to be offered by financial services (12.3%) and least likely to be offered by transport, storage, and communications (1.5%).
- By company size, the larger the employer the more likely opportunities for paid elderly dependant care leave were offered. Employers with 550 or more employees reported the highest figure (9.3%), followed by employers with 250–549 employees (8.1%) and employers with 100–249 employees (4.4%).

Figure 5: Paid elderly dependant care leave offered by industry, 2003



Source: Ministry of Manpower, Staff Leave and Welfare Benefits 2003 <sup>7</sup>

As suggested by the findings presented in Figure 5, paid sick elderly leave is not common among employers in Singapore, with an average of 4.5% of employers offering this benefit.

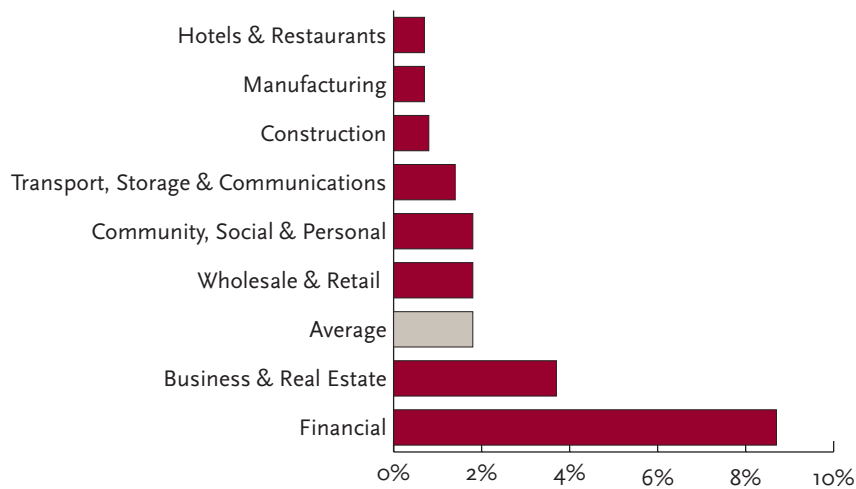
In 2003, 1.8% of private sector employers offered a flexible benefits plan, which allows employees flexibility to choose the kind of benefits they preferred up to a specified cost limit.<sup>7</sup>

- By industrial sector, opportunities for flexible benefits plan were more likely to be offered by financial services (8.7%) and least likely to be offered by manufacturing (0.7%) and hotels and restaurants (0.7%).
- By company size, the larger the employer the more likely opportunities for flexible benefits plan were offered. Employers with 550 or more employees reported the highest figure (10.2%), followed by employers with 250–549 employees (5.0%) and employers with 100–249 employees (1.5%).

In 2008, 9.4% of employers had employees who were on flexible working arrangements. This includes part-time, staggered hours' option, flextime, teleworking, and home-working.<sup>13</sup>

- By industrial sector, employees in hotels and restaurants (25.2%) were most likely to work part-time, while construction had the least amount of employees who were on flexible working arrangements (1.1%).
- By company size (private sector only), the larger the employer the more likely employees were on flexible working arrangements. Employers with 200 and above employees reported the highest figure (9.2%), followed by employers with 25–199 employees (4.7%).

Figure 6: Flexible benefits plan by industry, 2003



In Figure 6, the figures indicate that most employers do not offer flexible benefits plan, with the Finance sector offering a disproportionately high figure (8.7%) compared to all other employers (1.8%).

Source: Ministry of Manpower, Staff Leave and Welfare Benefits 2003 <sup>7</sup>

## VII. Indicators of Culture of Respect, Inclusion & Equity

- *Diversity, inclusion, and employee personal growth are valued.*

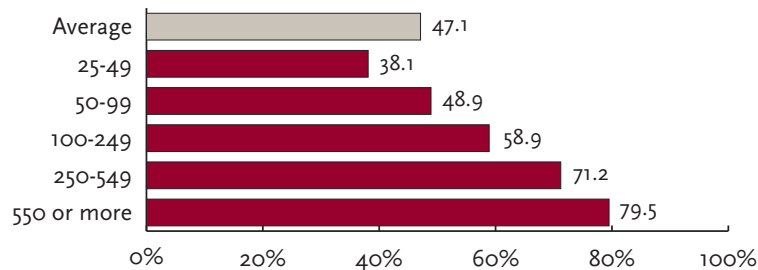
In 2003, 47.1% of private sector employers offered paid paternity leave, which marks a small increase compared to 45.0% in 2001.<sup>7</sup>

- By industrial sector, opportunities for paid paternity leave were more likely to be offered by financial services (58.4%) and least likely to be offered by transport, storage, and communications (39.7%) and construction (29.5%).
- By company size, the larger the employer the more likely opportunities for paid paternity leave were offered. Employers with 550 or more employees reported the highest figure (79.5%), followed by employers with 250–549 employees (71.2%) and employers with 100–249 employees (58.9%).



As seen in Figure 7, small companies (25-49 employees) offer of paternity leave (38.1%) falls below the total (47.1%) across all company sizes.

Figure 7: Paid paternity leave offered by company size, 2003



Source: Ministry of Manpower, Staff Leave and Welfare Benefits 2003<sup>7</sup>

## VIII. Indicators of Promotion of Constructive Relationships at Work

- *Interactions with supervisors and coworkers are professional and respectful.*

This dimension is omitted due to lack of data availability.



## **SUMMARY AND CONCLUSION:**

### **MINDING THE GAP**

The information presented here gives a general background and understanding to the kinds of benefits Singapore employers offer to their staff. Based on the information presented, we can conclude the following:

By industrial sector, in general the finance sector provides the most amount of benefits to its employees. The hotels and restaurants, manufacturing, and construction sectors tend to provide lesser benefits.

By company size, in general the larger the employer (as measured by number of employees), the more likely they are to provide more benefits, including relatively uncommon benefits such as the flexible benefits plan, compared to smaller-scale organizations.

### **CLOSING THE GAP**

The way in which the Central Provident Fund (CPF) is structured in Singapore ensures that most employees have some form of health insurance. The CPF scheme is a form of social security savings plan, in which employers and employees make monthly contributions to the employee's CPF account. Contributions vary depending on age group and monthly wages of the employees, with employers' contributions declining when an employee reaches the age of 50 (for employees earning less than S\$1500 per month) or 60 (for employees earning more than S\$1500 per month). The money is channeled into three accounts, with the Medisave account as a form of health insurance. Medisave accounts can be used to pay for dependent(s) health care, and employees and citizens also can opt for MediShield and ElderShield as premium enhancements.

Flexible working arrangements are not commonly offered in Singapore, with only about 9.4% of employers offering such working arrangements. With an increasingly aging population and a declining fertility rate, and as the size of the local labor force continues to shrink, the continued employment of older workers as well as an increase in part-time working arrangements to entice those who are unable to work full time becomes increasingly important for the economy.<sup>12</sup> At the same time, benefits such as elderly dependents' care leave and childcare leave may be of increasing importance to Singapore employees. In 2004, an S\$10 million *Work-Life Works!* (WOW) Fund was set up by the Ministry of Manpower, and employers may make use of the fund to apply for grants to defray the costs of introducing family-friendly benefits.<sup>13</sup>

## ABOUT THE INSTITUTE

Established in 2007 by the Sloan Center on Aging & Work, the Global Perspectives Institute is an international collaboration of scholars and employers committed to the expansion of the quality of employment available to the 21st-century multi-generational workforce in countries around the world.

The Global Perspectives Institute focuses on innovative and promising practices that might be adopted by employers and policy-makers.

The Institute's research, publications, and international forums contribute to:

- ▶ a deeper understanding of the employment experiences and career aspirations of employees of different ages who work in countries around the world;
- ▶ informed decision making by employers who want to be employers of choice in different countries; and
- ▶ innovative thinking about private-public partnerships that promote sustainable, high quality employment.

In addition to the Mind the Gap series, the Global Perspectives Institute publishes a Statistical Profile Series that highlights workforce demographic trends in different countries and a Global Policy Series that focuses on selected workforce policy in certain country contexts.

For more information on SCAW publications, please visit us online at:  
[www.bc.edu/agingandwork](http://www.bc.edu/agingandwork)

---

The Sloan Center on Aging & Work at Boston College promotes quality of employment as an imperative for the 21st-century multi-generational workforce. We integrate evidence from research with insights from workplace experiences to inform innovative organizational decision making. Collaborating with business leaders and scholars in a multi-disciplinary dialogue, the Center develops the next generation of knowledge and talent management.

The Sloan Center on Aging & Work is grateful for the continued support of the Alfred P. Sloan Foundation.

---

Shanyuan Foo  
*Research Assistant*

Shanyuan Foo is a Graduate Research Assistant at the Sloan Center of Aging & Work. Her research interests lie in the intersection of social policy, labor, and gender.

## REFERENCES

1 For example, see:

Barnett, R. C., & Gareis, K. C. (2002). Full-time and reduced-hours work schedules and marital quality: A study of female physicians with young children. *Work and Occupations*, 29(3), 364-379.

Butler, A. B., Grzywacz, J. G., Bass, B. L., & Linney, K. D. (2005). Extending the demands-control model: A daily diary study of job characteristics, work-family conflict and work-family facilitation. *Journal of Occupational and Organizational Psychology*, 78(2), 155-169.

Karasek, R. A., Jr. (1979). Job demands, job decision latitude, and mental strain: Implications for job redesign. *Administrative Science Quarterly*, 24(2), 285-308.

Kasl, S. V. (1996). The influence of the work environment on cardiovascular health: A historical, conceptual, and methodological perspective. *Journal of Occupational Health Psychology*, 1(1), 42-42.

Johnson, J. V., & Hall, E. M. (1988). Job strain, work place social support, and cardiovascular disease: A cross-sectional study of a random sample of the Swedish working population. *American Journal of Public Health*, 78(10), 1336-1342.

Lewis, S. Brookes, M., Mark, A. & Etherington, D. (2008). *Work engagement, work-family enrichment and gender: A positive approach to quality of working life*. Working Paper. London: Middlesex University Business School.

Melchior, M., Niedhammer, I., Berkman, L. F., & Goldberg, M. (2003). Do psychosocial work factors and social relations exert independent effects on sickness absence? A six year prospective study of the GAZEL cohort. *Journal of Epidemiology & Community Health*, 57(4), 285-293. doi:10.1136/jech.57.4.285

Swanberg, J. E., & Simmon, L. A. (2008). Quality jobs in the new millennium: Incorporating flexible work options as a strategy to assist working families. *Social Service Review*, 82(1), 119-147.

Wilson, M. G., Dejoy, D. M., Vandenberg, R. J., Richardson, H. A., & McGrath, A. L. (2004). Work characteristics and employee health and well-being: Test of a model of healthy work organization. *Journal of Occupational and Organizational Psychology*, 77(4), 565-588.

2 For example, see:

Allen, T. D., Eby, L. T., Poteet, M. L., Lentz, E., & Lima, L. (2004). Career benefits associated with mentoring for protégés: A meta-analysis. *Journal of Applied Psychology*, 89(1), 127-136.

Barnett, R. C., & Hall, D. T. (2001). How to use reduced hours to win the war for talent. *Organizational Dynamics*, 29(3), 192.

Edmans, A. (2008). *Does the stock market fully value intangibles? Employee satisfaction and equity prices*. Philadelphia, PA: University of Pennsylvania- The Wharton School. Retrieved from <http://ssrn.com/abstract=985735>

3 Towers Perrin. (2005). *Winning strategies for a global workforce: Attracting, retaining and engaging employees for competitive advantage*. Stamford, CT: Towers Perrin. Retrieved from <http://www.towersperrin.com/tp/getwebcachedoc?webc=HRS/USA/2006/200602/GWS.pdf>

4 Great Places to Work Institute. *What makes a great place to work: Financial results*. Retrieved from <http://www.greatplacetowork.com/great/graphs.php>

5 Unfortunately, most of the research linking employer-of-choice strategies with business outcomes tends to focus on correlational relationships. Such studies do not definitively establish that being a “best place to work” causes positive organizational performance; indeed, it also might be true that high profits and strong financial growth cause higher employee engagement and foster perceptions that a particular workplace is an employer of choice.

- 6 Ministry of Manpower, Singapore. (2007). *Annual Wage Changes 2007*. Retrieved from <http://mom.gov.sg/publish/momportal/en/communities/others/mrsd/Publications.html>
- 7 Ministry of Manpower, Singapore. (2003). *Staff Leave & Welfare Benefits 2003*. Retrieved from <http://mom.gov.sg/publish/momportal/en/communities/others/mrsd/Publications.html>
- 8 Ministry of Manpower, Singapore. (2005). *Employer Supported Training 2005*. Retrieved from <http://mom.gov.sg/publish/momportal/en/publications.html>
- 9 Ministry of Manpower, Singapore. (2008). *Conditions of Employment 2008*. Retrieved from <http://mom.gov.sg/publish/momportal/en/communities/others/mrsd/Publications.html>
- 10 Central Provident Fund Board, Singapore. (2009). *Contribution Rates (from 1 July 2007) for employees who are Singapore citizens or Singapore permanent residents*. Retrieved from <http://mycpf.cpf.gov.sg-AnnexB.pdf>
- 11 Central Provident Fund Board, Singapore. (2009). *Other CPF schemes and services*. Retrieved from <http://mycpf.cpf.gov.sg/Members/Gen-Info/Sch-Svc/S-and-S.htm#healthcare>
- 12 Kalirajan, K.P. and Shantakumar, G. (1998). Ageing labour force in a labour shortage economy: the case of Singapore in *International Journal of Social Economics*. 25, 2/3/4. pp 486-503
- 13 Saw, Swee-Hock. (2005). *Populations policies and programmes in Singapore*. Singapore. Institute of Southeast Asian Studies

### *Mind the Gap Series:*

- MTG01: United States, Employee
- MTG01: United States, Employer
- MTG02: Japan, Employee
- MTG02: Japan, Employer
- MTG03: South Korea, Employee
- MTG03: South Korea, Employer
- MTG04: United Kingdom, Employer
- MTG05: China, Employee

For all of the Center's publications, visit our website at [www.bc.edu/agingandwork](http://www.bc.edu/agingandwork)

MIND THE GAP  
SINGAPORE EMPLOYER  
SEPTEMBER 2009