

Checked against delivery.

**SPEECH BY MRS JOSEPHINE TEO, 2MINISTER FOR MANPOWER,
AT THE TRIPARTITE STANDARDS LAUNCH EVENT, ON 31 JULY
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EMPLOYABILITY (E2I)**

Sister Mary Liew, President of NTUC

Brother Robert Yap, President of SNEF

Brother Heng Chee How

Brother Patrick Tay

Brother Stephen Lee

1. Thank you for joining us. There's a Chinese saying from long ago “男怕入错行, 女怕嫁错郎”. It means literally, that men are afraid to get into the wrong occupation and women are afraid to marry the wrong guy.

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2. Times may have changed and the saying may no longer be valid. But the essence of it remains true. Whether it is about occupation or marriage, whether it is men or women, for anything that demands serious investment of time and commitment from us, we hope we make the right choice.

3. So it is the same for jobseekers. When we take up a job, it takes up the better part of our waking hours. We hope we get a good employer because life can otherwise be miserable. Apart from pay and benefits, jobseekers often ask around to try and find out about the culture of the company, how the managers treat people etc. All in the hopes of finding a good job with a good employer.

Why have the Tripartite Standards?

4. Employers too finds ways and means to let prospective jobseekers know how good they are. Apart from job advertisements, some take part in various awards or rankings. In Singapore, the prominent awards include

- Asian Human Capital Award: 3 companies
- Aon Best Employers Award: 12 companies from Singapore
- Singapore Best Companies to Work for Award: 10 recipients
- TAFEP Exemplary Employer Award: 15 companies

5. Even if we add up all these awards, fewer than 50 employers may get recognised each year. This is a very small number, especially when we consider the fact that there are some 15,000 companies in Singapore with at least 25 employees each. Between NTUC, SNEF and MOM, we know of many good employers among them. They may not be perfect in every way,

but they do have progressive employment practices that jobseekers should know more about.

6. This is why we decided to come together to develop the Tripartite Standards, to identify and recognise the companies with progressive employment practices that go beyond what is required under the Employment Act. In other words, companies that meet the Tripartite Standards stand out from the rest in a positive way, and we want to help them draw the attention of more jobseekers so they can impact more lives positively. You can say this is the tripartite way for “positive discrimination.”
7. To illustrate what a Tripartite Standard is, it is probably easier that I tell you about the first Standard we are launching today. This is the **Tripartite Standard on Term Contract Employees**, who unlike regular or permanent employees, are on fixed-term contracts of employment that will terminate upon expiry unless they get renewed.
8. Why focus on term contract employees? First, term contract employees are already a regular part of our workforce. Today, they constitute about 10% of our resident workforce ¹ (~170,000).

¹ In 2016, term contract employees made up 9.4% of resident employees. 4.8% < 1 yr (including casual / on call), 4.5% ≥1 yr.

9. Second, as you heard from the earlier presentation, many organisations expect to use more of the “augmented workforce” in future, which includes term contract employees. This is presumably because the use of such “augmented workforce” is advantageous – it gives employers good access to talent while allowing the company to remain flexible.
10. Third, and perhaps most significant of all, while the term contract arrangement serves the employers well, they don't always serve the employees well. As you heard also in the presentation, many employees in the “augmented workforce” consider their employers to be “weak” or “unprepared” in managing them (~54% according to HC Trends 2017). In other words, a significant proportion of term contract employees feel there’s much room for improvement.
11. To find out why that is so, I asked to meet a group of term contract employees. We were able to get a group of men and women from 24 to 75 years of age, from the manufacturing, retail and F&B sectors. There was a good mix. One was on a two-month contract to cover for a regular employee on maternity leave. Another had been on a yearly term contract for the past 14 years!

12. I must qualify that the employers who helped us get this group of employees together are in fact, very progressive. All the employees I met had good things to say about their employers; they also enjoy similar benefits as regular employees. Still, they gave very useful insights as to what worries term contract employees, and also what they hope to see in progressive employers. They can tell you their worries and hopes better than I can. Let's hear directly from them. Take a look at this.

13. Actually, some of the "stars" of the video are here today – Fiqah, Chloe, Grace and Patrick. Another round of applause for them, thank you for sharing your stories with us.

14. What will the Tripartite Standards do for employees like Grace, Fiqah and Joseph? The tripartite partners agreed that we are looking for companies with an inclusive mindset towards their term contract employees.

Specifically, to qualify for the Standard, employers must be progressive in three key areas: leave benefits, notice period and training.

a. First, leave benefits.

Many term contract employees do not enjoy leave benefits like their colleagues in regular or permanent work. This is even if they have

worked for more than 3 months with the same employer, which is the minimum period of employment to be eligible for leave benefits under the Employment Act. Sometimes, it is because they are ignorant about their legal entitlements and were blatantly short-changed. In other instances, employers do not recognise their past service because of breaks in their contracts.

Companies that sign up for the Tripartite Standard commit to recognise the cumulative length of service in a fair manner when calculating leave entitlements. They will add up all contracted periods of 14 days or more, as long as the breaks in service are within a month. Their term contract employees have the assurance that even if they are not regular staff, they get comparable leave benefits which can increase from the annual minimum of seven days up to 14 days.

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b. Second, notice period.

Earlier in the video, you heard Chloe say that one thing she appreciated was the assurance given before her contract expired. But many term contract employers don't do that and wait till the last minute to break the bad news that there is no contract renewal. In

the event that the contract is terminated early, many term contract employees also do not have similar notice periods as permanent employees. This is because their employers may not recognise their past service when determining their notice periods because of breaks in their contracts.

Companies that sign up for the Tripartite Standard commit to serve notice for early termination or for non-renewal of contract in a fair manner. They will similarly recognise their cumulative length of service in deciding when to serve notice. The longer the cumulative length of service, the longer the notice period. Term contract employees have the assurance that like regular employees, they get reasonable notice to find a new job, or notice pay.

c. Third, training.

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I think we were told earlier that our careers could span 60-70 years and yet the half-life of any learned skill could be just five years. This means refreshing our skills set must be a way of life so that we can remain relevant. That's why in Singapore we promote lifelong learning and have the SkillsFuture movement. But some employers

do not extend their training to cover term contract employees because they think the investment may go to waste.

Companies that sign up for the Tripartite Standard commit to provide training that will equip the term contract employee to do their jobs well. It is not only good for the employers to help their staff stay employable, but also in the employers' own interests to have well-trained and effective term contract employees.

15. For a start, these are the three areas which the tripartite partners assess will make the most meaningful difference to term contract employees. If you ask them, in fact, they will tell you they hope to be treated no differently from regular or permanent employees in all aspects.

16. In other words, what they really want is to be included in every way. This will include being eligible for all types of benefits, but more importantly to be considered for performance bonuses, wage increases and career advancement opportunities. Their hopes are not unreasonable and some progressive employers already do so. But including more of these requirements in the Standards today may deter many employers from signing up. On balance, the tripartite partners agree that we should allow

more employers to first come on board, with a view to raising the Standards further at a later stage.

Nearly 300 companies among early adopters

Better assurance for 26,000 term contract employees

17. I am happy to note that already, we have 296 employers who have signed on to this Standard as early adopters. This includes those in the Singapore Public Service. What is particularly encouraging is that the early adopters come from many sectors, ranging from hospitality, retail, F&B to manufacturing, professional services and even non-profit organisations. This means that job seekers taking on term contract appointments in all these sectors know which employers they should view more positively.

18. In total, these employers account for about 26,000 or around 15% of all term contract employees in Singapore. This is a good start but not good enough if we want to make an impact. We will continue to drive the adoption of this Tripartite Standard to cover as many term contract employees as possible.

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At least five Tripartite Standards by year end

19. Our tripartite partners believe Tripartite Standards such as the one we are launching today are the right way to signal progressive employment practices to jobseekers. Employers who sign on to the Standards will be publicly recognised on TAFEP's website and in a later phase – the Jobs Bank. These employers may use the “Tripartite Standards” logomarks in their recruitment and marketing efforts and we hope that as a result of this, they are able to draw even more talents.

20. By doing so, we will also give “positive discrimination” to progressive employers and to nudge even more employers to do likewise. In fact, we are so convinced about the importance of the Standards that we intend to roll out another four Tripartite Standards by the end of 2017, with more to come next year.

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21. On this note, I want to thank employers who are here with us today, for taking this first step with us. I hope that you will inspire every progressive employers to sign on to the Standard and also, take on the challenge of adopting the other Standards when they are launched.

22. Together we can make Singapore truly a great workplace for all! Thank you.