

**Speech by Mr Gan Kim Yong, Acting Minister for Manpower
at the Singapore Human Capital Summit Gala Dinner,
23 October 2008, 7.30 pm, Shangri-La Hotel**

ASEAN Labour Ministers

Ms Grace Foo, Senior Minister of State for Ministry of National
Development and Ministry of Education

Mr Heng Chee How, Minister of State for Prime Minister's Office
and Deputy-Secretary General of National Trades Union Congress

Distinguished Guests

Ladies and Gentlemen

1. Good evening.

2. It gives me great pleasure to welcome you to the Gala
Dinner of the inaugural Singapore Human Capital Summit. Over
the past two days, we have heard from an exciting line up of
speakers, sharing with us their latest thinking, strategies and
practices in human capital development. I trust that the summit
has been stimulating and thought provoking.

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HR Challenges in Asia

3. The diversity of people, languages, cultures and beliefs in
Asia is both an opportunity and a challenge. Diversity brings fresh
ideas and new perspectives, but diversity must also be managed
tactfully and sensitively. Multinationals cannot therefore simply
transplant their HR practices from their home countries to their

Asian operations, without understanding the Asian perspective and adapting their practices to the local context. Even across Asia, how a company operates in China will be different from how it operates in India or the Philippines.

4. The new opportunities that have emerged throughout Asia in recent years have also intensified the war for talent, which is further exacerbated by increasing cross-border mobility. Even in these economically turbulent times, talent is still very much in short supply. Companies need to continue to do their best to attract and retain the talent they need.

Singapore's Labour Market Remains Competitive

5. Singapore has sought to keep our labour market flexible and responsive, so that we can meet the challenges of the globalised economy and business volatility. For the second successive year, our labour market has retained the top ranking in the World Competitiveness Yearbook, published by the International Institute for Management Development (IMD). More specifically, we topped the scoreboard in having productive labour relations and harmonious industrial relations. Our efforts to make Singapore a pro-talent location have also paid off: we are ranked among the top five for attraction of foreign high-skilled talent, availability of international senior managers and competency of senior management. This is also reflected in the findings of a recent survey by PricewaterhouseCoopers, which placed Singapore as the top choice in Asia for companies considering sending

employees on overseas assignments. Our emphasis on continuing education is also yielding results as Singapore also performed well in terms of the priority companies place on employee training.

6. However, we need to continue to invest in the workforce to keep our competitive edge. To raise the overall competencies of leaders and HR professionals in addressing people challenges in Singapore, we are implementing several initiatives.

Raising the Standards of HR

Leadership and HR WSQ

7. First is to develop a more formalised framework for developing HR and leadership talent. These are not natural and in-born skills, they can be taught and nurtured. Therefore, the Singapore Workforce Development Agency has been working closely with the industries to develop two national-level competency frameworks, around which training courses are being developed and offered. These two are known as the Leadership and People Management and the Human Resource frameworks.

8. Both frameworks are part of the national Workforce Skills Qualifications (WSQ) system, and a key tenet of the national Continuing Education and Training Master Plan. The two frameworks have been developed with inputs from business leaders, industry CEOs, management consultants and veteran HR practitioners. They have incorporated best practices around the world, including countries like Australia, UK and US.

9. The Leadership and People Management skills framework aims to help local companies strengthen their talent development programmes and nurture leadership from within their organisations. It is meant for all levels of leaders – from line managers to C-suite business executives. I am encouraged that some companies have been very quick to adopt the framework for their leadership training. These early adopter companies include CapitaLand Institute of Management and Business (CLIMB), Dairy Farm Group, NTUC Fairprice Co-operative Ltd, Singapore Airlines Limited and Wing Tai Retail Pte Ltd. Some 650 participants are expected to be trained under the LPM WSQ framework, with a further 10 organisations indicating interest to come on board.

10. While the Leadership and People Management framework is targeted at managers and leaders, the Human Resource framework is targeted at HR professionals, who provide critical support to senior management and CEOs. The framework sets out clear performance standards and career progression pathways for HR professionals. It also facilitates entry into the HR profession, allowing new entrants to obtain national certification in specialised areas such as compensation and benefits, recruitment and selection, and managing ageing workforce. Employers can rely on this national certification standard for HR professionals.

11. WDA has already engaged the Singapore Human Resources Institute (SHRI), the Singapore National Employers Federation (SNEF), Personnel & Organization Development (Pte) Ltd (POD) and Universal Stage Pte Ltd, a training partner of the Enterprise

Development Centre at the Association of Small & Medium Enterprises (EDC@ASME) to deliver training under the Human Resource WSQ framework. EDC@ASME has rolled out the first HR WSQ course this month. More courses are expected to come on-stream in November 2008.

Distinguished HR Visitors Programme

12. Second, we need to expose our HR community to cutting edge knowledge and thinking in this professional field. We have started the Distinguished HR Visitors Programme, under which HR thought leaders are regularly invited to Singapore to share global HR developments with CEOs and HR practitioners. For example, Professor Lynda Gratton from the London Business School shared her views on the Hot Spots Movement Programme in May this year with more than 200 CEOs and HR practitioners. Professors Peter Cappelli from the University of Pennsylvania and Patrick Wright from Cornell University, both of whom spoke at this Summit, also visited Singapore earlier under this Programme. We will continue to bring in more thought leaders next year to Singapore.

13. This Summit itself is another key thrust in our efforts to raise HR capabilities. We will build on this successful Summit and develop it into a world-class event that business and HR leaders can look forward to each year for the best in Asian people strategies.

The Asian Human Capital Award

14. Finally, we need to recognise companies for their innovative and effective human capital practices, so that they can become role models for others to follow.

15. This evening, I am pleased to announce the launch of the Asian Human Capital Award. This new award, which is jointly conferred by the Ministry of Manpower and INSEAD, honours innovative and impactful people practices adopted by Asian-based organisations. This will be a prestigious award. The winners will be organisations that are exemplary in effective human capital management. They will set new standards for people practices in Asia. By recognising and showcasing such practices annually at this Summit, the Award will provide useful case studies on effective strategies to address human capital challenges in Asia.

16. We will be inviting applications for the Award from December this year. A panel of judges comprising internationally renowned industry practitioners and thought leaders will also be convened, and the inaugural Award will be conferred at next year's Summit.

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Conclusion

17. The talent crunch is a continuing challenge faced by both companies and countries. Singapore has responded by investing heavily in our workforce and attracting foreign talent. Notwithstanding the recent economic turmoil, we will continue to do so to propel Singapore's workforce to the next level. I urge all organisations not to let up on talent development efforts and cut

back on investments in human capital. When the economy recovers, organisations with a team of talent and skilled personnel would be better positioned to take full advantage of the new opportunities.

18. On that note, I wish you all a very enjoyable evening, and an enriching time at the Summit. Thank you.

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