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Human Resources Committee
European Chamber of Commerce (Singapore)

Nurturing the next generation of Asia leaders in Singapore

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Context

The Human Resources (HR) committee of the European Chamber of Commerce in Singapore (EuroCham) represents the European industries in Singapore and enables for senior HR executives to share best practices, common concerns, and receive updates on regulatory developments and discuss matters pertaining to human capital including talent management, employee growth, internships, productivity growth and continuing education.

EuroCham also engages with market participants, regulatory authorities and other stakeholders on important issues concerning the talent management landscape in Singapore. EuroCham and the member companies fully support the measures announced by the Manpower Ministry at the Singapore Budget to drive skills upgrading and productivity among the workforce and to develop workers to be future-ready in light of technological innovations and industry disruptions.

By working closely with the Ministry of Manpower, National Trades Union Congress (NTUC), Institute for Human Resource Professionals (IHRP), Workforce Singapore (WSG) and SkillsFuture Singapore (SSG), EuroCham has established itself as a committed partner in promoting tripartite efforts to grow and develop Singapore's industries and workforce.

1. Growing the next generation of Asia leaders and supporting talent rotation in the region to bolster Singapore's role as the talent hub of the region

1.1 Background

Many multinational companies which have established their regional headquarters in Singapore manage their ASEAN or broader Asia Pacific business operations out of its head office in Singapore. As the Asia headquarters, the Singapore office oversees all issues including talent management strategies for the region and seeks to grow the next generation of leaders for the Asia market.

More companies have in place regional talent rotation programmes that aim to provide in-country experience for employees slated to become Asia leaders for the organisation in future. This talent rotation programme helps employees better understand the wider region that they will lead, by completing stints of 12 to 18 months in the various local markets on a rotational basis before returning to a management position in Singapore.

The importance of being knowledgeable of the region was emphasised by Minister for Trade and Industry, Mr Chan Chun Sing at a dialogue session at The Straits Times Global Outlook Forum in November 2018 where he mentioned:

"Many people like to say, use Singapore as a platform to the region, as a springboard to the region, as a gateway to the region. We can only truly do that if our people have a deep sense of perspective of what the region is about, the diversity of the region, so that we can value-add when we partner people who want... to work (here). We need to do much more."

The Minister also added: *"I've met (leaders from) many multinational companies... who say that if our people want to reach the highest leadership echelons in their big companies, they will need to have market knowledge not just of Singapore and the established cities of the world, but also some of the emerging markets."*¹

Apart from schools and universities doing more to send Singaporeans to countries in the region, the Singapore government also recognises the importance of international exposure for Singaporeans with the new Global Ready Talent Programme announced in Budget 2019 that will provide funding support for companies for management associate programmes.

More companies have recognised the need to nurture regional specialists, even mandating regional experience as a criterion for promotion to management. Companies that already have such talent programmes in place include Danone, Siemens, and Heineken.

1.2 Main issues & challenges

Companies that either already have, or plan for such regional talent rotation programmes have experienced difficulties obtaining the most suitable work passes for employees slated to be rotated into Singapore. As these regional employees are typically mid-level executives and managers with a minimum bachelor's degree, and do not intend to reside in Singapore beyond their stint, the existing work passes are in different ways unsuitable for the nature of such a regional talent rotation programme.

¹ The Straits Times: ST Global Outlook Forum: Singaporeans need to understand region better, says Chan Chun Sing (Source: <https://www.straitstimes.com/singapore/singaporeans-need-to-understand-region-better-chan-chun-sing>)

The S-Pass and Work Permit passes are found to be unsuitable due to the requirements of a foreign worker quota and levy; the terms of the Training Employment Pass (TEP) are most appropriate however its validity is too short. On the other hand, the Employment Pass is unsuitable due to the requirements of the Fair Consideration Framework – the framework is intended for promoting fair hiring practices and mandates a listing on the Jobs Bank. However, an employee rotated into Singapore from a regional office for a short duration will not affect or compete with local hiring in Singapore.

1.3 Recommendations

- A pilot project can be considered for an initial select group of companies to explore the feasibility of a special regional rotation work pass designed to be valid for a maximum duration of 18 months so as to provide in-country experience and prepare them for a regional managerial role. Such work pass will facilitate regional mobility and also benefit Singaporeans as the next Asian leaders.
- To ensure that group employees rotated into Singapore do not settle permanently, such work passes may also require employees to commit to leave the country upon pass expiry and renewals may not be allowed. This will ensure that the pass is utilised only for its intended purpose and not to increase competition in the local labour market.
- The eligibility criteria of the pilot rotation work pass may be similar to the TEP (except for the duration) as it is the most suitable pass

As Finance Minister Heng Swee Keat also mentioned in March 2019:

*"young people must be given the opportunities to be global-ready, and must acquire a deep knowledge of Asia, for Singapore to truly benefit from Asia's growth as global economic weight is shifting towards the region."*²

2. Growing Singapore's talent pool with international internships for industry-ready students

2.1 Background

Internships form a key component of each student's higher education journey in preparation for work, and over the past years Singapore's universities have recognised and emphasised for the need of its students to gain practical industry experience with internships, with the Singapore Management University making it mandatory for all its students³. Singapore students have ventured across the world on international internships just as how Singapore continues to be a choice internship destination for the very best students around the world.

As an industry best practice, many companies actively look to hire from its talent pool of interns to join the organisation on a full-time basis, and Singapore is no exception. In fact, as a regional and global talent hub, Singapore continues to attract numerous well-educated and highly qualified international students seeking to do an internship in the country. These internship placements not only create value for companies but also promotes a diverse and vibrant working environment for all interns and employees including Singaporeans.

² The Straits Times: Singapore must stay open to talent and ideas: Heng Swee Keat
(Source: <https://www.straitstimes.com/singapore/singapore-must-stay-open-to-talent-and-ideas-heng>)

³ The Straits Times: SMU president Arnoud De Meyer on how universities transform lives
(Source: <https://www.straitstimes.com/singapore/education/universities-transform-lives>)

2.2 Main issues & challenges

At present, companies looking to hire interns receive competitive applications from both Singapore and international students. However, the limited options of work pass available for hiring international interns have restricted the recruitment based on merit. The two most applicable work passes companies utilise for international interns are the Work Holiday Pass (WHP) and Training Employment Pass (TEP). However, both passes pose challenges to conducting free and fair recruitment.

The WHP currently requires applicants to be from one of the nine eligible countries, while the duration of the TEP is short – only valid for 3 months, and will incur processing fees of up to S\$250 per candidate, which may be prohibitive for SMEs and non-profit enterprises. Furthermore, the list of acceptable institutions for the TEP exclude many other top-ranked international universities.

As such, companies have had the experience of having to reject candidates based on country of education even if the candidate was highly qualified.

2.3 Recommendations

- In order to promote competitive hiring based on merit, the WHP may be adjusted to include for all EU countries to be eligible, compared to the present list of 9 countries.
- To address the concern of a surge of international students in Singapore, we propose that the cap of 2,000 applicants be kept unchanged. This, together with the expansion of list of eligible countries, will promote competitive merit-based recruitment so that companies in Singapore continue to attract and welcome the best students to Singapore, enabling for a vibrant internship experience for both Singaporeans and international students alike

3. Fostering closer relations between the EU and Singapore

3.1 Closer cooperation through the EU-Singapore FTA and EU-Singapore Partnership and Cooperation Agreement

The European Parliament in February 2019 approved the trade and investments agreements between the EU and Singapore, heralding a new era of closer cooperation between the two economies. Beyond economic partnerships, the EU and Singapore has also affirmed its intention to foster an even closer relationship with the EU-Singapore Partnership and Cooperation Agreement (ESPCA)⁴.

The ESPCA will promote stronger bilateral engagement by strengthening dialogue in a broad range of areas such as sustainable development, people-to-people links, education and cultural exchanges as well as employment and social affairs. This will also improve scientific and technological cooperation, and enhance cooperation on addressing global challenges.

In light of these landmark agreements, the European Chamber of Commerce fully supports and intends to participate in active dialogue with the relevant agencies to promote a closer relationship

⁴ European Commission Press Release “Agreement with Singapore set to give a boost to EU-Asia trade” (Source: <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1980>)

between EU and Singapore industries, and foster greater collaboration between the European and Singaporean community.

3.2 Learning from Singapore and the EU

For many years Singapore has looked to various European excellence models such as the Swiss model of training and education as raised by Deputy Prime Minister Tharman Shanmugaratnam in 2016⁵, as well as its “dual study system” combining vocational and academic study to create a more egalitarian society as cited by Education Minister Ong Ye Kung in 2018⁶. The Straits Times and the Lien Foundation, together with two educators, had also visited Finland in 2018 to learn about the success behind Finland’s high degree of inclusivity in education and how Singapore could learn from its different ways of teaching and evaluating diverse learners in one classroom⁷. These are just a few examples out of the many learning areas that Singapore have identified from Europe.

3.3 Conclusion:

- EuroCham fully supports the Manpower Ministry’s proactive industry engagement and tripartite efforts in nurturing talent in Singapore
- The EuroCham HR committee is looking forward to greater dialogue with the Manpower Ministry and other agencies on facilitating talent growth and mobility in the region that will grow the next generation of Asia leaders
- The EuroCham HR committee welcomes the increased emphasis on skills training and internships for students, and believes that an open and competitive internship recruitment process promotes intercultural experiences beneficial to interns of all companies regardless of nationality

ABOUT EUROCHAM

The European Chamber of Commerce in Singapore, also known as EuroCham, represents the common interests of the European business community in promoting freer trade and investments between Europe and Singapore. EuroCham is a non-profit, fee-based membership association comprising corporate members and the various European National Business Groups in Singapore. EuroCham provides an excellent platform for advocacy and networking for all members, and as a communication channel among Singaporean and European political and economic circles. EuroCham is the sole European representative at the Singapore Business Federation (SBF) Council.

⁵ Channel NewsAsia: “Singapore can learn from Swiss in training, education: Tharman”
(Source: <https://www.channelnewsasia.com/news/singapore/singapore-can-learn-from-swiss-in-training-education-tharman-7916266>)

⁶ TODAY: “Government aiming for ‘best of Singapore and Swiss’ education system: Ong Ye Kung”
(Source: <https://www.todayonline.com/singapore/government-aiming-best-singapore-and-swiss-education-system-ong-ye-kung>)

⁷ The Straits Times: “Education lessons for Singapore from Finnish inclusivity”
(Source: <https://www.straitstimes.com/opinion/education-lessons-for-spore-from-finnish-inclusivity>)