

**OPENING ADDRESS BY MR TAN CHUAN-JIN, ACTING MINISTER  
FOR MANPOWER AT THE SINGAPORE HUMAN CAPITAL SUMMIT  
2013, 11 SEPTEMBER 2013, 9.05AM, COMPASS BALLROOM,  
RESORTS WORLD SENTOSA, SINGAPORE**

*Theme: People Strategies for Asia, Future-Proofing your Organisation*

**Introduction**

Distinguished guests, ladies and gentlemen,

A very good morning and welcome to all of you here at the Singapore Human Capital Summit. I am glad to see all of you gathered here today to discuss a matter close to our hearts – our people.

2 Today's theme is on future-proofing. Indeed, how do we predict the future? I do not think that is possible, but there is one constant – the people in our organisations.

**Future-proofing your organisation – Managing human capital**

3 We say that people are our most important resource. We believe that people are central to our organisations. They do the work, they drive businesses, they innovate and design automation and processes. Our people create value to bring about increased productivity and growth. The question is what do we really do about it – how do we translate that belief into action?

4 Increasingly, the world is becoming more complex and perhaps more unpredictable in many ways. Business cycles, as we all know, are getting harder to predict. The cycles are becoming shorter as well, and the “new normal” is fairly chaotic. For one, the social media has become part of our landscape; it is active in the corporate world, and certainly, in the political scene as well. The composition of the workforce has also changed. We know that both capital and labour are mobile, and this is increasing at accelerated rates. Consumer trends and technological advancements are also developing rapidly. For example, one of the examples highlighted earlier, Nokia. Many of us who grew up using handphones all know how dominant Nokia was, and it was almost impossible to imagine what other phones you might want to acquire. But all that was in the past and now they have been acquired.

5 So what other changes will we expect to see? 3D printing and robotics are rising examples. How will that revolutionise businesses and economies worldwide? The impact will be felt. So do all these developments mean that many of our existing working models, by which we plan how businesses will continue to run, will change? Or will they become obsolete?

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6 How do we adapt to these global forces shaping the business world of tomorrow and is there a way of future-proofing our organisations? We must start by strengthening our resilience and future-proofing our fundamentals – nurturing and developing our people to achieve their fullest potential, and tapping on their expertise to bring our organisations to greater heights. We need to understand here that people are our engines of growth, our adaptive tools and our ballast to keep things on even keel.

7 We often talk about maximising our capital investments. But when it comes to our human capital, we need to also consider the human nature – how we all as individuals feel and want to be treated and respected. But I will come to that later.

### **Talent Drives Business Performance in Asia**

8 Findings of a recently completed study commissioned by the Ministry of Manpower (MOM) showed that it is important to focus on human capital if you really want to improve your business performance. The study validated the common wisdom that having the right talent practices pays. In fact, when business leaders in Asia implement talent practices well, you find that it affects about 54% of business results. In other words, if business leaders are able to implement talent practices well, if business leaders in Asia are able to successfully employ the talent practices, they can actually control, to some degree, more than half of the variance in business performance.

9 The study also found that among good talent practices, the ability to identify and groom leaders well has the most impact on driving business performance. One company that understands this well is SATS Limited, formerly known as Singapore Airport Terminal Services. They actively place their high-potential employees in stretch roles and accelerated programmes. They also run customised leadership training programmes for all their employees. Their investment in human capital development underscores their belief that such grooming and leadership training will help the organisation to strengthen their core business, grow new businesses, and

also drive cost efficiency where operating margins can be reinvested for future growth.

10 Finally, the study found that in Asia, there is a significant focus gap in talent development. While Asian leaders are much more proficient in establishing HR standards, in recruitment, and in orientation, we are not as proficient in talent development, which has the highest impact on business performance. So we know many of the techniques and tools, but in terms of application and the actual development of people, where you need a softer touch, it is something that we can work on a lot more.

### **Singapore's efforts toward better human capital management**

11 Strong human capital management and capabilities clearly are an imperative for all of us here and certainly for us in Singapore. The ability of companies to recruit, develop and retain talent is a key determinant of Singapore's overall competitiveness as a hub and home for talent. It is not something that we take for granted. Many of us, and certainly in Singapore, especially the younger generation, have grown up seeing success all around us, and we assume that things will go on. But as we all know, competition is quite acute and if you stay still, the world will just pass you by. This applies across the board therefore we have to keep progressing, and certainly so when it comes to managing and maximising our potential as a people.

12 And so for us, over the past six years, we have invested extensive effort to create a talent ecosystem that helps to groom leaders and encourages discussions

on human capital issues. The set-up of the Human Capital Leadership Institute (HCLI) exemplifies this. HCLI is charged with the mission of accelerating human capital and leadership development in Asia. Today, HCLI not only designs and delivers cutting-edge executive development programmes, it also drives Pan-Asian research on human capital issues, as well as fosters a network of like-minded leaders in business, government and academia. We need to look at the cross-domain expertise, how the different ideas are being applied in different segments, in the economy, in the country and see how we can draw the best practices from across the board.

13 Going forward, HCLI will continue to develop innovative platforms to raise the level of strategic leadership and human capital capabilities required to fuel a growing Asia. For example, HCLI will launch a modular programme to help companies develop the next generation of global Asian leaders in 2014. The institute will also work with top international business school, IESE, to design and deliver the Asian leg of their renowned Global CEO Programme in Singapore and Indonesia.

14 This very platform, the Singapore Human Capital Summit (SHCS), is another component of the human capital ecosystem. The Summit was started six years ago for academia, business and human capital leaders to come together to hear the latest research and thinking on human capital trends impacting Asia and the world, and to also network with like-minded peers. The Asian Human Capital Award, which will be presented tomorrow at this Summit, was also introduced five years ago to celebrate innovative and impactful people practices by Asian-based companies, and

serve as an inspiration to others to adopt or adapt these best practices to address their respective human capital challenges.

15 Human capital management obviously is not just about leaders alone. Good leaders need the support of top quality HR professionals who can put in place good human capital practices. To improve our human capital ecosystem, the Singapore Workforce Development Agency (WDA), in collaboration with SPRING Singapore, IE Singapore and the Ministry of Manpower (MOM), has commissioned KPMG to conduct a manpower study of the HR profession in Singapore. The study will determine the supply and demand of HR professionals and competency skills gaps of HR professionals, benchmark Singapore against global international HR landscapes, and develop HR manpower interventions in the workforce.

16 To equip our HR professionals with the skills to address challenges of the future, WDA has partnered Republic Polytechnic to launch two new programmes, namely the part-time Diploma in Business Practice, or the International Human Resources Management, and the full-time Diploma in Human Resource Management with Psychology. WDA has also appointed six Programme partners to deliver Leadership and People Management training programmes to add over 20,000 more training places in the next three years. That is 20,000 more training places; it is quite significant.

### **Building Capabilities in SMEs**

17 I must emphasise that we are not just focused on large organisations. SMEs matter a great deal, and certainly in Singapore. They are a critical part of our business environment. They account for about half of Singapore's GDP and provide employment to six out of every 10 workers.

18 We must develop leadership and awareness of the need for good human capital management in SMEs. It is not always easy for smaller companies, especially the smaller SMEs with tight resources, to manage the human capital dimension. Do they have the capacity and the resource, even as they try to keep pace with economic and business challenges? So, we have partnered the Business Family Institute at the Singapore Management University to run an upcoming SME CEO Roundtable series to facilitate conversations between business leaders. There are many good practices out there, but we do feel that these good practices are not sufficiently shared around, sometimes for good reason, since you are business competitors as well, but let us at least try and get some of these best practices out, so we can help our SMEs thrive and succeed. Key insights, strategic planning and general awareness from such exchanges will be captured in articles and disseminated to the wider SME community.

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19 To build a pipeline of future leaders who are competent in handling human capital challenges, MOM has given out the National HR Scholarship and the National HR Book Prize to outstanding undergraduates who specialise in HR since 2011. This year, MOM will also partner local enterprises to award the National HR Scholarship.

20 To help our companies gain a better sense of the human capital operating environment in Singapore, MOM's Research and Statistics Department has recently launched a New Labour Market Statistical Information website, which offers a free service for employers and employees to benchmark their organisation's performance against the national or industry norms on wages, employment conditions and staff turnover. This benchmarking tool is one of the world's first to be offered by a national manpower statistical agency. A lot of effort has been put in, and it is a remarkable effort. This is indeed one of the first if not the only effort out there, it is something we hope to make available. The government has statistics of all sorts, but at the end of it, how do you make it functional? From our perspective, these statistics are important, because it helps keep track of what is happening in the economy and it helps guide policy-making. Still, we would also like to make sure that these statistics are available in practical forms, so that companies can also benefit from it, and not just companies but individuals as well, especially for example, to track what the different occupational wages are in the different sectors. So I do urge us all to take a look at what has been established.

## **Heart of the effort** National Archives of Singapore

21 Let me end by sharing with all of you what I personally strongly believe in to be at the heart of everything, not just in the business world, but in any economy and country. Like I said we all know that at the heart of it is our people. So we all accept that, but what does it mean for us? It boils down to a couple of things. None of us here, as citizens, want to be treated as a digit. It is not just a function of education;



people throughout history all want to feel that we matter, and we make a difference. Obviously, expectations today are a lot higher.

22 So, for our most important assets, our people, what do we do to make sure they are ready for the future? A word comes to mind: Nurture. When you talk about capital, you talk about maximising capital, you talk about maximising resources, but with people, it is really about nurturing, engaging, valuing, respecting, and caring for them. In many ways, all of us as employees want that. So how do you translate that to management and particularly, leadership? I believe that it is only when our managers walk the talk that the true talent in leadership comes through. These qualities at work will be that 'X' factor that could future-proof our organisations. If people are motivated, engaged and prepared to go that extra mile, they will find the solutions to ensure that we stay afloat.

19 We acknowledge that nurturing talent at work takes time and effort. It is important to look at how many man-hours we personally invest in doing so. Do we tend to outsource this function? The personal contact makes a big difference. If we simply go through the motions, we will not be able to go as far as we would like. That extra mile kicks in when you inspire as a leader, because your people are prepared to strive for you.

20 There are many best practices that will be discussed at the Summit. Economic structures, business models, techniques, and so on are important, but so is winning the people's hearts and minds. It is this, if anything, that is the most

important ingredient to building great companies, in building great organisations, and I daresay it is the same when it comes to building great nations.

21 Our people are truly the key to our success. Over the next two days we will gain much knowledge, but at the end of it we really do need to walk the talk. I think our people will know it and they will feel it when they see it.

22 So with that, thank you very much and have a great convention!

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## FACT SHEETS ON WDA'S INITIATIVES

### FACT SHEET 1 STUDY ON THE HR PROFESSION IN SINGAPORE

*Reference: Para 8 of speech*

The Singapore Workforce Development Agency (WDA), Ministry of Manpower (MOM), SPRING Singapore and IE Singapore have commissioned KPMG to conduct a study on the HR profession in Singapore. Results of this study are expected to be ready in Q2 2014.

#### Objectives of the study

##### **A) Study the current demand and supply of HR professionals in Singapore and project the future demand for HR professionals**

- A survey commissioned by WDA and conducted by Binder Dijker Otte & Co. (BDO) Raffles Consultants in 2007 estimated that there are currently 22,000 HR Professionals in Singapore. Of these, 63% possessed at least a Bachelor's degree, and 67% had at least six years of working experience in the HR industry.
- The findings also highlighted that most of the professionals had entered the HR profession without any HR related qualifications. Over 75% of those who possessed a bachelor's degree were from non-HR fields. The HR sector currently depends heavily on non-HR trained professionals to meet the manpower growth.
- The KPMG study also aims to identify a potential pipeline of aspiring HR professionals to the HR profession, which may include individuals from the various HR-related academic programmes available in the market, or new entrants who may equip themselves with relevant knowledge and skills using the HR Workforce Skills Qualifications as a key Continuing Education and Training pathway.

##### **B) Assess the current levels of HR competencies in Singapore and project future competency requirements**

- To ensure that local HR professionals continue to meet future industry needs, an accurate presentation of the existing HR landscape and HR professionals is needed. The study will identify current competency gaps, and project the future competencies required of HR professionals.

##### **C) Benchmark Singapore's HR professionals against other countries'**

- With Singapore positioned as a regional business hub, it is in our interest to benchmark local HR professionals against regional and overseas

counterparts. This will also help to identify strengths and weaknesses of HR professionals in order to establish Singapore as an authority on human capital strategy and knowledge.

**D) Develop intervention for the HR profession programmes**

- Information from this manpower study will spur whole-of-government efforts in formulating manpower strategies to further develop and engage HR professionals in the local workforce.

Progress to date

Stage I of the study is ongoing and involves some 50 face-to-face interviews with senior HR professionals and key business leaders from the private and public sector.

As part of the study, a quantitative survey, titled the “Transforming HR into a Strategic Business Partner”, will be rolled out in September to November 2013 to gather feedback from business leaders and HR professionals to help develop national, industry and organisational- level interventions to raise Singapore’s HR capabilities.

**FACT SHEET 2**  
**COLLABORATION WITH REPUBLIC POLYTECHNIC ON HR WSQ PROGRAMMES**

*Reference: Para 16 of speech*

To develop our local HR capabilities, WDA is working with Republic Polytechnic to incorporate HR WSQ competencies into two new diploma programmes. The first is a part-time Diploma in Business Practice (International Human Resources Management), targeted at existing HR practitioners. The second is a full-time Diploma in Human Resource Management with Psychology, aimed at building a pipeline of future HR professionals.

Both programmes incorporate industry-validated HR, Leadership & People Management (LPM) and Business Management (BM) Singapore Workforce Skills Qualifications (WSQ) competencies:

- The Part-time Diploma programme aims to train 200 working adults over four years (which works out to be around 50 trained in the first year). It will be launched in November 2013.
- The Full-time Diploma programme aims to train 50 polytechnic graduates every year, with the first batch of graduates joining the job market in 2017. It will be launched in April 2014.

By incorporating the HR, leadership and business management competencies into the full-time diploma curriculum, polytechnic graduates will be equipped with the relevant industry skills sets. The practical knowledge they gain will better prepare them when they join the workforce after graduation.

Achievements to date for HR WSQ training programmes

- Over 7,095 unique headcounts trained
- Over 15,380 Statements of Attainment issued
- Over 240 qualifications issued
- Over 650 HR professional certifications issued

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**FACT SHEET 3**  
**LEADERSHIP & PEOPLE MANAGEMENT WSQ FRAMEWORK AND APPOINTED  
PROGRAMME PARTNERS**

*Reference: Para 16 of speech*

The Leadership and People Management (LPM) WSQ framework was launched in 2008. The Singapore Government's endeavour to develop and position Singapore as the global exemplar in human capital management, which attracts and retains talent and investments, serves as an impetus to build leadership capabilities at all levels across the Singapore workforce.

In line with the productivity drive by the National Productivity and Continuing Education Council (NPCEC), the development of leadership competencies will translate to better management and higher productivity in the workforce.

As of July 2013, WDA has appointed six CET Programme Partners to deliver the LPM WSQ training programmes. These partners are committed to delivering over 20,000 training places over the next three years, ensuring sufficient training capacity as well as providing greater accessibility for individuals looking to take charge of developing their own leadership skills.

Trainees will have more options in terms of training interventions, where a wider range of the nationally recognised LPM WSQ courses will be made available to the public.

Achievements to date for LPM WSQ programmes

- Over 15,700 unique headcounts trained
- Over 29,600 Statements of Attainment issued
- Over 100 qualifications issued

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