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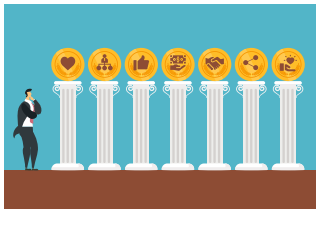
SID
SINGAPORE INSTITUTE OF DIRECTORS

DIRECTORS BULLETIN

Quarter 1, 2020

ENGAGING EMPLOYEES



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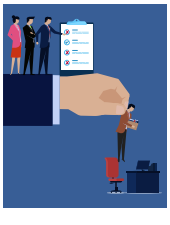

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For the People Who Should Count

By **PAULINE GOH**
Chair, SID Bulletin Committee

Welcome to the first issue of the year. The world in 2020 marks the completion of US President Trump's first term in office, the next stage of the long-drawn Brexit saga, the Olympics in Tokyo, and technological advancements hurtling humankind to expand the growing boundaries of space.

For corporations, the technological revolution and ever-changing business models are disrupting and transforming companies and industries. Amidst these, the raison d'être of corporations is being questioned. In August 2018, the Business Roundtable, which consists of top CEOs of leading US corporations, issued a "Statement on the purpose of a corporation". They declared that each of a company's stakeholders (not just the shareholders) is essential.

Taking the cue, our first issue of the year is focused on "employees", the group of stakeholders that many corporate chieftains would declare are "our greatest assets".

Our lead article by Peter Andrew considers the evolving workplaces that nurture talent and keep employees motivated (page 6), while Shai Ganu makes the case for putting people first, and why boards need to focus on human capital management (page 14).

Several authors cover the implications of dealing with the different types of employees, including international talent, digitally savvy staff and the ageing workforce. Others write on how to best manage the different employee situations, from recruitment to retention and termination, as well as ensuring diversity and inclusivity in the workplace.

In addition, Desmond Wee takes the legal perspective of Singapore's employment regulations, charting the development of the Employment Act from 1968 to present day (page 34). Patrick Tay expounds the benefits of the tripartite framework that marks the uniquely Singapore government-worker-employer alliance (page 32).

Of course, no discussion on employee engagement would be complete without taking into account the nuances of executive pay and remuneration. Kartikey Singh examines the trends in CEO salaries and company performance, and asks if the growing disparity between compensation for the entry level and top executive is a reflection of growth trends (page 46).

As we consider the various facets of employment and the future of work, let's not forget the impact on the lives of workers and people. Only then, will the concept of employee engagement become meaningful. ■

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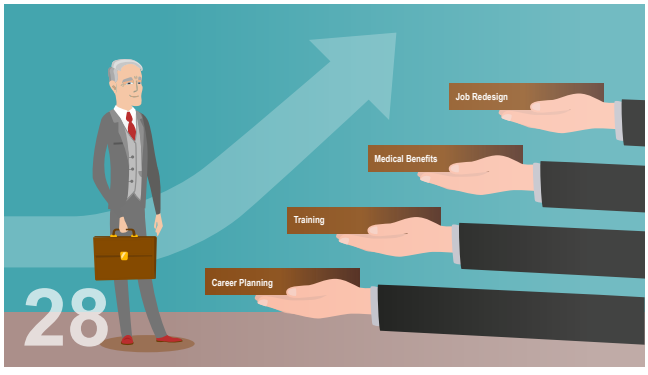

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How Great Offices Spearhead Talent Strategy

By **PETER ANDREW**
Executive Director of Workplace
Centre of Excellence, CBRE Pte Ltd

A well-conceived workplace can accelerate cultural transformation and embody organisational values and brand. When properly engineered, great offices attract top talent and mobilise enhanced learning and performance.

Ignoring the impact of workplace puts investment in people and culture initiatives at risk. Get it right and businesses can respond more quickly to market change. Get it wrong and workplace reflects and reinforces everything that is wrong about organisational behaviours and culture today.

Connect talent strategy with the workplace

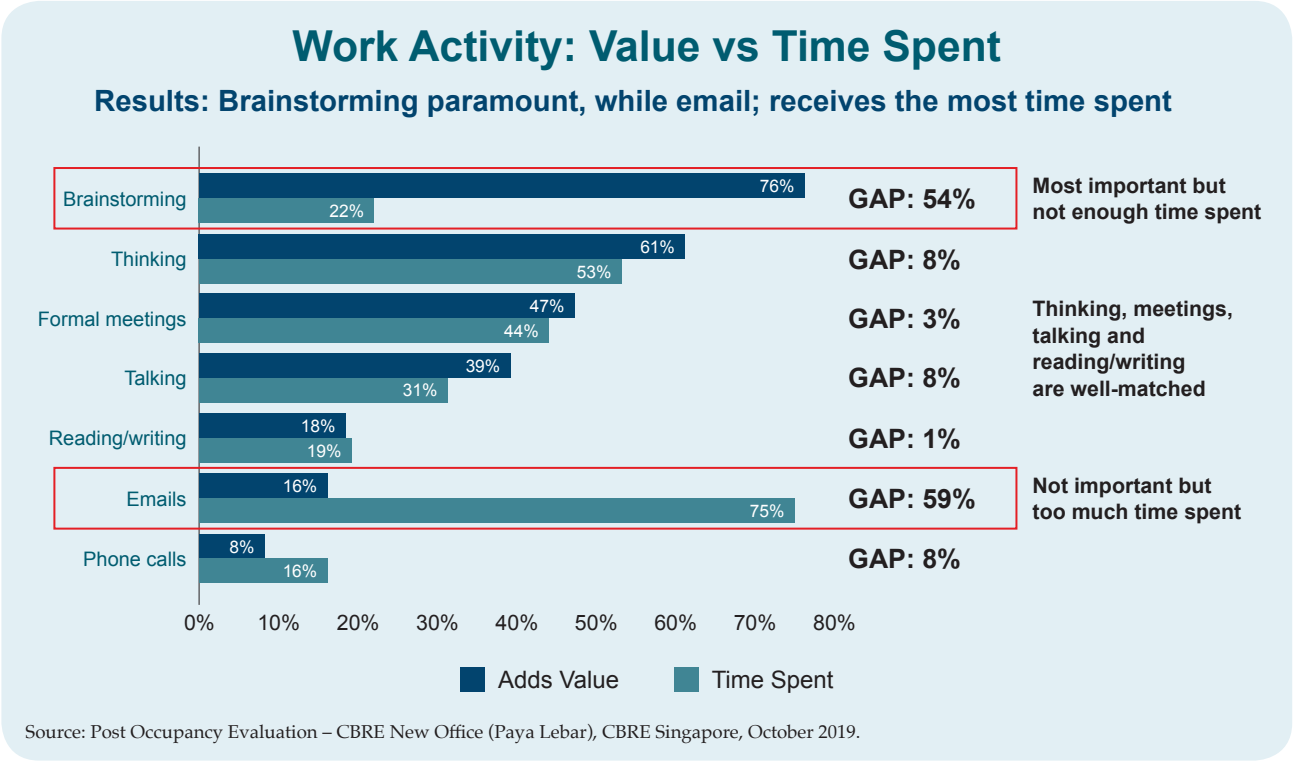
Many companies do not connect their talent strategies with their workplaces. Company boards, while leaving the day-to-day operations to management, should be mindful of several key considerations.

First, the most important investment is in people. An investment in a well-executed workplace is an investment in the company's workforce. That investment need not necessarily be financial, rather it could be the time and effort to create workplaces designed from the inside out, based on desired cultures and workplace behaviours.

Second, great workplace outcomes are underpinned by the right processes. To design a workplace from the inside out, organisations need to connect and align the key performance indicators (KPIs) and budgets of the human resources, information and communication, technology and real estate teams. Consider collective KPIs aligned around workplace performance.

Third, companies should keep an eye on local regulations. These may get in the way of an organisation being able to successfully realise the benefits of new workplace concepts.

Fourth, workplaces designed around the way people work today, with a view to how work will change over time, will be inherently future proof.



Source: Post Occupancy Evaluation – CBRE New Office (Paya Lebar), CBRE Singapore, October 2019.

Workplaces that break the traditional bond between one person and one desk are not only able to manage unpredictable headcount but can actually drive better work performance and more motivated talent.

Workplace design

Rather than support the work that individuals and groups do, many workplace designs set out to create value for the organisation. For instance, the open plan office is often maligned by the media, with good reason.

"Open plan" does not automatically create collaboration. It can make concentration difficult and makes it difficult for people to manage interruptions and undertake large blocks of focused cognitive work. "Hot desking", similarly, is often criticised for taking a poorly conceived open plan office and taking away desk/office ownership.

Too often, organisations are building "one size fits nobody" workplaces.

Research by Bernstein and Turban, described in "The Impact of 'Open' Workspace on Human Collaboration" (*Philosophical Transactions of the Royal Society B, Biological Sciences*, 2018), measured face-to-face collaboration before and after a move to a more open office. Their findings showed that people talked less and wrote more emails, while face-to-face interaction dropped by 70 per cent. In effect, the strategy to create a more collaborative workplace had completely the opposite effect.

While the results do not prove that the open plan office is bad, on its own, it does highlight the need to consider how workplace design impacts behaviour. In this case, people tend to adjust their behaviours when they feel unprotected or exposed in a work environment.

Research by CBRE in Singapore (see box on "Work Activity: Value vs Time Spent") shows that employees regard writing emails as the most time-consuming work activity, but actually creates the least value (just slightly more than time spent on phone calls). Conversely, brainstorming as a group is considered the most important work activity, which yields the highest

value (76 per cent) but is among the activities on which the least time is spent.

Re-prioritising workplace design can send powerful messages as to where and how people should focus their time in order to maximise business impact.

Co-working has been around for more than 20 years, and has risen to prominence lately, as companies seek to provide workplaces with a high level of user experience. The demand for co-working spaces is fuelled by the failure of landlords to provide the lease flexibility demanded by tenants.

Co-working is the provision of workspace as a service, whether for a single person paying to use a drop-in workspace or for a corporation to fast-track hundreds of employees into a built work environment in a short span of time.

The rapid growth of co-working spaces in recent times has raised public awareness of the benefits of highly experiential "cool" places to work. In reality, co-working centres are very similar to activity-based work environments with additional social and public event space.

Activity-based working environment

The Activity-Based Working (ABW) model is an example of the adaptation of open plan offices and hot desking which offers employees a choice of different workspaces, each designed for a specific work activity. In an ABW workplace, there are many different types of desks and rooms where people can work, creating greater mobility and flexibility.

Take the example of a global bank which built a new office in Tokyo, applying ABW principles. The new workplace design offered more areas to collaborate, quiet work booths in open areas, phone lines and meeting rooms. Half of the staff (Group 1) had assigned desks, where mobility was limited by old technology. The other half (Group 2) were free to sit wherever they chose. The physical office environment was essentially identical for both groups.

Both sample groups indicated that the new workplace made them more productive than their old workplace. However, the addition of technology-enabled mobility and giving people the choice of where to sit and who to sit with appear to have driven even higher levels of productivity (see box, "Comparison of Assigned vs Flexible Work Spaces"). Satisfaction levels were noticeably higher for Group 2, with 10 per cent more than Group 1 saying they are more productive as a team, 24 per cent more productive as individuals.

Giving people the choice of quiet or collaborative places to work, depending on their work activity, had a dramatic impact on concentrated work and better sharing of knowledge and ideas.

Talent at the centre

Many workplaces today are "real estate solutions" driven by cost-cutting imperatives. A good workplace strategy digs deeper into what people do (now, and in the future), and puts talent at the centre of workplace strategy.

Some best practices for meeting talent expectations in workplace design is provided in the box, "Best Practices for Delivering Talent Expectations".

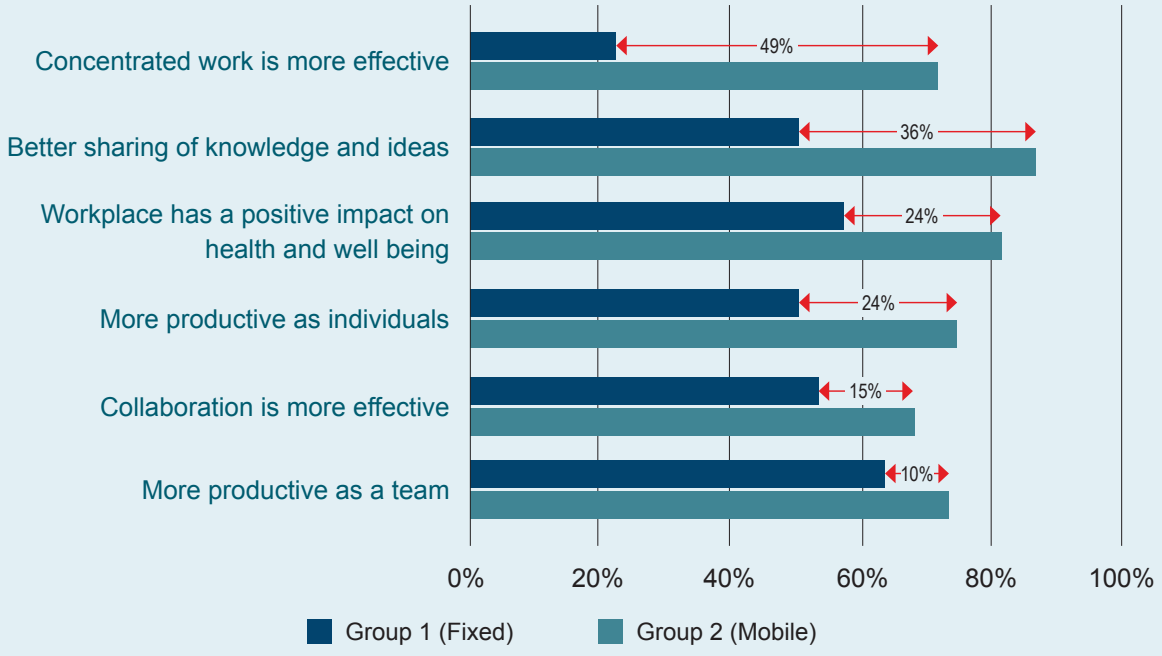
In essence, a well-designed workplace provides three key talent opportunities:

- Attract and retain talent.
- Develop and support talent.
- Create an organisation that is change ready.

Attract and retain talent

Workplace will never compete with remuneration and career opportunity as the primary reason why talent will join a company, but it can

Comparison of Assigned vs Flexible Work Spaces



Source: Post Occupancy Evaluation – Financial Services Client (Tokyo), CBRE Singapore, October 2016.

certainly be a powerful physical manifestation of what an organisation stands for.

In 2014, advertising agency Y+R completed a study of 60,000 young people and their parents across Asia on their life priorities. The young people indicated that increasingly, purpose and meaning at work was as, or more, important than remuneration. Parents prioritised their children's happiness over high levels of financial success.

A CBRE study at the same time demonstrated a strong desire amongst young people to work for companies with a clear and authentic purpose; they want to make a difference. Workplace is a great tool for representing and amplifying purpose and meaning.

Young people are acutely aware of the need for lifelong learning and seek out workplaces that can accelerate their learning. This includes "learning by over-hearing" and accessibility of others with knowledge, particularly senior colleagues. Workplace design can have a huge impact on the ability to connect with colleagues and accelerate learning.

As most people spend as much as half of their working days in a workplace, the ability of that workplace to sustain their lives, keep them healthy and help them make social connections is also important. It is generally not a huge factor in why people join companies, but it is a notable reason why they leave them.

Develop and support talent

Well-conceived and well-executed workplaces impact productivity and human performance in many ways. These factors are notoriously difficult to measure and therefore are often under prioritised when thinking about workplace design.

Workplaces shape culture, reinforce values and can influence workplace behaviours. British Prime Minister Sir Winston Churchill once said,

Best Practices for Delivering Talent Expectations

Customisation

Workplaces are increasingly focused on understanding and meeting individual user workplace experience expectations. Part of creating a strategy for a new workspace is to identify and map workstyles which define how employees can be supported by their workplace. Technology that enables moblity within a workplace gives employees the freedom to choose where, when and who they work with. Smart buildings, combined with Artificial Intelligence (AI) and mobile apps are generating data-driven insights on how people use workplaces to anticipate, predict and support occupant needs.

Open plan that's not open plan

Over the past 30 years, real estate professionals have led a relentless push to remove walls within workplaces. Arguably, senior leaders who are rarely in the office for extended periods no longer need to own an allocated office. The number of private offices in workplaces has declined, giving way to enclosed rooms for individual and small group work. The open plan office is broken up by these rooms, not just for executives, but for the use of all employees. These workspaces are more intimate, reduce distraction and improve accessibility between people.

Better outcomes and experiences

Organisations cannot ignore the high levels of wastage, as desks, offices and meeting rooms are increasingly unoccupied throughout the day – on a global average of 40 per cent. Well-executed hot desking and ABW workplace strategies can recapture this latent inefficiency through creating environments with fewer desks than people. Investing in enhanced visitor, client and employee experience is at the forefront of the latest workplace design. Reinvesting under-utilised desk space to drive better workplace experiences is a sensible and effective strategy.

"We shape our buildings, and afterwards, our buildings shape us". Great care therefore needs to be taken to design workplaces that truly represent and reinforce desired corporate culture.

Collaboration, particularly across business silos, is critical for driving business performance. But organisations building too much of the wrong kind of collaboration space often waste money and deliver the opposite outcome.

Connection often gets confused with collaboration but is distinctly different. Connection spaces help people meet one another, socialise, build trust and create networks. The more a workplace helps people connect, the more the organisation is building "corporate synapses". Connection includes "bump meetings", serendipitous opportunities to connect with people from other departments and organisations.

Supporting concentration, cognitive and deep thought is another under-prioritised aspect of workplace design. Innovation is a combination of short bursts of collaboration and idea sharing combined with deep focus, applying and developing ideas into tangible outcomes. High performance workplaces must support concentration: reducing noise, minimising distraction and giving people control over how others access them.

Be change ready

In today's world of disruption and unpredictability, the pace of change in some companies is so fast that traditional change management processes can be ineffective. One of the most interesting intersections of workplace and talent is the ability to build change resilience as a new cultural norm amongst employees.

High performance ABW workplaces help build employee change resilience. Free seating is a defining feature of an ABW workplace. ABW environments typically contain a hybrid of collaborative work settings to choose from. Employees working in these environments are ready at a moment's notice to reassemble in different teams, and real-time decisions are made as to how their workflows can be optimised.

To cope with rapidly changing marketplaces, some organisations are adopting "agile" development processes to rapidly solve problems and deliver new products, services and client solutions. These agile processes assemble expert teams from diverse backgrounds and across the organisation to solve complicated issues. Adaptable, reconfigurable workplaces, a change-resilient workforce and the ability to self-organise are critical elements of success.

The final aspect of change readiness is more pragmatic: the ability to respond quickly to unpredictable and volatile headcount changes without undue financial penalty and business risk. Hot desking and ABW both offer significantly more capacity to absorb both headcount fluctuation and organisational restructure.

The evolving new workplace

New workplaces and, in particular, new workplace concepts can be a source of caution and apprehension for many people. Open minded leaders are getting out to experience well-executed modern workplaces first-hand, and companies are seeking examples of those who have delivered outstanding workplaces for their people.

As old models are successfully overturned, new solutions are built around supporting and celebrating high performing talent. Within Asia, Singapore is leading the way with well-executed workplace strategies. As workplaces prove to be a key tool for successful talent strategy, companies should take a hard look at their organisations' workplace. ■

Mastering the Power of Technology with the Infinity Stones

By **HOWIE LAU**
Council member, SID

The workforce of the future needs to be able to master the technology that will transform their businesses. Fail to do so and they could be doomed. Marvel's six Infinity Stones can be a source of inspiration.

Ironman, Captain America and Thor of the Avengers super-hero team fought to master the six mythical Infinity Stones that represent tremendous powers in the fictional realms of the Marvel Cinematic Universe.

Back in our world, rapid technological advances have created waves of new opportunities and challenges. A few have mastered the prowess of the new technologies to create new personal achievements on the global stage, while others ponder over the potential challenges.

The tsunami of change in the tech world is unrelenting, and the waves of transformation will churn wonderful opportunities albeit with equal dangers.

The lessons of the six Infinity Stones and the zeal to harness their legendary powers can be instructive and useful as we consider the future of technology, and how each of us can work towards a successful and fulfilling future.

The powers of the stones represent important elements of what we need to understand in our journey.

EXPANDING HORIZONS

1. **Reality:** Embrace the reality of technology that is here, now, everywhere.

2. **Time:** Master time, as fast will only get faster.

3. **Space:** Compress space, as everything globally will be hyperconnected.

4. **Power:** Create impact and opportunities through change.

5. **Mind:** Master the skill of continuous learning.

6. **Soul:** Leverage technology for good.

Fret not, true believers. Harnessing of the power of technology is not as tough as the apocalyptic battles fought by the likes of the Avengers. Collecting the metaphorical six Infinity Stones and leveraging the elemental powers of each can help us overcome challenges and bring incremental power and value to our lives. ■

Reality: Technology will increasingly become an integral part of the reality of everything

Technology will become invisible as it becomes an integral part of reality, embedded in everything we do. In 1962, when Singapore bought its first computer mainframe, no one could have conceived that 50 years later, almost every workplace would have a computing system with more processing power than that first mainframe.

Technology is everywhere, in offices and homes. It is part of daily life, whether at work or elsewhere, in communication, entertainment, education, shopping, food, or travel.

Embracing the Reality stone is the first step and foundation towards unlocking the powers of the other stones.

Time: Fast will become faster

The speed of change and pace of disruption will continue to accelerate as technology changes the way we work, live and play. Fast will become faster. The slowest we will ever be is today.

Consider how it took 50 years for the fixed-line telephone to achieve 50 million users. In contrast, the mobile phone took the world by storm. Within a decade of its introduction, one in three persons in the world now owns a smartphone. Adoption of technology is increasing at an unprecedented rate.

Mastery of Speed and Time is key in the world of technology.

Space: Everything globally will be connected, the traditional concept of space will be compressed

Space will be compressed as everything will be connected. Every business, every person, every object, every data byte will be connected globally. Smartphones, smart speakers, smart lightbulbs are connecting the world.

Fashion sportswear company Under Armour rolled out its digitally connected smart shoes to enhance performance, while the Singapore government has announced a project to connect 110,000 lamp posts nationwide. Research firm Gartner projects that by 2021, 25 billion devices will be connected through the Internet of Things (IoT).

Understanding how the world is connected and space is compressed will widen the horizon and push us to look beyond Singapore for opportunities.

Power: Power to be a global leader, to go over and beyond

In a hyperconnected world, everyone will have the opportunity and power to punch above their weight class, to make a difference on a global level.

Local startups are good examples: Razer, Lazada, Sea and Grab dominate the headlines. Thinking big, going beyond traditional boundaries, and creating their own pathways to success, these unicorns have made a splash on the global stage.

A hyperconnected world empowers individuals with the power and opportunity to advance their skills, hone their craft and achieve their aspirations. Pursuing dreams beyond the shores of Singapore has never been easier.

Mind: To stay relevant, mastery of the mind necessitates continuously learning

Mastering the mind through continuous learning is critical. With the increasing speed of technological change and growth in opportunities, continuous enrichment of the mind and sharpening of skills and capabilities, are essential.

Learning new skills and capabilities is a lifelong journey. Staying relevant is easier today with the wide range of training options available in the market. In Singapore, the SkillsFuture initiative and in particular, the TechSkills Accelerator programme, help workers leverage innovation and change.

It is no longer enough to be competent. A proactive and agile mindset, constantly learning and applying skills for the future, are great assets in a fast-changing world.

Soul: Leverage technology to do good

The sixth stone is a reminder that the grasp of technology and skillsets are only complete with soul. It is not just about harnessing technology for success.

Finding ways to leverage technology for good, and to provide value for society and communities, are as important. For instance, extending a helping hand to those who struggle with the digital divide, and helping to bridge the chasm, can be a meaningful and fulfilling task.

Harnessing technology is not just about personal success and ambition, and is only complete when it is achieved with a warm heart and helpful soul.

Putting People First

Why boards need to focus on human capital management

By **SHAI GANU**
Member, Board Diversity and Appointments Committee, SID

SID SINGAPORE INSTITUTE OF DIRECTORS | BOARDROOM MATTERS

In this age of increasing shareholder activism, investors are calling for stronger board oversight of executive compensation, succession planning, gender equity, corporate culture, and organisation development issues.

For instance, in his annual letter to CEOs of all investee companies, Blackrock CEO Larry Fink highlighted the importance of stakeholder engagement and social purpose in ensuring sustainable, long-term growth and profitability. The key linkage between purpose and profit is the prioritisation of human capital, he noted: "Attracting and retaining the best talent increasingly requires a clear expression of purpose."

Yet, most boards do not spend as much time and effort addressing human capital issues – as they do their financial and intellectual capital. In fact, a company's people policies and practices are crucial to ensuring that it can attract, retain, and motivate key talent.

Companies should continually review their talent pools to ensure they can adapt to the rapidly changing technology and disruptive environment. To drive productivity enhancements, companies also need to define desired skills and competencies, and invest in up-skilling and re-skilling employees.

The board, in its oversight of the company's human capital strategies, should ensure that there is sufficient focus on four key constituents: senior executives, the entire company, society and, last but not least, the board itself.

Senior executives

The remuneration committee (RC) is responsible for performance management and remuneration of its senior management. This includes performance tracking (setting scorecards, performance measures and targets), executive compensation frameworks, short- and long-term incentive structures, and equity plans.

Listed companies are required to disclose the annual compensation outcomes for the CEO and key management personnel, specifically. The linkage between executive pay, performance and value creation, is an important aspect of remuneration packages.

The more progressive RCs have also expanded their remit to cover talent management. These committees focus on appointing the right people in the right roles, defining performance expectations, and rewarding executives. They are charged with CEO selection and annual performance assessments, succession planning for key roles, and leadership development – including lateral moves, coaching and mentoring.

The company

Boards have to set the tone at the top, and are increasingly assuming accountability for corporate culture. This involves encouraging the right behaviours and minimising the risks of unwanted

behaviours, for example, ethical conduct, health and safety issues, fostering a culture of respect at work, and protecting whistleblowers.

The board also needs to take a holistic perspective on organisational development initiatives, ensuring oversight of optimal organisation structures, spans of control, role clarification, human resource analytics, and productivity enhancements. Leading boards adopt active listening strategies and pay specific attention to employee engagement drivers and pain points.

Broader society

With an increasing emphasis on environmental, social, and governance issues, companies are recognising their broader responsibilities to society. From retirement plans to creating new jobs for the future economy, sustainable long-term growth goes hand-in-hand with the community. Boards have the critical accountability to ensure fair treatment of employees, gender-pay equity, workforce diversity, and equal opportunities.

Progressive boards are turning their attention to selection and promotion processes, and proactively creating pathways for women to take on leadership roles. Boards are also responsible for the sustainability of their people practices; calling for a strong emphasis on up-skilling and re-skilling employees, and balancing internal promotions with external hires.

Board of directors

Above all, the board should not forget about itself. The nominating committee (NC) plays a critical role in prudent human capital management, commencing with the formation of the board itself, by determining the different roles that suit the company's requirements. Separation of duties between the Chair and CEO, composition and size of the board, number and role of independent directors, succession and board renewal, committee structures and board fees are all key decisions.

Progressive boards are very deliberate in selecting non-executive directors (NEDs) that provide diversity of thought and experiences. Board diversity, in terms of gender, age, culture, tenure, domain expertise, and stewardship styles, provide different perspectives, which in turn make for more considered decision-making.

Companies should also carefully examine their board's processes and dynamics, to ensure optimal decision-making. Progressive companies define clearly the desired relationships between the Chair, NEDs and CEO. All NEDs are called to actively participate, and create a culture where dissenting views are welcomed.

Role of the board

Companies are beginning to acknowledge the broader role of the RCs and NCs. The redefinition of them into committees with names such as Executive Resources and Compensation Committee, Human Resources and Organisation Development Committee, and Organisation Development and Compensation Committee are indicative of this emerging trend.

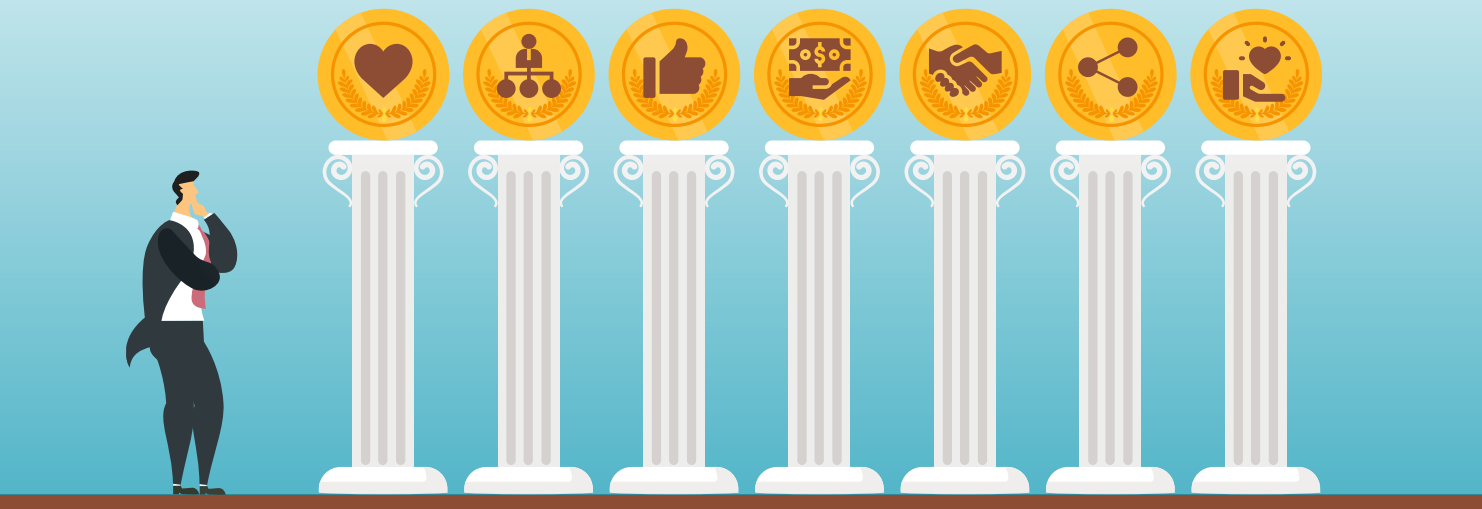
Most priorities related to driving company performance link back to "people" – i.e. having the right people in the right roles, defining desired performance outcomes, motivating and incentivising talent, and unlocking latent productivity gains. Boards need to be responsible for reviewing and driving business plans, defining performance measures and incentives, and implementing succession plans.

In summary, human capital is a critical asset for a company – it can make or break business strategy, and is often a key differentiator. Indeed, the whole board needs to be actively engaged in the new world order of managing human capital. ■

Boardroom Matters is a regular column by SID in The Business Times *and its online financial portal* BT Invest, *where this article was first published in September 2019.*

Seven Good Habits for Singapore Bosses to Emulate

By **TOMMY KOH**



Employee engagement in Singapore is weak. To do better, bosses can adopt positive habits to treat workers better, show care.

Each year, I look at the *Mercer Index of Employee Engagement in the Asia-Pacific*. Fourteen countries are included in the index. Singapore has consistently been ranked 13 out of 14. Japan occupies the last place.

What is employee engagement? An engaged employee is one who is loyal to his company. He believes in the objectives and values of the firm. He is an enthusiastic worker. He is willing to go beyond the call of duty. He feels respected and valued. He feels that he is being fairly compensated. He feels empowered. He is willing to recommend his company to his friends.

In contrast, the disengaged employee is a dispirited employee. He has no enthusiasm for his firm or his work. He does not feel respected or valued. He does what is required and no more. He will jump ship if he is offered a better salary or a job with better prospects.

Employee engagement is important for three reasons. First, an engaged employee is less likely to leave his employer than a disengaged employee. Companies with high employee engagement will have a lower attrition rate.

Second, an engaged employee is a more productive worker than a disengaged one. A Gallup survey found that highly engaged teams are 21 per cent more productive and have 28 per cent less internal theft than those with low engagement.

I suspect that one reason for Singapore's unimpressive productivity increase is its low level of employee engagement.

Third, companies with higher employee engagement are more profitable than those with lower employee engagement. The report of the Singapore Employee Engagement Index stated that "employee engagement is an important driver of performance and productivity".

Then Finance Minister Tharman Shanmugaratnam, in his 2014 Budget speech, said: "Raising productivity is at the centre of our economic agenda."

He also said "policymakers have shifted to focusing on more progressive ideas, such as digitalisation and the development of stronger human capital".

Causes of the low employee engagement

Why is Singapore's employee engagement the second lowest in the Asia-Pacific?

I think one reason is the bosses of Singapore. It is, of course, true that Singapore has many good bosses, both in the public and private sectors. But I think it is also fair to say, based on anecdotal experience and stories from Singaporeans, that some bosses in Singapore suffer from certain bad habits. I would like to suggest that, to counter these bad habits, they consider doing the opposite, and follow seven good practices.

1. Inspire love, not fear

In his treatise *The Prince*, Italian diplomat Niccolo Machiavelli said "it is safer to be feared than loved, if you cannot be both".

I think Machiavelli has many followers in Singapore. You can rule slaves by fear but not employees. A boss who tries to rule by fear will certainly have very disengaged employees. A fearful employee is not an engaged employee or a productive employee.

When I was a very young lawyer, I once worked for a brilliant boss who had a bad temper. He would shout at his staff for the smallest mistakes. The staff lived in fear of him. One day, I plucked up the courage to confront him. I told him that he should stop shouting at his staff. I also told him that he should show more appreciation and kindness towards his hard-working staff.

I expected him to sack me but he did not. Things got better after that.

Singapore bosses should not aspire to be feared if they want better workers. Instead they should aim to be loved.

2. Delegate, not control

Some bosses can be control freaks. They want to micro-manage the work of the company. They do not know how to delegate. Under such a regime, employees feel disempowered. They do not have opportunities to grow.

Singapore's hierarchical culture and risk-averse mindset may be breeding grounds for control-freak bosses. Some bosses are reluctant to delegate because they think it will diminish their power. Other bosses are reluctant to delegate because they have no confidence in their subordinates and are fearful of the consequences in case they make mistakes.

No boss can perform well without knowing how to delegate well, as they need to rely on others to get things done. Good bosses should delegate rather than rely on control.

3. Be generous with praise

One bad habit of many Singapore bosses is that they are generous with criticism but stingy with praise. There is something in our

culture that makes parents reluctant to praise their children and employers to praise their employees.

When I started working in the public sector 51 years ago, I was told that if the boss did not scold me, it meant that I was doing well.

The result is that employees are frequently scolded by their bosses for their mistakes and shortcomings but seldom praised for their good work. The annual appraisal system does not help, with bosses often not giving feedback on their staff's work until appraisal time, when they mark down their staff's performance.

Singapore's bosses can be more generous with praise and stingier with criticism. Employees need psychic income as well as monetary compensation.

4. Pay workers well

I was once an independent director of a bank. On one occasion, we were considering the compensation package for our chief executive officer. The director of human resources proposed a salary of $7 million and asked the board whether it was enough. I asked him what the median income of the company was. He said he did not know.

It would be a good practice for every HR director and every CEO in Singapore to know the median income of his own company.

The situation in Singapore is that the CEOs of many companies are paid multiples – as much as 50 to 100 times -– more than the average employee.

To be sure, this is not excessive compared with America, where the CEO-to-median pay ratio is 278.

Such a disparity in income between the top and the median is one reason for the global movement by the 99 per cent against the top 1 per cent. We should watch out before this movement arrives on our shores.

I have a friend who owns several restaurants. I once asked her whether she had trouble recruiting employees and retaining them. She answered in the negative. She explained that she paid her employees wages that are slightly higher than the market rate and they also had a share in the company's profits. As a result, she had very engaged employees. I would like to see the practice of profit-sharing adopted by more companies. It used to be the norm in Singapore, during my father's time. It would be a good practice to return to in today's society.

5. Do not treat people as invisible

The fifth bad habit of some bosses is to treat their employees as "invisible people". How many bosses know the names of the cleaning, security or canteen staff?

Employees want to be respected by their employers, no matter how humble their jobs. There is a famous story of then US President John F. Kennedy visiting the National Aeronautics and Space Administration. He met a man who worked there as a cleaner. When Mr Kennedy asked him what he did, he replied that he was trying to put a man on the Moon. This is how an engaged employee felt about his humble job. He felt that he was a member of a team and the team's mission was to put a man on the Moon.

A good employer should try to know the names of his employees. A good employer should show respect for every employee, including the tea lady and the cleaner. If the

employer treats his employees well, they will more than repay him with loyalty and high performance.

6. Share credit

No worker likes a boss who claims credit for the work of his employees. A good boss should behave as the leader of his team. If members of the team have put in an extraordinary performance, the boss should acknowledge their achievements and not claim credit for their contributions.

As a boss, I do my best to give credit to the other members of my team. I often feel that I do not need the recognition but the younger members of the team do. It is the duty of a good boss to mentor his younger colleagues and to help them make progress in their careers.

To give a personal example, I was the leader of the Singapore delegation which negotiated the free trade agreement with the United States. In my speeches, I always praised the contributions of the other talented members of the delegation, such as Mr Ong Ye Kung, Mr Ravi Menon, Mr Daren Tang, Ms Neo Gim Huay, Mr Rossman Ithnain, Ms Valerie D'Costa, Mr Minn Naing Oo, Mr Ong Yen Her and Mr Loh Ah Tuan.

7. Care for workers' welfare

Many bosses have a transactional approach to their staff and show no interest in the welfare and aspirations of their employees.

A good boss is interested in the welfare of all his staff. If any of them is going through a family crisis or facing a major health problem, the boss should take a personal interest in that employee and try to be helpful. A good boss should also try to mentor his employees and help them in their career development.

I know of a case where an employee's child was in critical condition in hospital. The boss took time off from his work in order to be at the hospital to give comfort and support to his employee. The child eventually recovered.

The concern shown by the boss was deeply appreciated, not only by the mother of the sick child, but by all the employees of the company. It raised the morale of the staff to have a boss who cared.

Conclusion

The Ministry of Manpower, the National Trades Union Congress and the Singapore National Employers Federation should be concerned at the low level of employee engagement in Singapore. In my view, the root cause is not the employees but the employers.

We need to get our bosses to adopt positive habits. Get them to stop using fear, to praise more and scold less, to delegate rather than control, to share credit, to pay workers better and to care more for their welfare and make them feel valued.

If we do not try to persuade our bosses to stop bad habits and adopt good ones, we will remain 13th out of 14 in the Mercer Index.

Given the well-documented link between employee engagement and productivity, the future of Singapore's economic competitiveness will depend, in part, on the ability of bosses to harness our workers better. ■

This article first appeared in the The Straits Times *on 26 October 2019. A veteran diplomat and ambassador-at-large, Professor Tommy Koh is rector of Tembusu College, National University of Singapore.*

The Board's Role in Talent for Digital Transformation

By **JUNE KOH,** Cluster Director, Human Capital Cluster, Infocomm Media Development Authority

As the pace of digital change accelerates, boards must play a more active role in elevating the talent agenda as an integral component of the overall business strategy.

We live in exciting times. Technological advances in areas such as artificial intelligence (AI), data analytics, the Internet of Things (IoT) and blockchain are overturning existing business models and creating new sectors and industries.

In this high-stakes, rapidly-evolving landscape where digitalisation has permeated every sphere of the economy, digital transformation is critical to every company's ability to compete effectively. As stewards of a company's strategy and direction, directors play an important role in the success of the company's digital transformation process. What are the implications for the role of the board in helping companies navigate the opportunities and challenges in the digital economy?

Importance of talent

For starters, a board serious about digital transformation must recognise the importance of talent, and address the gaps in the company's talent pool. Based on a survey conducted by research organisation The Conference Board, CEOs globally ranked attracting and retaining top talent as their top internal concern in 2019, with the development of next generation leaders coming in at third place.

In Singapore, the 2018 *Annual Survey on Infocomm Media Manpower* by the Infocomm Media Development Authority projects that demand for tech workers is expected to grow by 28,500 from 2018 to 2020.

As companies press ahead with their digital transformation journeys, skilled professionals will be required to fill job roles such as software engineers, cloud computing specialists, and product and user-experience design managers to ensure seamless delivery of new products and services. Data scientists and compliance officers will also be highly sought after, as businesses seek to glean insights from data while ensuring that it is used responsibly.

Culture of innovation

In addition to addressing talent gaps, the board must also guide the company. It can start with four priorities (see box, "What boards can do") to create the right culture of innovation for talent to thrive. After all, ensuring the success of the

What Boards Can Do

1. Place talent as key priority in driving transformation

For companies to embark on meaningful digital transformation, talent strategy and engagement should take a front-row seat on the board agenda. Forward-looking boards should look beyond the top layers of management to address talent needs across the organisation. It is not just the Chief Digital Officer who drives the transformation; all employees should be equipped with a basic level of understanding of current and emerging technology to become attuned to the larger digital environment.

2. Elevate the role of human resource and remuneration committees

As businesses embrace new technologies, a concerted focus on training is key, especially in frontier tech areas such as data analytics, AI, cyber security and IoT. The mandate of human resource and remuneration committees should be broadened to look at end-to-end people strategy, organisational culture, talent attraction and retention as well as employee development – beyond compensation, performance management and succession planning.

With technology replacing jobs, it is critical to reskill and upskill employees. For instance, the TechSkills Accelerator programme is an initiative by the government, industry and trade unions, to develop a workforce skilled in digital technology. Closer links and partnerships can also be forged with institutes of higher learning and government agencies, by offering internships or training to students under SG:D Scholarship and SkillsFuture Work-Study Programme.

3. Anticipate talent needs presented by technological shifts

To help companies navigate the momentous changes caused by technological disruptions, board members need to be plugged in to key technological trends and developments and their potential impact on different parts of the company and its value chain. Increasingly, organisations have to plan for job roles and career pathways which may not exist previously. Companies can develop career maps and identify training needs using the Skills Framework for Infocomm Technology as a guide, which provides useful information on career pathways, existing and emerging skills and occupations.

4. Embed talent agenda as regular part of board governance

It is perhaps worthwhile to consider how to embed regular talent-related conversations as part of overall board governance. Having talent as part of the regular board agenda provides continued fingers on the pulse and allows for the board to provide timely guidance and support. It should not remain within the remit of the remuneration or nomination committees and can also be a part of the board risk and strategy committees, and included in regular discussions at main board meetings.

company's digital transformation efforts should start from the top. In any organisation's journey of change, employee engagement is key. Directors should prioritise talent and invest in employee training and technology to fuel sustainable business growth. ■

International Talent and Mobility

By **GORDON PERCHTHOLD**
Associate Professor of Strategic Management (Practice),
Lee Kong Chian School of Business,
Singapore Management University

As companies expand their reach into international markets, they have to contend with a myriad of challenges, from demographics and culture to different legal jurisdictions and business systems. From the board perspective, the mobile workforce and international talent management are emerging priorities.

Singapore firms are expanding regionally and globally. We already have global players as our "second wing" takes root. Government agencies such as Enterprise Singapore have their mission to accelerate internationalisation into foreign countries.

However, establishing an appropriate corporate governance framework is a key challenge for these firms as they transition from operating in a single country to multiple, even distant, countries.

Internationalisation is hard

Governance of a firm that has production and sales operations within many different countries is far more complex than for one that simply exports or re-exports raw materials or finished goods from one jurisdiction to other markets. The complexity arises from differences in the foreign environments that such firms operate in. These include different cultures, demographics, institutional structures and capital, business systems, intermediaries, stages of economic development, and geographic terrain. (See diagram, "Topology of Diversity of Differences Among Countries"on next page).

Research shows that successful internationalisation by firms is largely dependent on one critical factor – the openness of an organisation's workforce to non-conforming information.

One of the roles of the corporate board is to ensure the continuity and capability of the CEO to lead the firm. In the case of multinational firms, the board's governance role in the area of talent should extend beyond the CEO. Until this century, the strategic management of international talent has not been high on the board agenda.

Cross-border trade and international business have forced companies to reconsider organisational structures and resource allocation, not least in the management of talent. The diversity of skillsets becomes more complex, when differences in culture and geographic locations are factored in. Manpower resources for international division leadership, regional office management, subsidiary branches and even short-term secondments of technical specialists are notoriously tricky to manage.

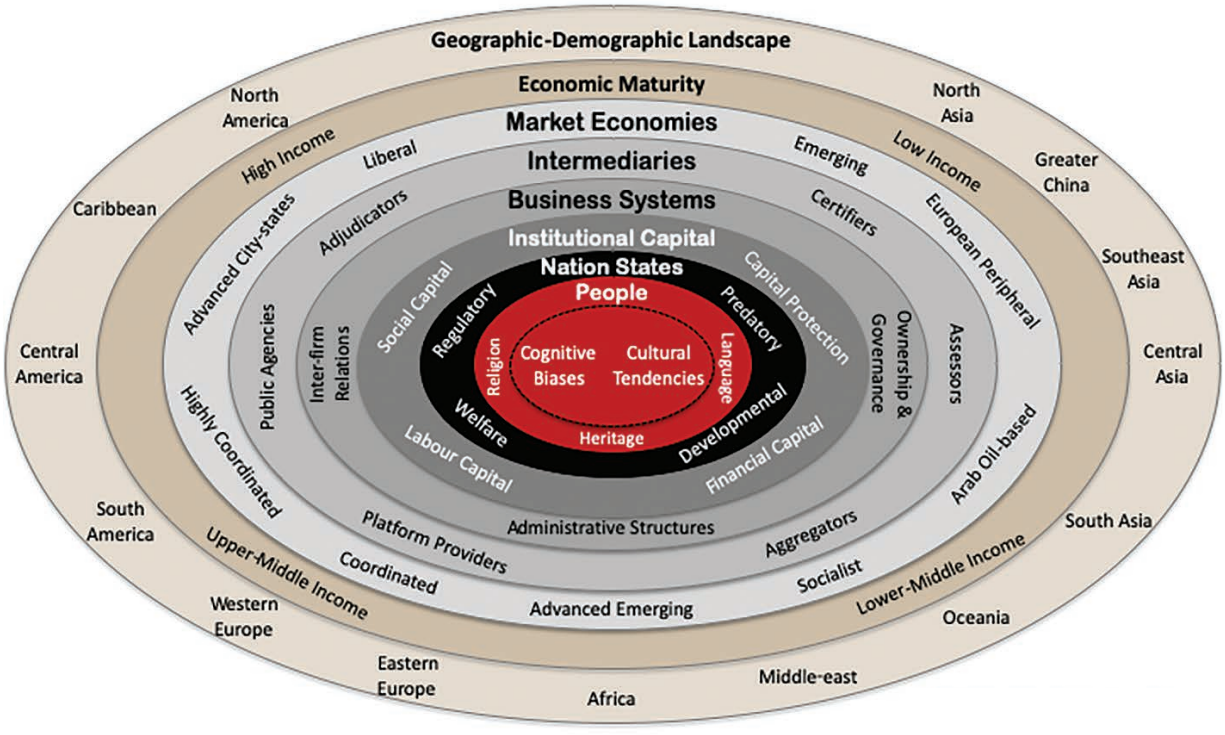
The governance of international talent and mobility covers all stages of sourcing, development and deployment. To be sure, the board should let management get on with managing the business. However, as the representative of external stakeholders, the board must ensure that key leadership personnel have the appropriate capabilities, and that international talent management and mobility processes that are put in place are "fit for purpose".

The early stage of internationalisation (as the domestic firm transitions to becoming a multinational corporation) is very often a difficult period. It can span many years with periodic set-backs.

Company directors and managers of Singapore firms will have worked predominantly within their home country which is endowed with a high level of integrity, trust, and quality in its institutions, business practices, intermediaries, and infrastructure. These company directors, executives, and managers, while aware that business in other countries may be conducted differently, can make unconscious assumptions about the approach to successfully establish and run operations overseas.

It would be unreasonable to expect Singapore firms to be better equipped for internationalisation than their counterparts in Europe, the Americas, and elsewhere in Asia. The majority of them, despite significant efforts, have not realised their potential when operating internationally. Overconfidence, born of success in the home country, does not determine success in foreign countries. But companies can learn from prior

Topology of Diversity of Differences Among Countries



Adapted from CAGE and Comparative Capitalism Literature by author.

experiences, academic research and analysis of their mistakes.

Source leaders internally

When embarking on internationalisation, firms commonly make the mistake of looking outside the firm to hire an executive with the relevant geographic experience to lead the foreign operation.

In the early stage of internationalisation, while the firm must contend with the unknowns of a foreign market, one of the often underestimated but critical barriers is the ongoing scepticism with which the strategy and decisions in the foreign regional or subsidiary entity is viewed by corporate headquarters in the home country.

Ambiguity, uncertainty, and volatility – elements that introduce risks that management may have successfully worked hard over many years to contain within their own home country business – all accompany the establishment and the building of overseas operations. Be that as it may, the presence of these elements in overseas markets will often still surprise and unsettle corporate headquarters and home market personnel.

Inevitably, due to the inability to come to grips with how to manage in the presence of these phenomena in an unfamiliar environment, pressure will build within corporate headquarters to withdraw from the foreign markets, and to scale back the internationalisation initiative. Research has shown that up to 80 per cent of multinational companies exhibited such an "abandonment too soon" strategy.

To mitigate this issue, leadership positions for international divisions, regional offices, and/or strategic country subsidiaries should be filled by existing internally groomed and capable executives. They should be selected, based on their internal track record, existing formal and informal communication networks, the trust of the

organisation, and the personality traits conducive to working within foreign markets. These trusted executives can, in turn, surround themselves with externally hired direct reports who can contribute their experience in the foreign markets.

Develop international talent

A commitment to internationalisation also requires a commitment to evolving the composition of the corporate management team to incorporate foreign market understanding and experiences.

This entails changing advancement criteria and rewarding those within the home office who seek out and absorb foreign knowledge, and who strive to resolve non-conforming information with their own worldview. This can be achieved through foreign postings, or by actively engaging with counterparts in foreign markets through bi-directional foreign market/corporate office visits, conferences, and video discussions.

Over time, the practices across countries will not be perceived by corporate headquarters as right and wrong, but will be simply recognised as a different configuration of practices that can achieve a similar outcome.

A challenge that interviews with group and regional CEOs of western multinational companies have identified, is the difficulty in developing (through multiple, successive and progressively more challenging foreign country secondments) executives with Chinese heritage to fill the most senior positions of the multinational firm.

Social pressure exerted on these candidates who are active on foreign assignments compels them to return to their home country to fulfil their family obligations, thus limiting their foreign country experiences, which are a prerequisite for regional and global roles. Such pressures are more prevalent in the collectivist-oriented countries within Asia, than in the individualistic-oriented countries of the West.

Deploy talent for long-term value

Internationalisation knowledge cannot be effectively absorbed from a textbook or a classroom lecture. Like the subtlety of spices in food, the subtlety of cultures and business systems must be experienced to be appreciated.

This is not just about corporate headquarters personnel becoming familiar with foreign markets and business operations. Foreign subsidiaries can benefit from the experience and guidance of personnel in corporate headquarters, home country operations, or even from working in another foreign subsidiary.

The secondment of executives, managers, and technical personnel to foreign countries has been shown to be a high cost endeavour that may achieve short-term tactical objectives but rarely realises strategic benefits for the multinational firm. This is mainly because mobility initiatives are a reaction to tactical problems in a foreign subsidiary rather than being designed as a long-term personnel development initiative and strategic approach to international governance.

Secondees may fix problems but knowledge is rarely transferred to those in the foreign country operation. Attrition rates of secondees can be high, particularly after repatriation, in large part because the expatriates perceive that their employer did not honour the "psychological contract" to protect their interests as they, and their families, took the risks of an overseas posting.

Directors should be aware that these issues are quite common when a firm internationalises. The corporate board need not solve these issues but must ensure they are adequately attended to by management. In this way, the board will not only further the success of the firm they govern, but will also contribute to the internationalisation objectives of Singapore as a nation. ■

Unlocking the Value in Diversity and Inclusion

By **MAX LOH**

Driving diversity and inclusion, including that of gender parity, will take more than good intentions. Boards can play a key role in driving greater accountability through measurement and setting the tone at the top to transform cultures and build inclusive workplaces

A 2019 study by research consultancy Kantar reported that Singapore ranked the second lowest among 14 developed countries surveyed, in terms of workplace diversity and inclusion practices. This result has rekindled discussion on gender disparity in Singapore companies.

The World Economic Forum's Global Gender Gap 2018 Report revealed that in Singapore, only 68.7 per cent of females participate in the labour force compared with 83.5 per cent of males. Moreover, there are gender gaps to close on wage equality for similar work.

The picture at the top is not rosy, either. The latest figures from the Council for Board Diversity in Singapore show that as of June 2019, only 134 of 854 board seats (or 15.7 per cent) in the top 100 listed companies on the Singapore Exchange were filled by women. This is a far cry from the 20 per cent target for 2020.

Clearly, women board candidates come through a progression path. And if gender parity is not addressed at the broader employee level, then the issue of the lack of female representation becomes more acute as they move through the corporate leadership funnel.

Measurement and accountability

The business case that organisations with diverse workforces are more innovative, resilient and profitable is well-documented. As organisations move from the "why" (the economic imperative) to the "how", they face challenges. The lack of understanding of the specific issues surrounding gender disparity is one. Another reason could be the lack of will and support to drive change and make workplaces more inclusive.

Organisations are part of the problem – and the solution too. Companies should set concrete gender parity targets and invest in systems and technologies to measure progress. As management expert Peter Drucker said, "What gets measured gets done."

Most businesses still use superficial metrics such as simply counting the number of female

employees in the organisation. The more insightful questions that need to be addressed should be: When and why do women leave? How does the company culture support diversity and inclusion? How effective have investments in talent programmes been in addressing diversity and inclusion?

Many businesses find it challenging to collect, manage and interpret data in a meaningful way. Technological advancements in data analytics could help businesses measure the effectiveness of their initiatives, which can serve as valuable input to their diversity and inclusion strategies. Data analytics tools can also be applied to identify and address unconscious bias that may exist in existing talent policies, as well as forecast possible attrition patterns.

While technology can help to reveal issues, only leaders can drive change. The responsibility for developing a talent management strategy that is attuned to driving diversity and inclusion and operationalising that plan falls on management. Beyond that, the board must oversee how management is defining, aligning, embodying and reporting on diversity and inclusion, including gender parity.

By holding management teams accountable, the board can help to sustain a critical level of transparency that ensures that non-inclusive practices are not obscured or hidden. To that end, boards will need a rolling dashboard of diversity metrics relating to recruitment, training, progression and pay. These can help expose patterns, trends and discrepancies between how female employees are regarded in terms of progression, pay and opportunities, compared with male counterparts.

Cultural transformation

While metrics are useful, a culture of belonging and inclusiveness is just as important.

Cultural transformation and behavioural change will require leaders across the organisation, particularly at the board and management level, to "set the tone at the top". Board members should regularly evaluate how the CEO and other senior executives model desired behaviours and communicate the desired culture.

Boards too will need to challenge their own composition, dynamics and culture. Self-disruption will be tough but it will send a clear message to management as well as investors and other key stakeholders on the strategic importance of diversity and inclusion.

As with any cultural transformation process, building an inclusive culture will be a learning journey. The pace of change and what that change looks like is unique to each organisation. An organisation needs to be flexible and transparent.

In the Asian business context, for instance, it may not be socially conventional for women to self-nominate themselves into leadership. Organisations could consider focusing on sponsorship schemes and supporting women through executive training programmes, which can help to address gender parity gaps in the leadership pipeline.

As boards and management consider their role in driving diversity and inclusion, they should recognise that accountability and governance go hand-in-hand. Diversity and inclusion can only be realised when the organisation's leadership drives initiatives that invest in talent, create opportunities and builds a culture based on trust and respect. ■

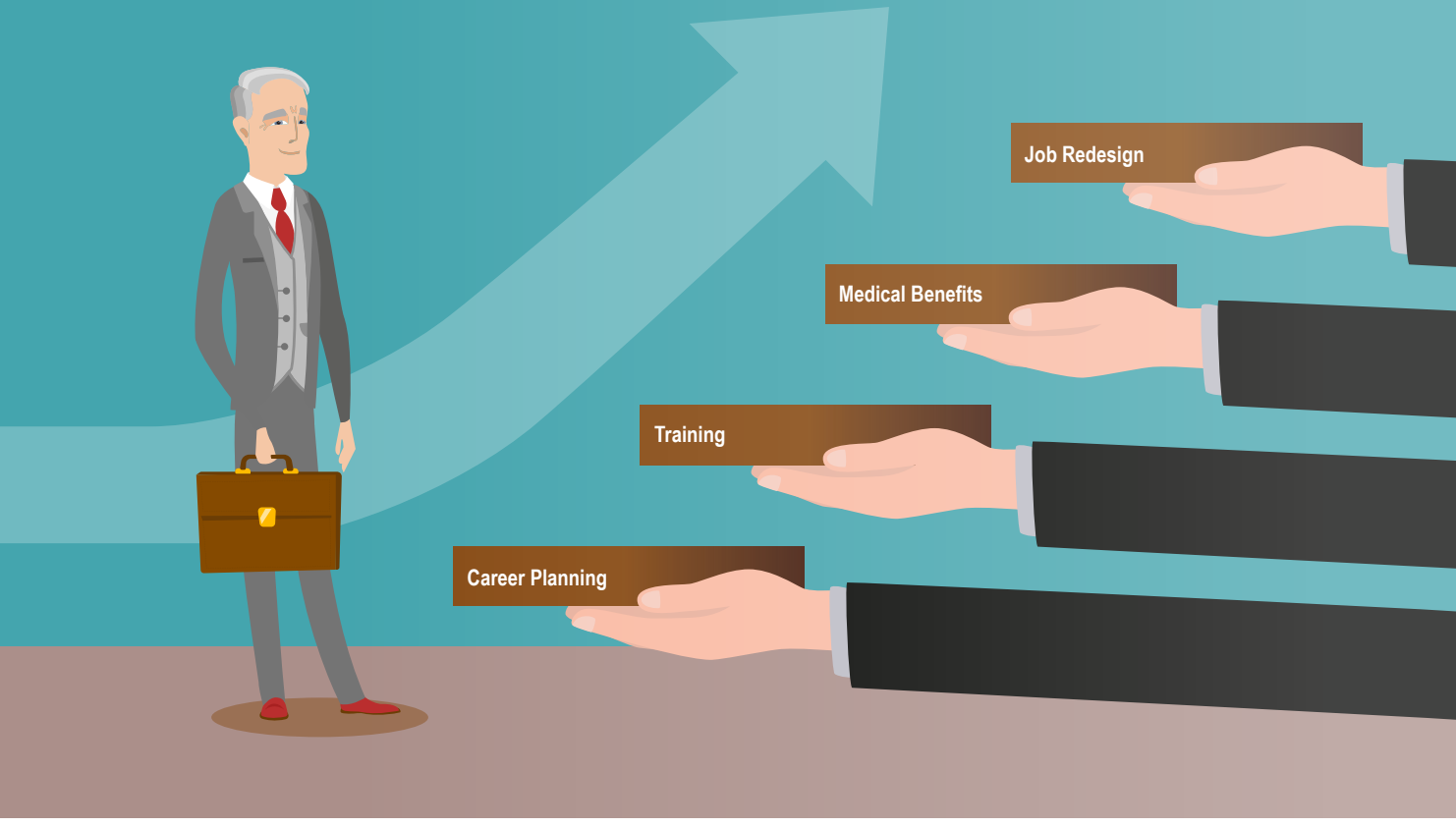
Max Loh is a member of the SID governing council and the Singapore and Brunei Managing Partner, Ernst & Young LLP.

The views reflected in this article are his views and do not necessarily reflect the views of the global EY organisation or its member firms.

Employee Silver Years, Organisation Golden Age:

Is Your Organisation Ready for Productive Longevity?

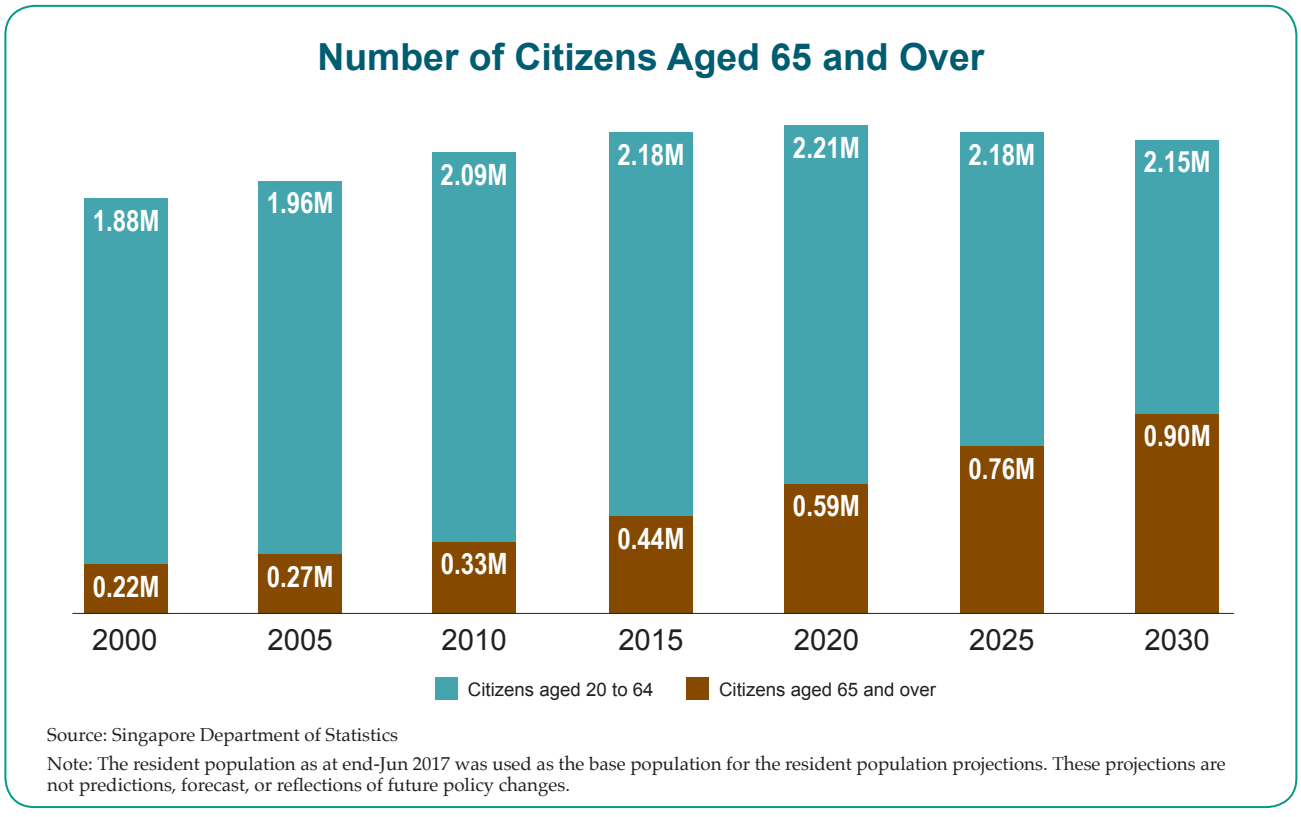
By **AUBECK KAM,** Permanent Secretary, Ministry of Manpower



Productive longevity, a long-term vision for Singapore, in the economic, social and national sense, is an underlying theme of the recent changes in workforce policies.

In 2019, the Government accepted the recommendations by the Tripartite Workgroup on Older Workers to raise Singapore's Retirement Age and Re-employment Age to 65 and 70 respectively by 2030. The change will be implemented gradually, with the first move to raise the retirement age and re-employment age by one year each, to take effect from 2022. The public service will take the lead by implementing the first phase of the changes in 2021.

Productive longevity is a shared vision by the tripartite partners – employers, workers and government – that Singapore can thrive and prosper, even as it experiences a profound demographic shift. This is anchored by three thrusts:



i. Economic: A growing pool of older workers is a valuable resource for businesses in Singapore's tight labour market. At the same time, income from work helps individuals be more financially secure in retirement.

ii. Social: Staying employed has positive effects on seniors' health and helps with "active ageing". Having an inclusive workplace where seniors have a role to play also contributes to a more cohesive society.

iii. Political: It reflects a deliberate choice to approach the ageing workforce as an opportunity and not a burden, as well as to view seniors as valuable members of society and enable them to contribute meaningfully.

The 2020s will be a decade in which companies will get to grips and adjust to this new landscape of a tight labour market, amidst relentless transformation. Companies which transform their workplaces and adopt progressive practices that value older workers will be best placed to achieve productive longevity in the future economy. How can directors help ensure their organisations are ready?

Know your workforce

As Singapore ages, its population of citizens aged 65 and over is projected to almost double in the next decade to around 900,000 while the working age population will peak around 2020 (see box "Number of citizens aged 65 and over").

Trends at the national level indicate how the workforce profile in individual companies change.

A sound recruitment strategy, including relevant retention tools, will be key. Companies should look beyond graduates from campuses to extending the productive careers of its own workers and mid-career applicants as new sources of talent. A sustainable human capital strategy will enable companies to seize the opportunities of productive longevity for the new decade.

Against the backdrop of a changing workforce profile, and with a clear roadmap of policy changes all the way to 2030, companies have a window of opportunity to take action and stay ahead of these changes. Progressive employers can take the lead, and raise their company-specific retirement age and/or re-employment age ahead of legislative changes.

Career planning sessions

To lead, companies should proactively seek to better harness existing manpower, in particular the mature and older workers. Employers can engage mature and older workers in structured career planning sessions. Conversations with mature workers (around age 45) can be centred on their future career plans and potential support from companies, while those with older workers (around age 55) can focus on relevant skills needed for re-employment.

Setting aside time to engage employees in a structured discussion on their career plans gives employees a chance to shape and prepare for their longer-term career plans as they age. For instance, employers could manage employee expectations on the job opportunities available to them during re-employment and prepare them for these positions by starting the training process to take on new roles.

By gaining a deeper understanding of workers' future plans, it would also be beneficial to companies in ensuring that their workforce is prepared to support them in their transformation journey.

Approach to training

Some companies feel that as their workers get older, they are less trainable. This is a fallacy. A recent survey by the Ministry of Education showed that an increased number of older workers today are keen to undergo training to refresh and upgrade their skills, However, older workers are also more reliant on their employers' suggestion to attend training. Older workers are also less likely to switch jobs, which means investment in their reskilling actually has a longer payback period.

It is therefore important for companies to initiate conversations with older workers on the relevant training for their career progression. Companies are also best placed to advise on the most relevant and appropriate training to support business needs.

Portable medical benefits

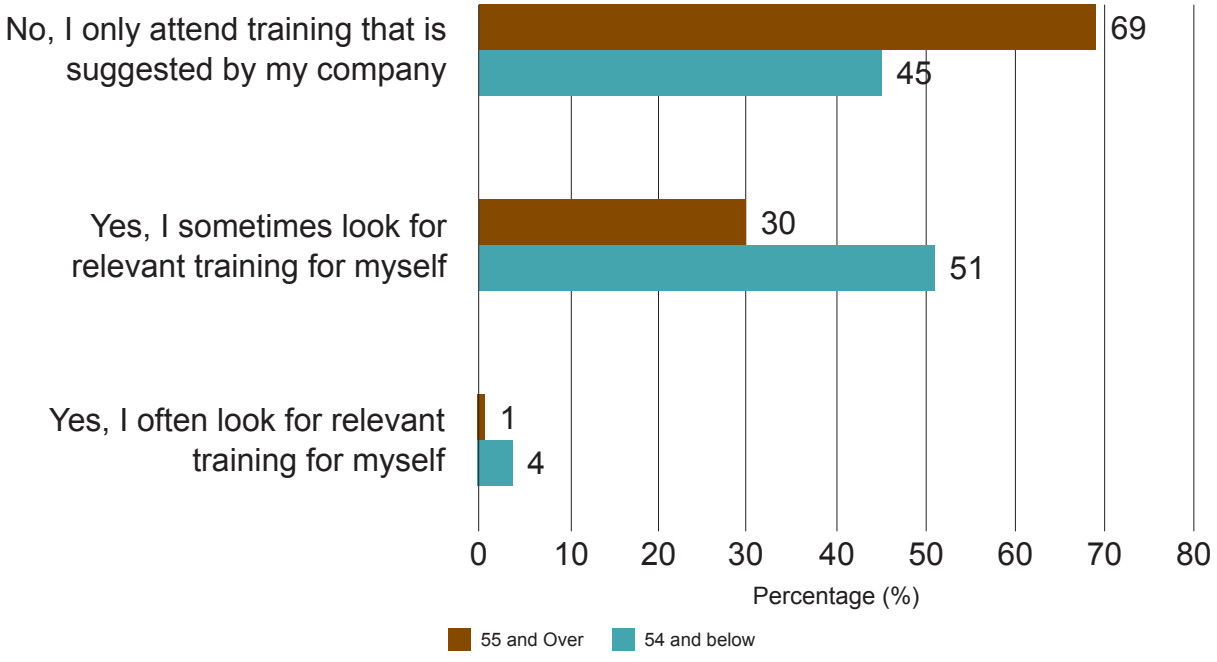
Progressive human resource policies which are age-friendly and conducive to older workers can help support productive longevity. As Singapore's workforce ages, medical costs will continue to rise. From 2010 to 2016, employers' expenditure on healthcare grew by more than 50 per cent from about S$1.0 billion to S$1.5 billion. Companies that stay with the current model of employer-provided Group Hospitalisation and Surgical (GHS) benefits should expect their medical costs to continue rising sharply.

Shifting to portable medical benefits reduces needless duplication of insurance coverage. This is especially so after MediShield Life was introduced in 2015, providing all Singaporeans with lifetime protection against large hospital bills and expensive chronic treatments.

Companies could instead use the money otherwise spent on GHS premiums to help employees pay for their MediShield Life premiums, or Integrated Shield premiums above the basic MediShield Life tier. This ensures that the company's expenditure on medical benefits is more stable and predictable, even with an ageing workforce. Additional savings could be directed to other employee benefits for talent retention.

In addition, companies that choose to provide portable medical benefit schemes enjoy higher tax deductions of up to two per cent of total employees' remuneration.

Older Workers' Attitudes to Training



Source: Public Perception Study on Skills Mastery and Lifelong Learning 2017, Singapore Ministry of Education

Job redesign

As workers get older, they may experience some deterioration in physical attributes and strength. For example, they could lose some range of motion and flexibility, or reduction in vision and hearing capacity.

Redesigning jobs and workplaces helps older workers cope with the effects of ageing and improves their employability. If pursued systematically and implemented organisation-wide, organisations can make it possible for jobs to continue to be done safely and productively, even as their workers get older.

Older workers would increasingly like to have the option to reduce their work intensity gradually as they approach retirement. In fact, a poll found that half of workers who had retired would have preferred to continue working. Of these, more than three in five would have preferred doing so on a part-time basis.

Companies can consider providing more part-time opportunities, including during re-employment.

Singapore is ageing. With forward planning and continued joint efforts by Government, employers and workers, Singapore's ageing workforce can be harnessed as an opportunity for growth. Over the past decade, there have been strong improvements in older worker employment outcomes: the employment rate for workers aged 55 to 64 has increased from 57 per cent in 2008 to 67 per cent in 2018.

With a successful ageing policy in place, employers have an opportunity to tap on workers with more cumulative knowledge and experience, more extensive networks built over the years, and a strong sense of loyalty, leadership, and responsibility. This will be a triple-win for businesses, workers and society. ■

The Winning Formula of Tripartism

By **PATRICK TAY**
Assistant Secretary-General, National Trades Union Congress (NTUC)

The formula of tripartism, a framework that brings together government, employers and workers, has worked well for Singapore for the past 50 years. How relevant is it for the future?

As Singapore charts its future with a new leadership at the helm, it continues a core concept that has undergirded the country's collective success as a nation: tripartism. A uniquely Singapore framework between the state, business and workers, the tripartite framework is built on reinforcing pillars of mutual trust and respect.

Peaceful industrial relations in Singapore today are a direct result of unions working in the spirit of collaboration with employers and the government. This spirit of collaboration is a strategic pillar of the labour movement since the landmark Modernisation Seminar held in 1969 by the National Trades Union Congress (NTUC).

National Wages Council

The first manifestation of tripartism was the establishment of the National Wages Council (NWC) in 1972. The NWC was formed by the government as a tripartite advisory body on wage adjustments. Prior to its establishment, wage adjustments were negotiated according to the bargaining power of trade unions and management. This informal arrangement gave rise to industrial disputes and strikes.

Since its formation, the tripartite council has annually presented a set of tripartite recommendations to ensure that wage increases are in line with economic growth and sustainable in the long run, so that Singapore's competitiveness can be preserved and enhanced.

The recommendations of the NWC are guidelines that are meant to serve as a basis for wage negotiations and discussions on labour issues between employers and employees. Though the recommendations are not binding, these are generally accepted by the largest employer in Singapore, which is the Singapore Civil Service.

To ensure that manpower policies and legislation keep pace with changes in demographics, economic conditions, nature of work and

workplaces, an entire spectrum of tripartite committees and workgroups has since been formed. These agencies serve to promulgate a series of tripartite recommendations, guidelines and advisories to respond to the changes in the labour market and guide the positive progress of labour-management relations and industrial relations in Singapore.

Platform for dialogue

This strong tripartite partnership has helped Singapore weather a number of global crises during which the government implemented some tough, but arguably necessary, policies to restructure the economy.

Two notable episodes were the Asian Financial Crisis in 1997 and 1998 and the Global Financial Crisis in 2008. During the past two decades of economic restructuring, various platforms involving tripartite social dialogue were formed. These include the Economic Review Committee (2001); Remaking Singapore Committee (2002); Our Singapore Conversation (2012); and the Committee on the Future Economy (2016).

McKinsey Global Institute estimates that up to 375 million individuals may need to switch occupational categories and learn new skills by 2030, due to the advent of exponential technologies. Such impending workforce transitions could be very large.

To this end, the tripartite partners – Ministry of Manpower, NTUC and Singapore National Employers Federation – have introduced a slew of initiatives to prepare workers and employers. For example, the Tripartite Standards represent verifiable and actionable practices to address crucial issues of the gig economy.

Guidelines on employment of term contract employees, flexible work arrangements, grievance handling, and contracting with self-employed persons are useful benchmarks for the new economy. These standards which are approved and issued by the tripartite partners can guide employers and employees alike. Progressive market-leading employers can use the guidelines to distinguish themselves while maintaining a competitive edge in the future economy.

Maturing of tripartism

Other initiatives, like the Tripartite Alliance Limited, serve as a platform for the tripartite parties to come together to deal with issues of common concern in a tangible and direct manner. Some of the issues include fair and progressive employment practices, dispute management, workplace safety and health, retirement and re-employment, and higher CPF contributions for older workers.

As part of the Committee on the Future Economy recommendations, 23 industry transformation maps (ITMs) for 23 different industries and sectors were mapped. A tripartite committee comprising union leaders, management, government agencies and industry stakeholders were involved in developing each of these ITMs. The respective workgroups typically examine the industry landscape, trends and needs, initiatives to systematically raise productivity, develop skills, drive innovation, and promote internationalisation, so as to catalyse the transformation to achieve the stated vision of the industry.

With the tsunamic wave of digitalisation, disruption and democratisation of work and workplaces, the strong tripartite relationship built over the years is even more important than before. Trust can easily be broken, and once broken, is difficult to mend.

Amidst the sea of uncertainties and challenges in the economy, the tripartite spirit and mettle will be put to the test. However, if the tripartite partnership is nurtured, Singapore will have a sustainable economy which is both pro-business and pro-worker at the same time. ■

The Coming of Age of the Employment Act

By **DESMOND WEE**

The establishment and evolution of employment law in Singapore over the past five decades reflects the pragmatism of the Singapore Government. This is seen in the way the Employment Act has been transformed since it was first passed in 1968.

In the second reading of the Employment (Amended) Bill in Parliament in October 2018, Ms Josephine Teo, Minister for Manpower, said the most recent changes were tabled to protect workers, enhance dispute resolution and provide employers with enhanced flexibility. "It will bolster our efforts to institute good employment norms and develop progressive workplaces for our people," she noted.

Yesterday once more

To fully appreciate the impact of the changes, it is important to understand the underlying reasons for the introduction of the Employment Act in the 1960s.

The Employment Act was introduced into Singapore law at the early stages of the country's development. It was, at that time, Singapore's strategy to attract foreign investments and establish a catalyst for certain industries as a means to jumpstart the economy. At the same time, it sought to give a certain level of protection to employees.

It initially set the baseline for certain basic employee rights and helped support the building of a stable and productive workforce. This meant addressing basic issues such as termination provisions, notice requirements, minimum contractual age, payment of salary, minimum leave requirements, and so on.

Another fundamental premise of the Employment Act was the distinction made between employees who were considered managers and executives and those who were not. This distinction stemmed from the earlier days where the number of employees who were classified as managers and executives was significantly less than those who were not, and so the Singapore Government determined it necessary to enact some baseline provisions to protect those employees who were not managers and executives.

Over time, the coverage of managers and executives by the Employment Act has evolved. From the original stance of excluding managers and executives from protection under the Act, the law was changed to protect those managers and executives earning less than S$4,500 monthly basic salary. With the latest changes, all managers and executives now come under the protection of the Employment Act, regardless of salary and seniority.

In its previous form, the Employment Act gave employers the ability to structure terms of employment according to the seniority of its employees. For lower level employees, employers were obliged to ensure that their terms of employment complied with the law which afforded those employees with more protection as they may have been seen to be less in a position to demand for more contractual rights. For more senior employees who were seen to be more able to stand up for their own rights, employers had the flexibility to set terms that ensured that there was quid pro quo protection for both employer and employee.

By and large, this equilibrium served Singapore well through the decades.

The times they are a-changin'

The current iteration of the Employment Act, which came into effect on 1 April 2019, seeks to disrupt many settled practices that Singapore employers have accepted in the past (and have probably taken for granted). The changes, which seek to regulate the employment relationship between employer and employee, are the most far reaching amendments to the Employment Act to date.

The changes apply to all employees, whether they were hired before or after the changes. It is therefore important for employers to take a long, hard look at their current employment terms, arrangements and practices to see if any revisions or updates may be necessary. Employers should take note of the changes, so they do not inadvertently fall foul of the law.

One of the most significant changes implemented in the amendments to the Employment Act was the removal of the salary cap of managers and executives that would come under the protection of some of the Act's core provisions. With the removal of this salary cap, an additional 430,000 managers and executives will be covered for core provisions such as minimum annual leave, paid public holidays and sick leave, timely payment of salary and statutory protection under wrongful dismissal.

Whilst many companies may already exceed such baseline provisions for their employees, the significance of these legislative changes lies in the fact that some provisions in the Employment Act that existed to ensure the protection of lower levels of employees are now applicable to all managers and executives, and consequently the most senior level of employees.

An example of this are the provisions under Sections 10(1) and (2) of the Employment Act that allow both employee and employer to give notice of their intention to terminate the employment relationship provided always that the length of such notice shall be the same for both sides. This may not necessarily have been the case for senior level managers and executives prior to 1 April 2019.

Another situation where the inclusion of managers and executives under the protection of the Employment Act may deviate from common practice can be seen in Section 11 which expressly allows each party to make payment in lieu of notice. Section 11 would therefore negate any attempt by an employer to compel a senior manager and executive in a critical position to serve out the entirety of his/her notice period and to prevent the said employee from leaving the company at the drop of a hat and who makes payment in lieu of notice.

Yet another example is where the employer would have been able to contractually provide for the right to deduct amounts from the employee's salary. This is now not possible unless it is expressly authorised under Section 27 of the Employment Act.

Coming of age

The enhancement of the disputes resolution framework to adjudicate claims related to salary and wrongful dismissal is another significant change arising from the latest amendments. Such cases, which were previously handled by the Ministry of Manpower, are now under the jurisdiction of the Employment Claims Tribunal.

The Tripartite Guidelines for Wrongful Dismissal were issued to give guidance to adjudicators and mediators at the tribunal and the Tripartite Alliance for Dispute Management.

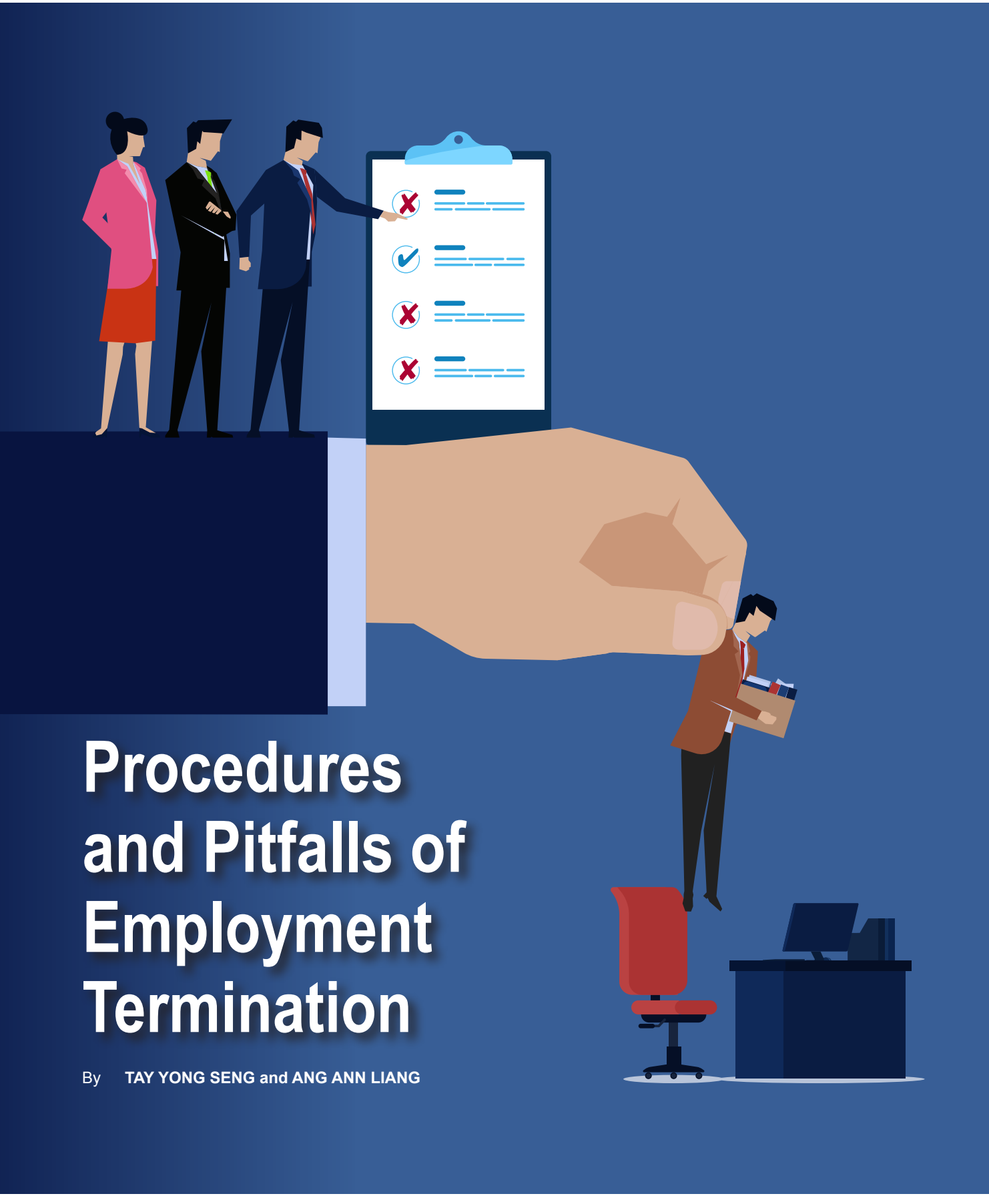
The Wrongful Dismissal Guidelines give clear written guidance on how the authorities would consider such issues and elaborate on what employers can or cannot do. An example is where the Guidelines state very clearly that "misconduct is the only legitimate reason for dismissal without notice". As a consequence, an employer cannot dismiss an employee without notice by reason of poor performance.

The Wrongful Dismissal Guidelines also introduce the idea that the termination of the employment relationship by giving of a contractually agreed period of notice may be a violation of employee rights.

The Employment Act has, over the years, adapted, evolved and eventually morphed into cornerstone legislation for the Singapore workforce. This was not always the case. What started out as a baseline set of core protection for a specific level of employees has now seen its protection expanded substantively.

The Employment Act has truly come of age. It is therefore important for employers and businesses to fully appreciate its relevance to their organisations and to adjust their employment policies and practices to ensure alignment with it. ■

Desmond Wee is Head of Corporate Commercial Practice and Co-head of Employment and Benefits Practice at Rajah & Tann Singapore LLP.



Procedures and Pitfalls of Employment Termination

By TAY YONG SENG and ANG ANN LIANG

The termination of employment is often a sensitive issue, whether from the employer's or employee's perspective. Employers should be aware of the issues surrounding termination, as the employer can suffer reputational damage or end up on the wrong side of the law, if termination is handled improperly.

On 1 April 2019, the salary threshold in the Employment Act was removed, and the protections in the Employment Act relating to termination of employment now extend generally to all employees.

Termination of employment may happen because the employee resigns, or when the employer dismisses the employee, or when the employment term as set out in the employment contract has expired, such as when a project or contract period is completed.

Termination by notice or payment in lieu

An employment contract may be terminated by giving the requisite notice stipulated in the contract. Employers should take note that the Employment Act prescribes minimum notice periods. Such minimum notice periods depend on the length of the employee's service. For example, the notice period shall be at least four weeks if the employee has been employed for five years or more.

The length of the notice period must also be the same for both employer and employee. Instead of serving the full notice period, either the employer or the employee may make payment to the other party in lieu of notice.

An employer is able to terminate the employment contract for any reason, or even for no reason at all, provided requisite notice has been given. Where reasons are given, the employer should ensure that those reasons are sound and factually accurate. Otherwise, the employee may be able to claim damages for wrongful termination.

If no reasons are given, employers should note that there is still a risk that an employee can make a claim against the employer in the Employment Claims Tribunal for reinstatement or compensation. Employers should therefore be careful to ensure that there are no facts, incidents or situations which could suggest that the employer's intention was anything other than termination in accordance with the employment contract.

The notice of termination must be in writing, and should specify the date of termination of employment, and clearly and precisely inform the employee that he is being terminated. Subject to the terms of the employment contract, the notice can generally be given at any time. There is no necessity for the notice to be given on pay day and it need not expire at the end of any salary period.

The notice of termination must be given by the employer and received by the employee. Thus, a purported termination by notice will not be effective if the notice of termination is posted by mail and goes missing.

A notice given to, for example, an employee's union instead of the employee is likely to be ineffective. Likewise, the notice of termination should be given by the employer, and not the employer's parent company or affiliated companies. Generally, the notice of termination should be printed on the employer's letterhead, and signed by a director, officer or employee of the employer, or any duly authorised representative of the employer.

The notice of termination need not generally be accepted by the employee. If an employee refuses to accept the notice, the notice would still be valid.

A notice of termination, once given, cannot be withdrawn unless both the employer and employee mutually consent to withdrawing such notice. If there is indeed withdrawal by mutual consent, then the old terms of employment continue to apply, unless new conditions have been mutually agreed to.

Summary dismissal

There are also situations where an employer may immediately terminate an employee's contract without having to serve a period of notice or pay a salary in lieu of notice. This process is known as summary dismissal.

An employer can summarily dismiss an employee in the event of a wilful breach by an employee of his employment contract. Under the Employment Act, an employer can summarily dismiss an employee when, for example, the employee is absent from work for more than two continuous days without reasonable excuse or without informing or attempting to inform the employer of an excuse for absence.

Employers should exercise extra care when summarily dismissing an employee. Before dismissing an employee, employers should generally conduct due inquiry of the causes for dismissal. Such due inquiry would include undertaking investigations into the causes for dismissal, and keeping proper documentation. The employee himself should be informed about the allegations made against him, and the relevant evidence. The employee should also be given a fair opportunity to present his case.

Therefore, where possible, employers should ensure that the process of summary dismissal is a formal, step-by-step one. The employer's decision to summarily dismiss the employee should only be made after investigations have concluded, and the relevant employee has been properly apprised of the facts and given an opportunity to respond. The employee should also be advised on his rights under his employment contract or employment handbook. Commonly, such rights include the right to bring along a colleague to a disciplinary meeting, to call witnesses at a disciplinary meeting, and to appeal a decision to higher management.

When notifying an employee of the dismissal, the employer should handle the situation in a calm, even-handed way that does not embarrass or cause distress to the employee. Otherwise, apart from claims for salary, the employee may be able to mount claims for mental distress damages against the employer. Typically, employers communicate the termination to the employee in private. When communicating the decision to terminate, the

employer should also be careful not to go beyond the stated reasons for termination.

After an employee has been dismissed, employers should be careful not to defame the former employee to his colleagues, prospective future employers or any other third parties, including when asked to provide references about the former employee.

Retrenchment exercises

When conducting retrenchment exercises, employers should be aware that there are certain steps to be taken.

Retrenchment is the termination of employees due to redundancy or reorganisation of the employer's profession, business, trade or work. This includes situations where companies undergo liquidation, receivership or judicial management.

First, employers are required to notify the Ministry of Manpower (MOM) of all retrenchments if they satisfy the following criteria:

- Have businesses registered in Singapore.
- Have at least 10 employees.
- Notify at least five employees of their retrenchment within any six-month period.

If the above are satisfied, employers have to notify MOM within five working days after the affected employees are notified by the employer of their retrenchment. To illustrate, for every six-month period, if there are already four employees who were notified of their retrenchment, the notification must be submitted within five working days after the fifth employee is notified. Thereafter, the notification must be submitted within five working days after each additional employee (aside from the aforesaid five employees) is notified of his or her retrenchment.

Failure to comply with the above may result in the imposition of administrative penalties on the employer.

Aside from notification requirements, under the Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment, employers should carry out the retrenchment responsibly and fairly.

For example, the selection of employees for retrenchment should be carried out fairly, based on objective criteria such as the ability of the employee to contribute to the employer's future business needs. There should be no discrimination based on race, gender, religion, marital status, age and pregnancy status. Should the employer be found to have acted in breach of the Advisory, or the Tripartite Guidelines on Fair Employment Practices, the MOM could take measures including barring the employer from applying for or being issued with a work pass for a fixed period of time.

Breaking up is hard to do

Terminating an employee's employment is often not easy. If done improperly, employers could be exposed to claims for damages and/or reinstatement by the aggrieved employees. Employers should be careful to ensure that the termination is in accordance with law and the terms of the employment contract.

Overall, whether termination is lawful depends also on the specific terms of the employment contract. Where unsure, employers should seek specific legal advice. ■

Tay Yong Seng is a Partner and Ang Ann Liang is a Senior Associate of Allen & Gledhill LLP.

Sense of Purpose: A Beacon in the Search for Talent

By **DAN CULLEN and JIAT-HUI WU**

Employers are increasingly finding it harder to fill management and executive positions. Companies with a clearly-stated and authentic higher purpose have an advantage in the search for top talent.

When business leaders around the Asia Pacific region were asked whether they have the right talent base to compete effectively in the digital economy, only a third gave a positive response. The report *Transforming Asia: The search for digital leaders* published in June 2019 by Heidrick & Struggles showed this trend to be more pronounced among companies in Asia.

In today's fast-changing digital environment, competition for talent is intensifying. Clearly, there is no time to waste in ensuring the company is in the best possible shape to attract and retain

the right people. And, assuming bases such as salary, working conditions and other benefits are covered, a clear and authentic sense of purpose could be the deciding factor.

Preparing for an unknown future

There is no question that recruiting for the future is a challenging process.

Increasingly sophisticated digital technologies are continuing to transform every aspect of doing business, from managing costs and improving productivity to the way we communicate. Every day, digitisation is opening the door a little wider to greater competitiveness. Without the right people at every level of the organisation, it would be difficult to deal with the threat of increased competition and take advantage of opportunities.

Without a functioning crystal ball, it is impossible to anticipate every new skillset a company will need. Data scientist, app developer, cloud architect, search engine optimisation specialist – these are just some of the jobs driving growth across every sector that perhaps did not exist a decade ago.

Recruiting for potential

All boards should have a clear view of the next stage in the company's economic cycle and the appropriate strategy needed to get there. The board and management can then identify the kinds of skills needed to achieve the company's goals. This way, rather than focusing on potentially short-lived job descriptions, recruiters can be equipped and be on the lookout for highly-skilled people with the potential to grow into emerging roles.

More than ever, attracting talent means attracting millennials who, according to the World Economic Forum, will comprise 75 per cent of the global workforce by 2025. Indicators are that millennials' priorities are somewhat different from those of previous generations. This includes a greater interest in companies with a sense of purpose beyond simply making money.

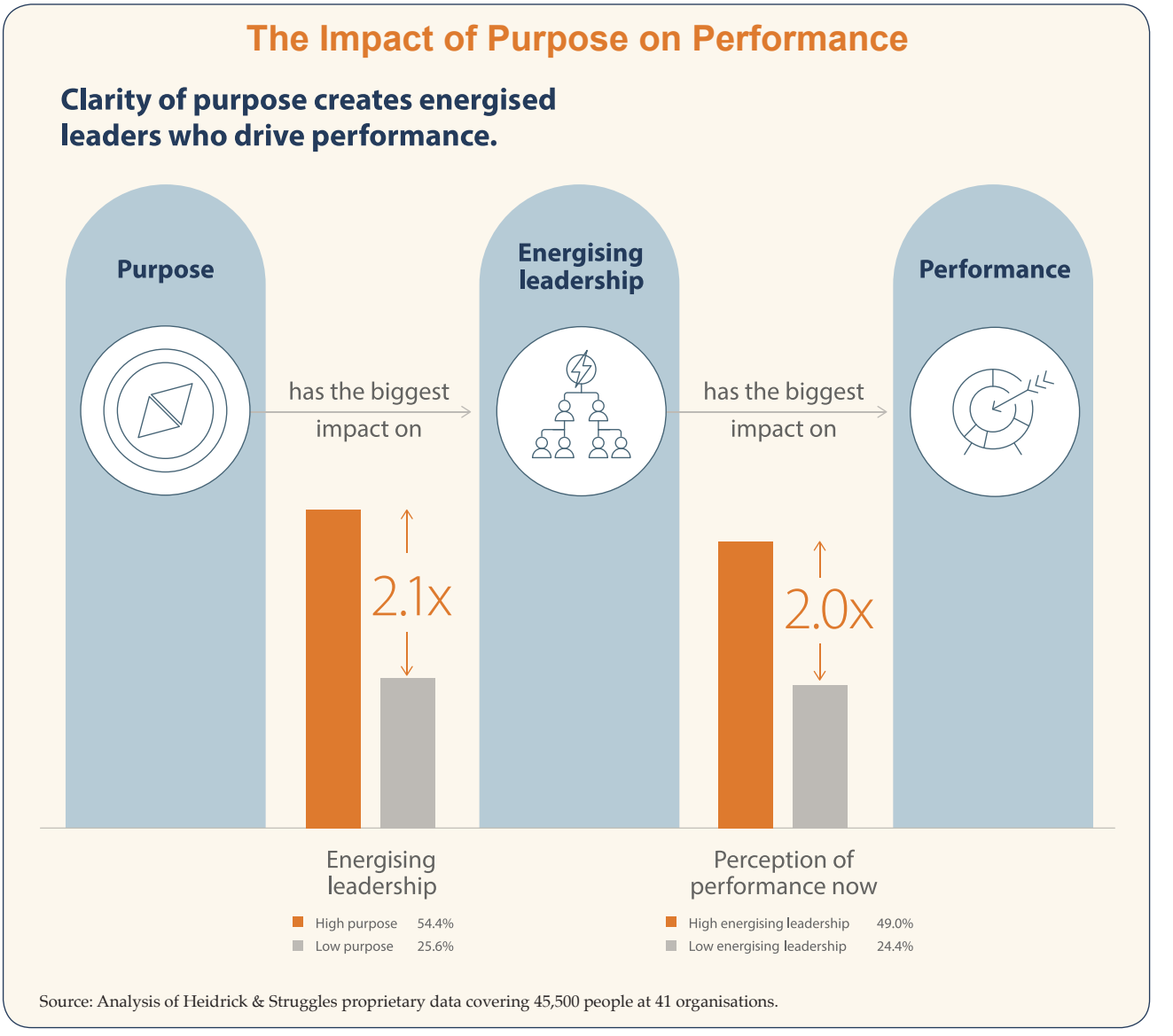
Once these employees find an employer that meets this criterion, they are more likely to stay loyal. In part, this is because engagement drives retention. Research by Heidrick & Struggles found that 73 per cent of employees who say they work at a purpose-driven company feel engaged, compared with just 23 per cent of those who do not.

Purpose also fuels resilience, which plays an important role in building the staying power of employees and proves their belief in the organisation. The same research also shows that 56 per cent of employees who say they work at a purpose-driven organisation score high on resilience, compared to 36 per cent of those who respond in the negative.

This shift towards prioritising purpose is mirrored by some of America's most influential business leaders. In August 2019, the chief executive officers of 181 of most successful US companies signed an open letter headed "Statement on the Purpose of a Corporation". They were committing to delivering value to each of their stakeholders for the future success of their companies, their communities and their country.

This is a trend no company can afford to ignore. Boards and management should be working together to establish a culture of inclusion and purpose, if they are not doing so already. Those who do it well could find that, along with a more talented and loyal workforce, they have a stronger bottom line.

Purpose can also unlock motivation in employees and increase productivity. Interestingly, clarity of purpose has the strongest impact on energising leadership which, in turn, has the most pronounced effect on performance (See box, "The impact of purpose on performance").



Source: Analysis of Heidrick & Struggles proprietary data covering 45,500 people at 41 organisations.

Nurturing innovation

Purpose is an important dimension in shaping a company's innovation culture, and acts as a guiding light throughout the big digital transformation processes. It is important for everyone in the organisation to align around the "why" when going through profound changes as outlined in Goliath's Revenge, the authors Todd Hewlin and Scott Snyder note that: "All employees must feel that they are helping to deliver on (the) company's future vision and purpose."

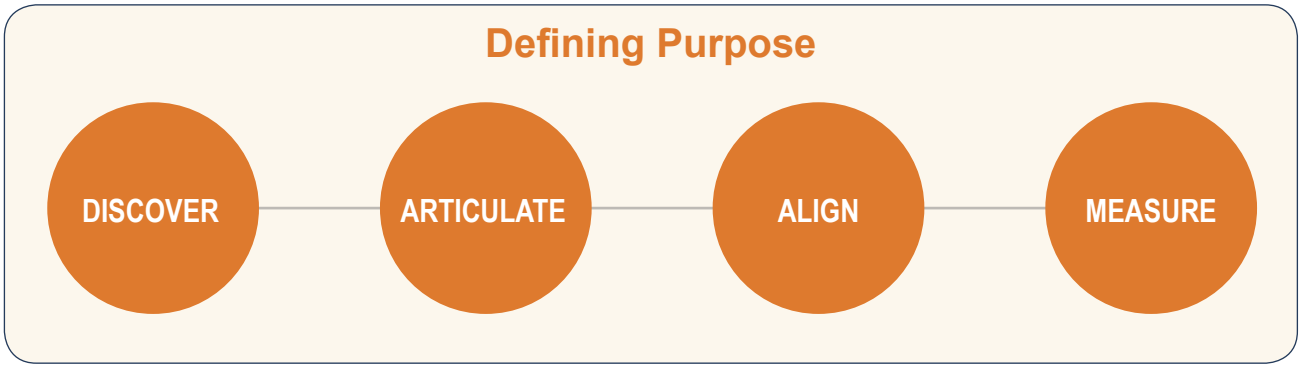
How to define organisational purpose

The process of creating and integrating purpose statements can be broken down into four steps shown in the diagram, "Defining purpose", on the next page.

The first step, as suggested by author and organisational consultant Simon Sinek, is to simply ask: "Why does this company exist?"

As straightforward as it sounds, this question is layered with elements such as customer promise, leadership intent, heritage and future impact.

Organisations need to design a process of developing a purpose statement that is both authentic and meaningful to all stakeholders.



Talented people who are genuinely attracted by a higher purpose are quick to identify anything contrived or inauthentic.

The second step is to articulate the purpose statement, one that is succinct, meaningful and memorable. Compelling visual communication and wording will then help to communicate purpose to every stakeholder.

It is particularly important to ensure that employees at every level are familiar with both the purpose and the thinking behind it. This way, it can give everyone a sense of belonging as it helps to develop a culture that will appeal to future employees.

Thirdly, purpose must be integrated into every aspect of the business and aligned with leadership behaviour, including that of the board.

An authentic purpose provides a framework for decision-making at every level from acquisition to recruitment. It also shapes potential employees' perception of the organisation.

Finally, purpose must also be measured.

Not every stakeholder will be fully aware of the power of purpose. The right metrics can be used to demonstrate how a clear and well-defined purpose is helping to create long-term value for all.

Core sets of data also enable a company to assess how well the purpose is understood and being lived, spotlighting any need for course correction.

Examples of purpose statements that are loud and clear are shown in the box, "Powerful Statements of Purpose".

Powerful Statements of Purpose

"Make every delivery count."
SingPost

"Best bank for a better world."
DBS

"To make sustainable living commonplace."
Unilever

"Defy uncertainty."
Aviva

"To make people around the world feel like they can belong anywhere."
Airbnb

Purpose: the organisation's fuel

Purpose is the fuel of an organisation. It defines the company's existence, inspires current employees, helps to attract the most talented workers and creates a culture of integrity and commitment. The power of purpose is particularly important in times of transformation, and business has never been more transformational than now. ■

Dan Cullen is Partner-in-Charge and Jiat-Hui Wu is Partner of the Financial Services practice at Heidrick & Struggles' Singapore office.

Executive Pay: Driving Results or Disparity?

By **KARTIKEY SINGH,**
Associate Client Partner, Korn Ferry

Executive pay plays a pivotal role in prioritising business direction to achieve specific results. Ensuring alignment between these results and consequent reward payouts is something most organisations grapple with in the current business environment. Getting the balance right requires thinking of remuneration as a strategic investment, not just a cost.

Over the last few decades, the quantum of pay for senior executives has grown significantly through all phases of the economic cycle. Seismic changes, such as increased globalisation and digitisation, have widened the pay gap between entry and top executive levels.

Understandably, this disparity has become a highly sensitive matter that is hotly debated across social media and various political forums. Commentators often highlight the growing pay inequality and disparity as part of a wider societal problem. Some even consider it as one of the fundamental weaknesses in the capitalist system.

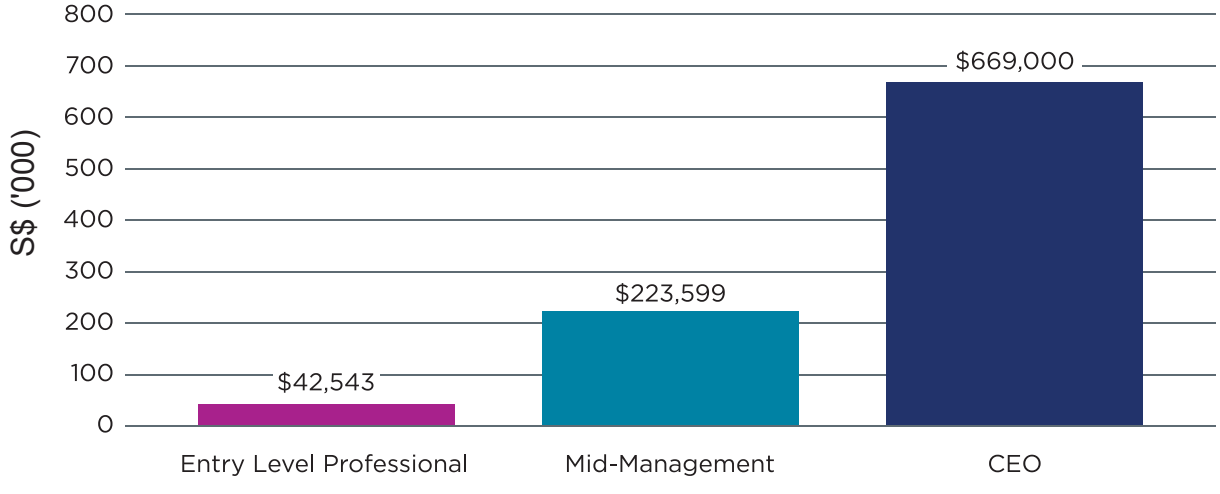
The growing disparity

However, the causes contributing to the pay gap are often misconstrued. In reality, it is the market demand for skills, and the local or regional business conditions that create this demand, which drives the disparity in salaries. Inequality in pay scales cannot simply be attributed to willful unfair pay practices.

At the lower end of labour markets, automation and offshoring have enhanced productivity and reduced the need for such labour, slowing the increases in pay. Meanwhile at the higher end, there is a shortage of talent with critical technical skills and proven leadership experience, as well as high levels of emotional intelligence and learning agility to cope with an ever-challenging environment. The supply-demand availability of such a diverse range of skills at the upper echelons is equally imbalanced, in turn accelerating the pay gap.

The cost of living can further amplify this effect as jobs at the lower end are paid a "local" wage, while jobs at the higher end operate in a global market. As such, the lower the cost of living in a country, the wider the pay gap.

For the Singapore market, the pay gap between employees at the entry-level, mid-management level and chief executive officer (CEO) level is shown in the box, "Singapore: Comparison of Fixed Salary (Median)".



Source: Korn Ferry analysis of 2018-2019 annual reports of top 150 SGX mainboard companies.

In Singapore, the fixed pay multiple between an entry-level professional and mid-management is around 5.7 times, while the difference between an entry-level professional and CEO level is closer to 15 times. This is close to the practice in the US, but significantly higher than in Western European countries. However, these multiples only address the fixed pay component. Should the variable pay component (short-term and long-term incentives) be added to the analysis, the multiple for entry-level professional and CEO pay in Singapore would be significantly higher, closer to 35 times.

When compared to other fast-growing countries in Asia, such as China, India, Indonesia and Thailand, however, the pay gap in Singapore is far lower. The average difference in fixed pay multiple in these countries is between 30 and 40 times between the entry-level professional and CEO level. For these countries, total remuneration multiples (including variable pay) between an entry-level professional and CEO often range around 60 to 70 times.

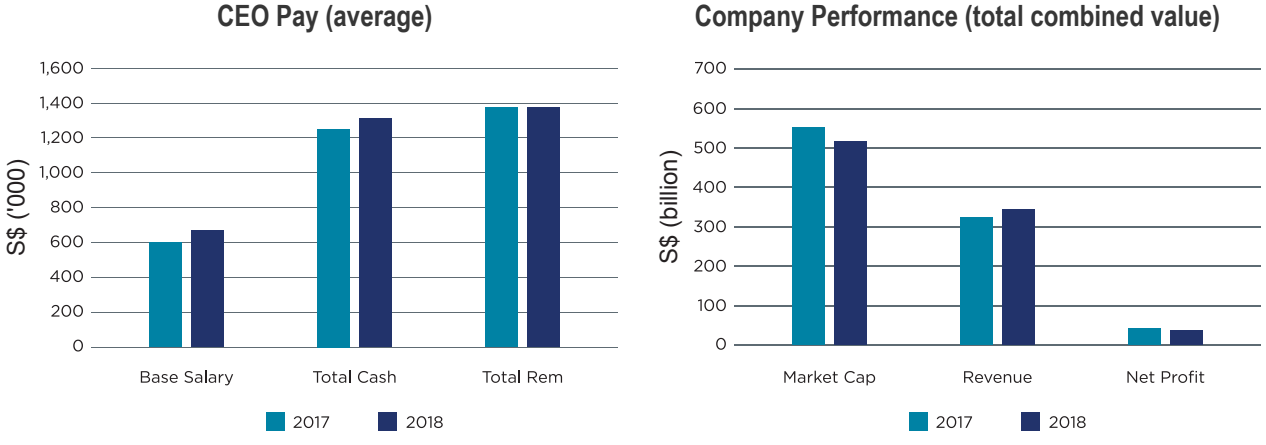
Broken linkages to business outcomes

It is not just the quantum of executive pay that raises eyebrows, however. Rather, the concern over pay levels tends to focus on the lack of correlation between pay and business outcomes and results.

Korn Ferry's analysis of the top 150 mainboard organisations in Singapore reveals that CEOs' fixed pay has moved up by 12 per cent over last year. Whilst the average move in total variable cash (consisting of bonuses) has been more modest, at around 5 per cent, the increase for total compensation (consisting of long-term grants and stocks) has been mostly negative, citing the performance of the stock market. See box, "Singapore: CEO Pay Trends vs Company Performance".

Yet when we consider organisational performance: while the total revenue for these top 150 mainboard companies increased by 6 per cent, total profits and market capitalisation have reduced by 11 per cent and 6 per cent respectively. In this context, a 12 per cent fixed pay rise for CEOs appears to be very high. It has hence incurred the anger of activists, media, shareholders and the general public. This is especially in light of the fact that general market fixed pay increases have been moving in the range of 3 to 4 per cent.

Singapore: CEO Pay Trends vs Company Performance



Source: Korn Ferry analysis of 2018-2019 annual reports of top 150 SGX mainboard companies.

Interestingly, as performance declines, the amount of guaranteed cash within the CEO's package as part of the overall pay mix (as a proportion to pay at risk) has increased from 2017 and 2018.

The market conundrum

How did this situation come about? In some cases, organisations are at the mercy of the market when it comes to pay. Sometimes the mounting pressure to retain a senior executive or a CEO due to a lack of alternatives pushes up individual pay, even though the organisation would not be delivering immediate results. Supply-demand pressures mean that organisations need to continue significant pay investments in hope for future returns.

As a result, pay gaps may not come down soon and the perception of reward will still be centred around cost, as linkages with business results and outcomes slowly reduce.

So how can boards communicate this difficult message, both to the public, investors, shareholders and the company's own employees?

It is important that organisations proactively manage communication and view the design of executive pay plans from different perspectives. Key considerations when it comes to designing executive pay plans include the following.

1. **Pay and strategy alignment.** The degree to which the executive pay structure supports the company's short-term and long-term strategy.

2. **Shareholder and stakeholder alignment.** The degree to which the executive pay programme motivates executives to achieve good long-term outcomes for all stakeholders.

3. **Pay and performance alignment.** The degree to which the company's relative payouts on an annual and long-term basis align with the company's relative performance.

4. **Pay data and decision-making.** Data and benchmarks provided to the committee to support decisions on pay levels.

5. **Efficiency and effectiveness.** The degree to which the use of the company's equity is cost-effective and share efficient.

6. **Hot button issues.** The presence of programme features that get disproportionate attention from shareholders and watchdogs alike.

The way ahead

To enable all employees to believe in the merit of these plans, the board of directors should take the lead to clarify these critical issues.

First, the board should seek to understand all factors at play and plan for the future. Local market forces are not the only factor influencing the size of senior executive pay. The industry and the operating model are important factors to consider too. As a result, it is imperative that organisations have a firm understanding of the current market competitive position and a strategy for all jobs, especially those at executive level.

The board should play a more proactive role in managing and controlling executive pay, especially when a clear link to business results is absent. Directors need to be able to make tough decisions, such as to let underperforming C-suite leaders go. For this, the board must have a readily available leadership pipeline. This is typically more motivational for existing

employees and a lower cost option compared to seeking external recruits.

Second, the leadership needs to be open and transparent. Some countries already require companies to report on their gender pay gap. The gap between the top and bottom job levels could be next. The board should get on the front foot by understanding the current state of work and roles in the organisations. Ideally, directors should be prepared to communicate the reasons for the pay gap and explain pay policies in their organisations. This will demonstrate a coherent approach on why certain jobs are paid more than others (for example, the level of skills they require).

Third, ensure a system is in place to help people move up the organisation. Talent is key, and retaining the right talent is all the more important. The board should encourage professional development by demonstrating a clear career path that takes its employees to higher-paid roles. By identifying and developing the hard and soft skills the organisation needs, employee engagement levels will be raised. Filling more senior roles from within the organisation is a more cost-effective approach, and builds a stronger, loyal organisational culture.

Finally, it is critical to drive the right approach towards reward strategy at each level within the organisation. Misalignment of reward outcomes to business results can cause a significant dis-engagement especially around senior executive pay. The board and remuneration committee need to take a more proactive role when it comes to pay and governance decisions. The debate over executive pay will increasingly come under scrutiny from shareholders and watchdogs alike.

By building a leadership pipeline, organisations can deliver enhanced engagement and reduce cost of replacements, hence reducing excessive rewards in the absence of market leading business outcomes. ■

Dear Mr Sid

Re: Board styles and relationships

In the past year, I became an independent director on two listed boards. I was invited by the respective board chairmen, both of whom I had gone to school with.

To my surprise, I have found that the cultures of the two boards are as different as chalk and cheese. While we fulfil our board role adequately in each case, I do wonder which style is more effective.

At the first company, the directors enjoy a wonderful relationship with a relatively new CEO and senior management. We get together socially on a regular basis. We are always available to the management team, whether it is to provide advice, coaching, encouragement, or just an opportunity for lunch. I have never heard a stern word between board and management; we get along too well for that.

Board meetings are short. They are often held at the country club where we can adjourn for a round of golf after the meeting. We trust the management to get the job done, and we are disinclined to interfere.

The second company could not be more different. Our chairman discourages any interaction with management that is not strictly business. Senior management staff only attend board meetings to make formal presentations, after which they take their leave. Board meetings are quite forensic. We set hard targets, and demand good reasons if they are not achieved.

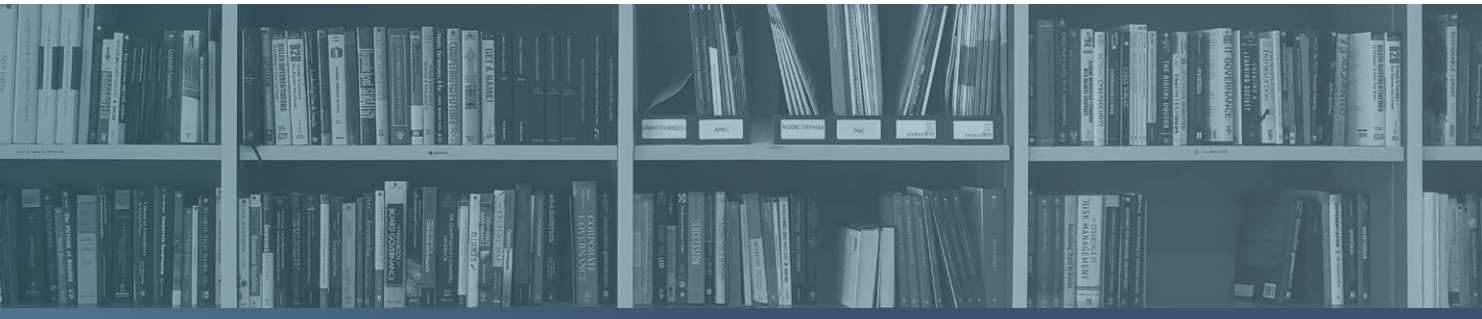
The CEO once told me privately: "I know I can count on the board to keep me in line, but, frankly, I find you guys very picky, prosecutorial and always second-guessing us."

Both companies are performing adequately, so there should be no concerns there. I put the difference down to the differing personalities of the CEOs and the chairmen.

Now, I like the first board. It takes less of my time and is more pleasant. But I learn a lot more of the business on the second board. Which model, would you say, is better for me and the company in the long term?

Yours sincerely

Bemused



Dear Bemused

Yes, there are CEOs and there are CEOs. Just as there are different types of chairmen and boards.

Yet, it is the relationship between the board and management, especially the relationship between the chair and the CEO, which is key to an effective board and a high-performing management and company.

As an independent director, and especially being close to the chair, you have an instrumental role in shaping what could be an effective board.

Sad to say, based on what you've told me, neither of the two boards you are on is a sterling example of a good board. One is caught in the "control trap" and the other in the "support trap". Let me explain.

Control and support

The fundamental function of the board is to appoint the CEO and management team, and ensure that they perform. This is achieved through two contrasting processes: control and support.

The board must exercise control and ensure the accountability of management.

At the same time, the board must also support the management team.

Both elements of control and support are critical for an effective board. The problem is that most boards tend to favour one over the other. They fall into the trap of emphasising only control or support. But they should not. Striking the right balance is key.

Support trap

It would appear that your first board is in the support trap.

This happens a lot in the honeymoon period of newly appointed CEOs. When a board appoints the CEO, it would be because it sees him (or her) as suitable for the role. After labelling the CEO as a solid performer, it likely wants to express its support for him.

Research shows that "confirmation bias" in such cases could lead to the board noticing the CEO's success more than his difficulties, which the board may minimise or attribute to external causes.

In addition, senior management would know more about the business than board members. They also tend to be proud and competitive individuals who may not always receive feedback well. In the absence of obvious problems, it is tempting for boards to avoid conflict and keep challenge at a low level.

So why do I say your first board exhibits key symptoms of a support trap? You have very short board meetings. There seems to be little or no challenging of management's ideas and strategies. You admit that you do not have a good understanding of the business from the board meetings. The directors have a "pally" relationship with the management team, and you fully trust them – perhaps too much.

The risks of a support trap are that it leads boards to be overly patient with the management team and to pay insufficient attention to early warning signals that something could be wrong. For all you know, it could already be an underperforming management, as you do not have the control measures that could alert and avoid this.

Control trap

Your second board seems to be at the beginning of a control trap in that there is an apparent implicit distrust of management. It may be second-guessing management's analysis and decisions, making different interpretations from management.

This could have happened because the board was worried about company issues and management's ability to deal with them by itself. The board then sought to micromanage management decisions and actions.

However, such doubts and distrust can pollute the relationship between the board and management. As the board acts more vigorously, you can expect one of two responses – an aggressive one, where the CEO stands his ground, pushes back on the board and "refuses to be bullied"; or a more passive response, where the CEO tries to avoid conflict and gradually withdraws from interactions.

In both cases, the board's concerns can get reinforced, leading it to intensify its control, which fuels the CEO's response, triggering a vicious cycle. The CEO may start to label directors as meddling, unreasonable, ignorant and antagonistic, which, in turn, is likely to attract negative, rather than supportive, responses.

You are at risk of reaching this stage, and it is better to avoid getting there.

Getting out of the traps

An effective board needs to provide a balance of strong support and control.

In the first company, the directors should be engaged in constructive contention with management on its proposals and actions. This will help both sides, as decisions and thinking will become more robust. Certainly, you will get a better appreciation of the business even if the board meetings get lengthened.

Beyond challenging management, the board should have in place control mechanisms. These include setting clear targets and parameters, ensuring remuneration and rewards that incentivise the appropriate performance and behaviour, and requiring timely and relevant reporting on key matters by management to the board.

In the second company, the directors should pull back from being overly rigorous and prosecutorial in challenging management. It should develop a good interpersonal understanding of the management team.

Perhaps, the board could start by reframing and setting clear expectations of the working relationship between the board and management. Research shows that executives are more likely to accept and act on tough feedback when they

feel that the feedback giver is reliable and well-intentioned, and the feedback process is fair.

It would also help if the directors are trained in professional coaching. Instead of being perceived to be picky, directors could then seek to provide quality executive coaching to management.

Balancing support and control

Achieving this balance between support and control will not happen overnight.

The board has to be educated on the new approaches. Then, the CEO and senior management need to be appropriately engaged.

However, change must start with the board chairmen. You are in an advantageous position to use your relationship and influence with the two chairmen to bring about such change.

The messaging to each chairman is however different. For the first, you will need to impress on him the risk of undue tolerance for an underperforming management and company, and the importance of control mechanisms. For the second, you will need to persuade him that the over-control generates negative energy and that there is greater value in developing a good working relationship with management.

Good luck on your getting out of the two traps, and your journey towards a more effective board.

Yours in charity

Sid

Mr Sid ■

Who is Mr Sid?

Mr Sid is a meek, mild-mannered geek who resides in the deep recesses of the reference archives of the Singapore Institute of Directors.

Burrowed among his favourite *Corporate Governance Guides for Boards in Singapore*, he relishes answering members' questions on corporate governance and directorship matters. But when the questions are too difficult, he transforms into Super SID, and flies out to his super network of boardroom *kakis* to find the answers.

Mr Sid's References (for this question)

Board Guide

Section 6.4: Management

Appendix 6E: Board Support of Management

Appendix 6F: Board Control of Management

Boardroom Matters

Vol 2, Chapter 50: "The Effective Board" by Willie Cheng

Vol 3, Chapter 11: "Setting the Right Board Culture" by Philip Forrest

SID Directors Bulletin

2017 Q2: "The Board-Management Relationship: How to achieve control and support" by Professor Jean-Francois Manzoni

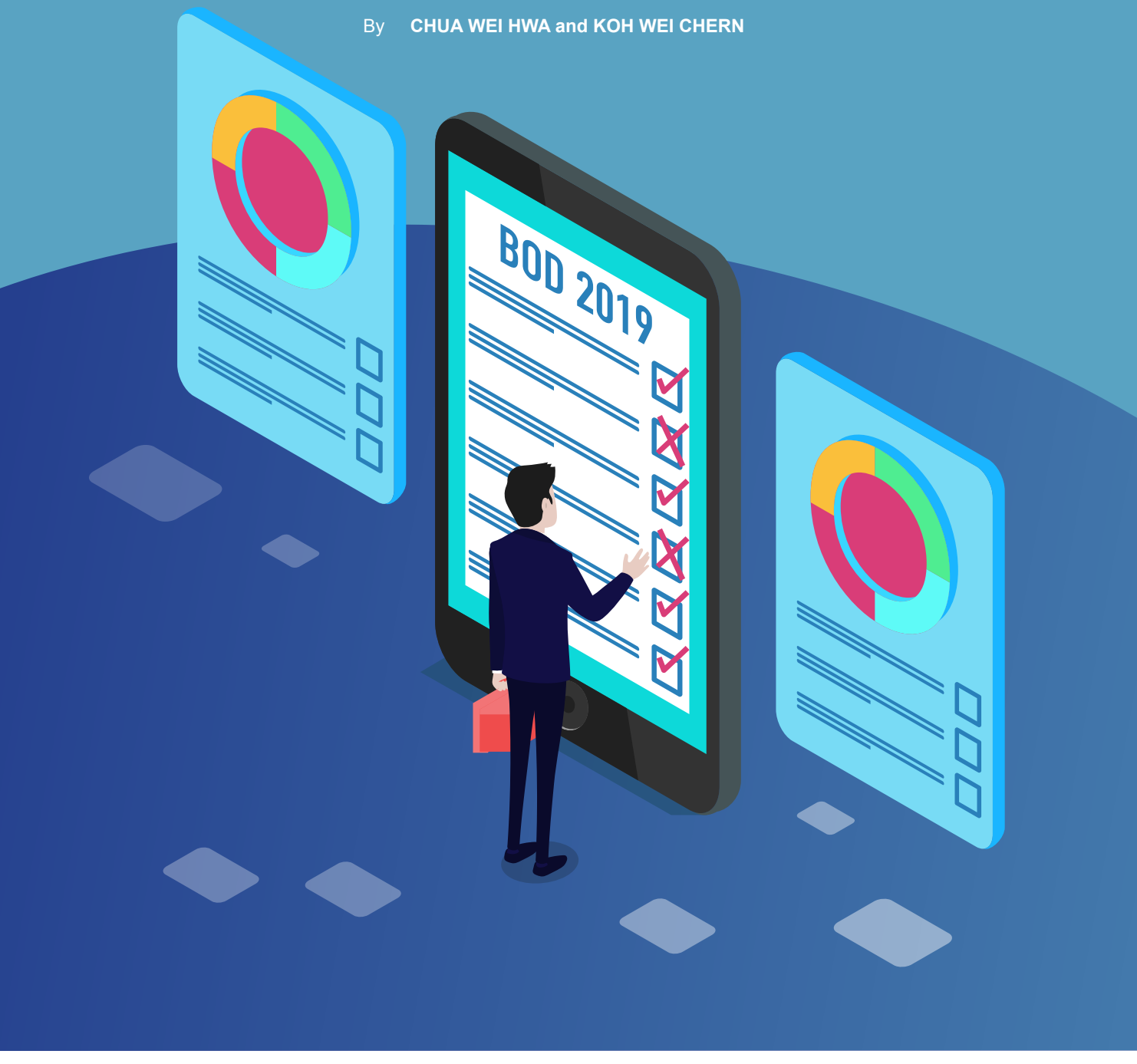
SID Courses

Listed Entity Director Module 2: Boardroom Dynamics

Board of Directors Survey 2019

The State of Affairs After Regulatory Changes

By **CHUA WEI HWA and KOH WEI CHERN**



The latest edition of the biennial SID-SGX *Singapore Board of Directors Survey* shows that companies are cognisant of the changes in the listing rules and Code of Corporate Governance announced in August 2018. Board changes are happening but very slowly.

The 11th edition of the SID-SGX *Singapore Board of Directors Survey* was released in November 2019. As with prior editions, the 2019 Survey provides a snapshot of corporate governance practices of listed companies in Singapore. Of the 649 SGX-listed companies that received the Survey, 127 responded, resulting in a response rate of 19.6 per cent.

The Survey covers a broad range of topics regarding boards' views and practices (please refer to the full report). Key findings related to changes in rules and regulations, following the revised Code of Corporate Governance and SGX listing rules in August 2018, are presented in the following pages. New questions were included to reflect these changes and to provide insights into the attitudes and behaviours of companies with respect to these variations.

Where applicable, data from the *SID Directorship Report 2018* is referenced to enrich the discussion and give context. The Directorship Report is based on information from annual reports (for financial year ending in 2017) and other publicly available information of 737 companies listed on SGX.

Director independence: Compliance with the nine-year rule

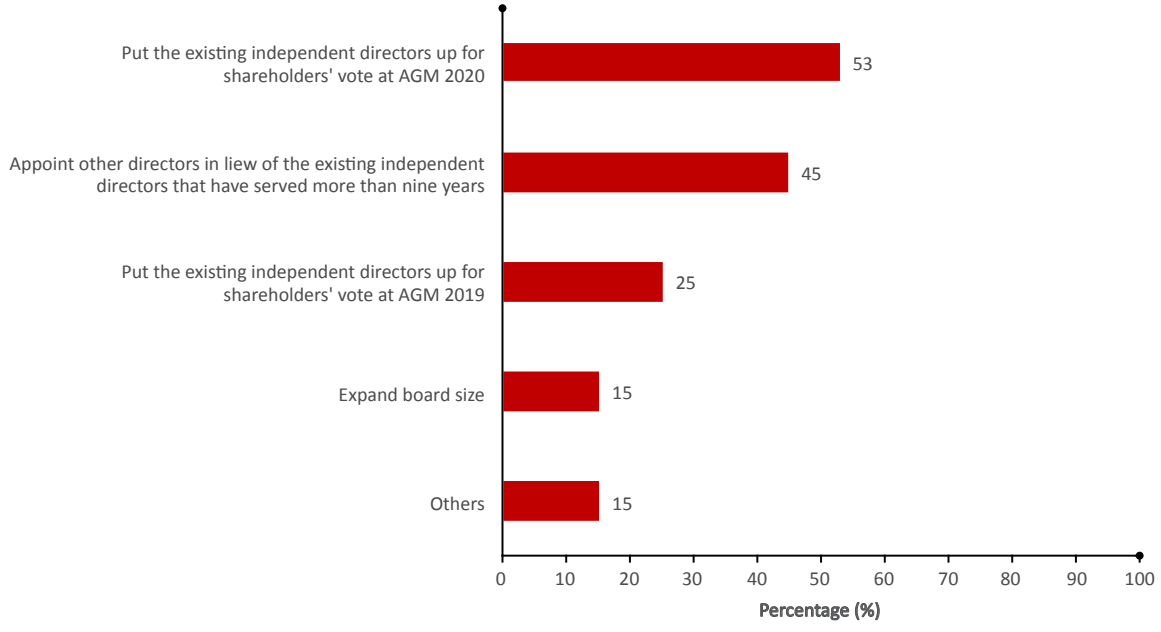
With effect from 1 January 2022, SGX listing rules require at least a third of boards to be made up of independent directors [MR 210(5)(c)/CR 406(3)(c)]. In addition, directors who have served on the same board for more than nine years will be subject to a two-tier vote by shareholders on their independence [MR 210(5)(d)(iii)/CR 406(3)(d)(iii)]. The intention behind these regulatory changes is to encourage board renewal and independence.

According to the *2018 Directorship Report*, 28 per cent of SGX-listed companies had independent directors with service tenure exceeding nine years; with the average tenure of independent directors at 7.3 years.

With the passage of more than a year and in the sample of the 2019 respondent firms, 43 per cent reported to have independent directors who have served beyond nine years. A larger proportion of small cap firms reported having such directors than large cap firms.

Further analysis, in the form of a question on how companies plan to comply with the impending nine-year rule, revealed that a majority (53 per cent)

If your company has independent directors who have served more than nine years, which of the following actions does your company intend to take with respect to your existing independent directors that have served more than nine years?



of respondent firms with independent directors who have exceeded the nine-year tenure limit plan to put the existing independent directors up for shareholders' vote at their 2020 AGMs. Overall, a larger proportion of small and mid-cap respondent firms, as compared to large cap firms, plan on putting the said directors up for vote at both the 2019 and 2020 AGMs.

In contrast, 45 per cent indicated their intention to appoint other directors in lieu of those directors who have breached their nine-year tenure. It would appear that companies are reluctant to replace their long-serving directors until the nine-year rule kicks in the 2021 AGM. Explanations given include the available pool of candidates and the value of long-serving independent directors with knowledge about the business operations developed over time.

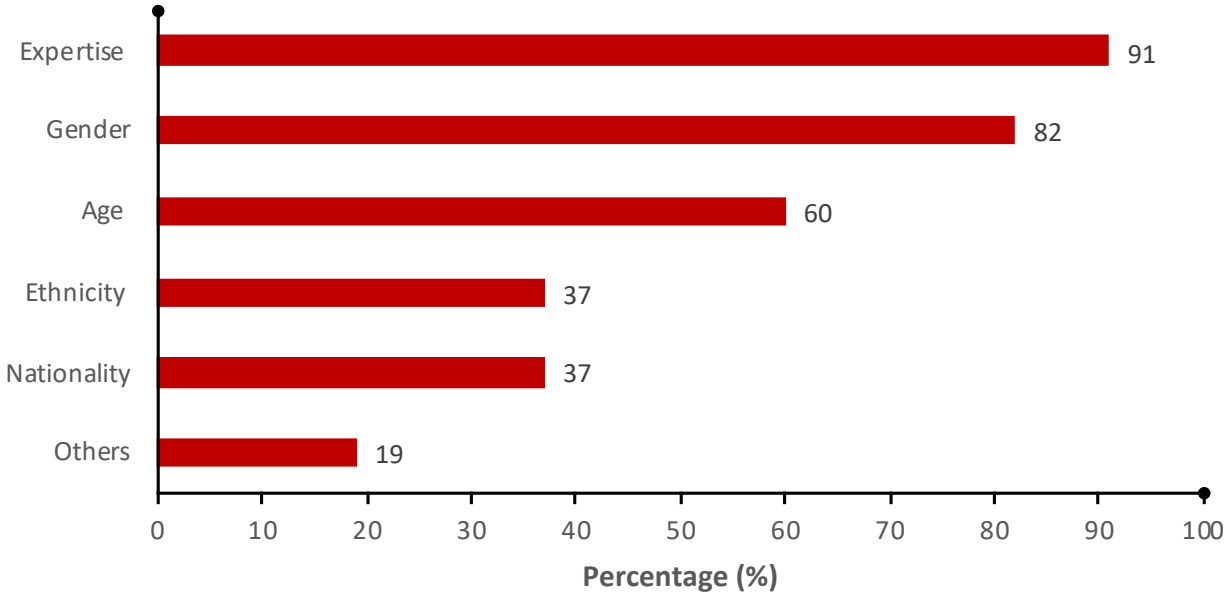
Board diversity:
Board diversity policy and progress

Provision 2.4 of the Code of Corporate Governance 2018 states that companies are to disclose their board diversity policy and progress made towards implementing the board diversity policy, including objectives, in their annual reports. This new requirement for disclosure on board diversity is to avoid groupthink and foster constructive debate.

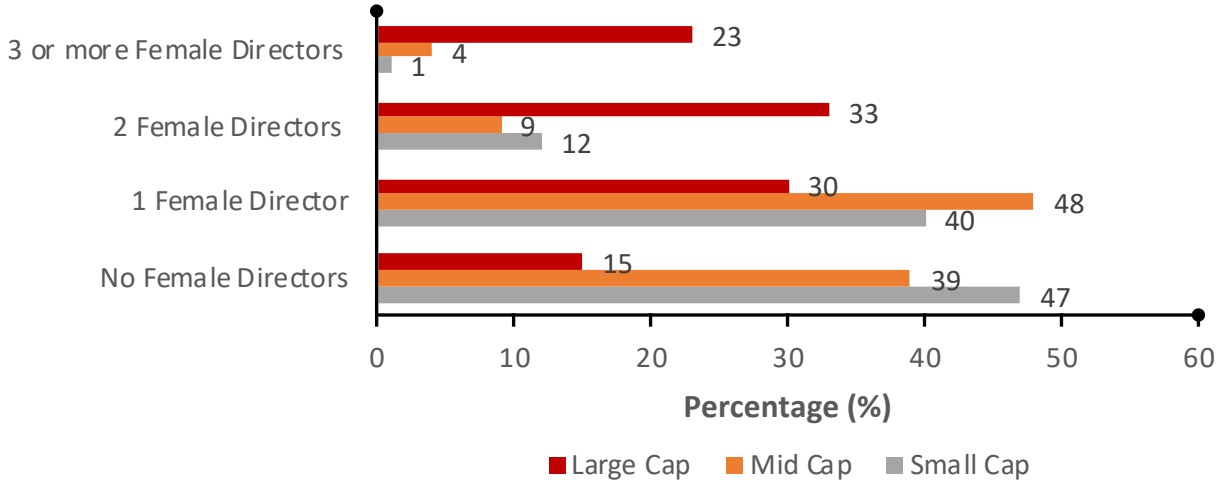
To this end, only 53 per cent of the Survey respondent firms reported that their companies have in place a board diversity policy. Further analysis shows a larger proportion of large cap than small cap firms complied with this requirement, within the Survey sample. Of the respondent firms with existing board diversity policies, 91 per cent take into account expertise as a form of diversity, 82 per cent consider gender diversity, and 60 per cent reflect age as a factor of board diversity.

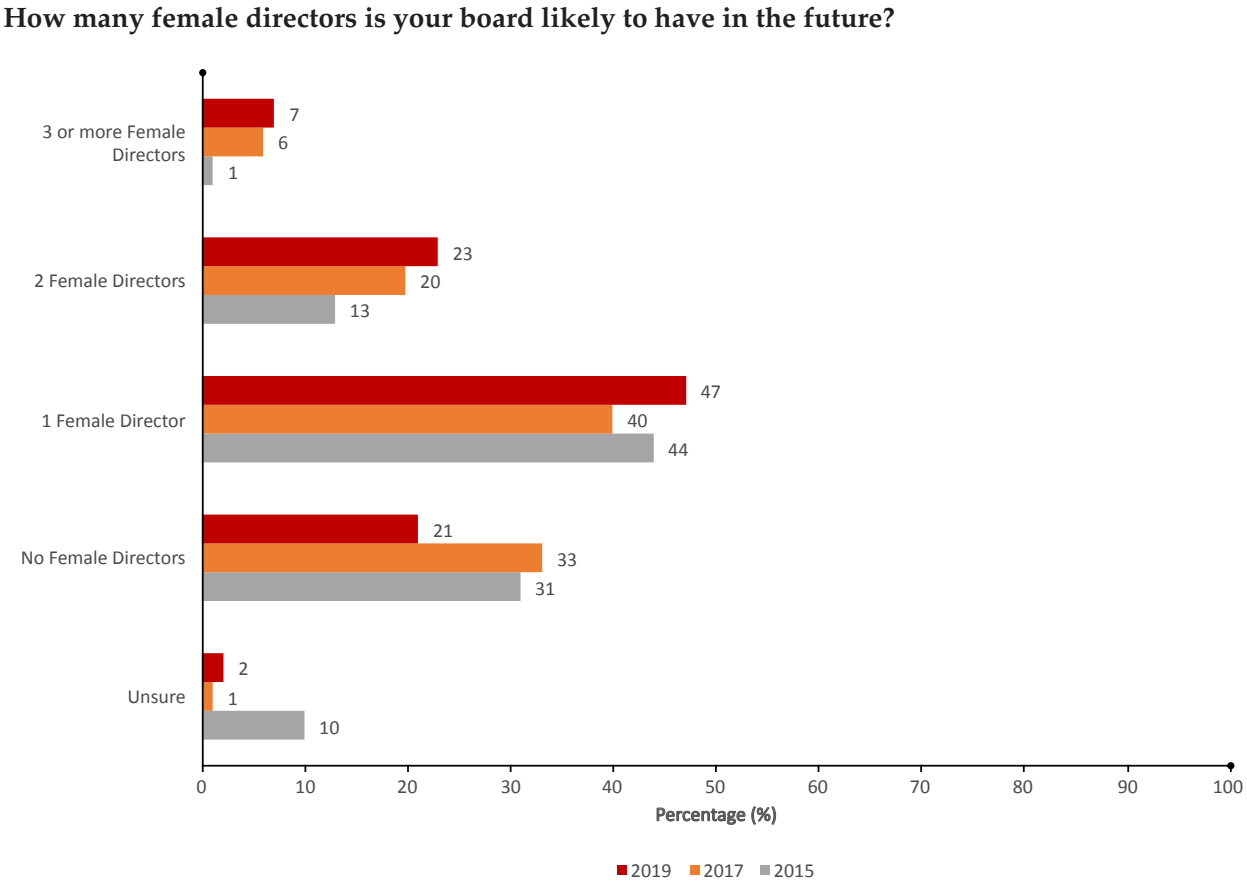
In the Survey sample, 39 per cent of firms do not have any female director on their boards. This reflects a decreasing trend, from 45 per cent of respondent firms that reported having all-male boards in the 2017 Survey and 53 per cent in the 2015 Survey. A larger proportion of small cap firms (47 per cent) and medium cap firm (39 per cent) reported to have no female representation on their boards, as compared to large cap firms (15 per cent).

If your company has a board diversity policy, what forms of diversity are taken into account in your board diversity policy?



How many female directors does your board currently have? (by Market Cap)





When respondents were asked if they expected to have female directors on their boards in the future, 77 per cent responded positively, indicating that there is likely to be an improvement in board gender diversity among the sample group. There appears to be progress towards gender diversity in boards of Singapore listed companies.

However, the rate of progress is another matter. The *2018 Directorship Report* found that only 10.7 per cent of all board seats were held by women, and this was a mere 1.3 percentage point improvement from what was reported in 2016.

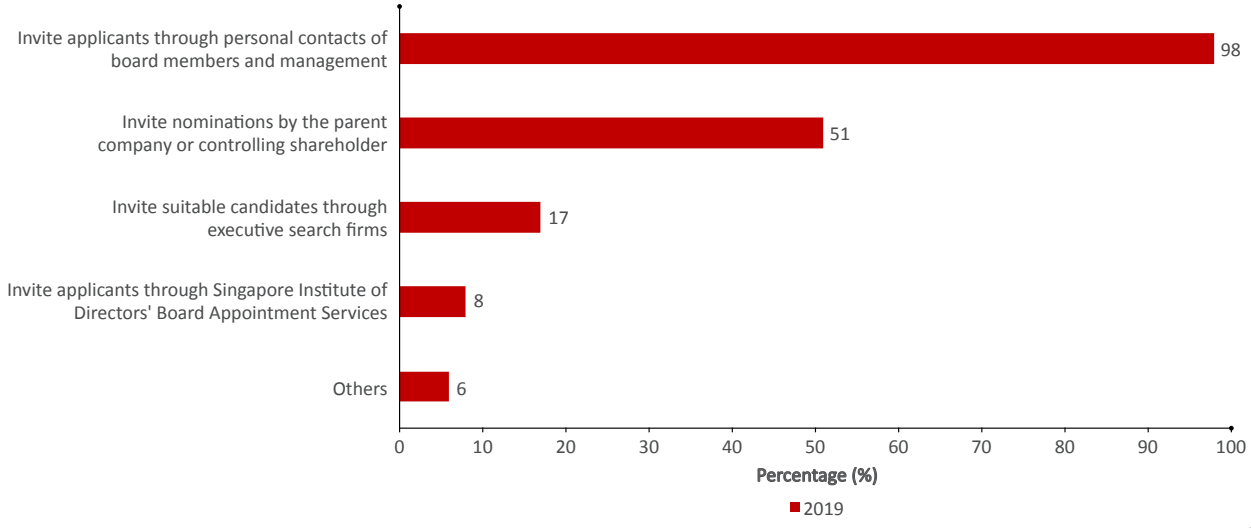
Old boys' network

The lack of available candidates is often raised as a concern, with regards to the appointment of independent directors, and the identification of female directors.

When respondents to the Survey were asked how they identified non-executive directors for appointment to their boards, the overwhelming majority (98 per cent) said they invited applications through personal contacts of board members and management. In contrast, the use of executive search firms was a much less popular option (17 per cent).

Perhaps, encouraging companies to explore alternative methods of filling board appointments would be helpful to advancing board renewal and diversity.

How does your company identify potential non-executive directors?

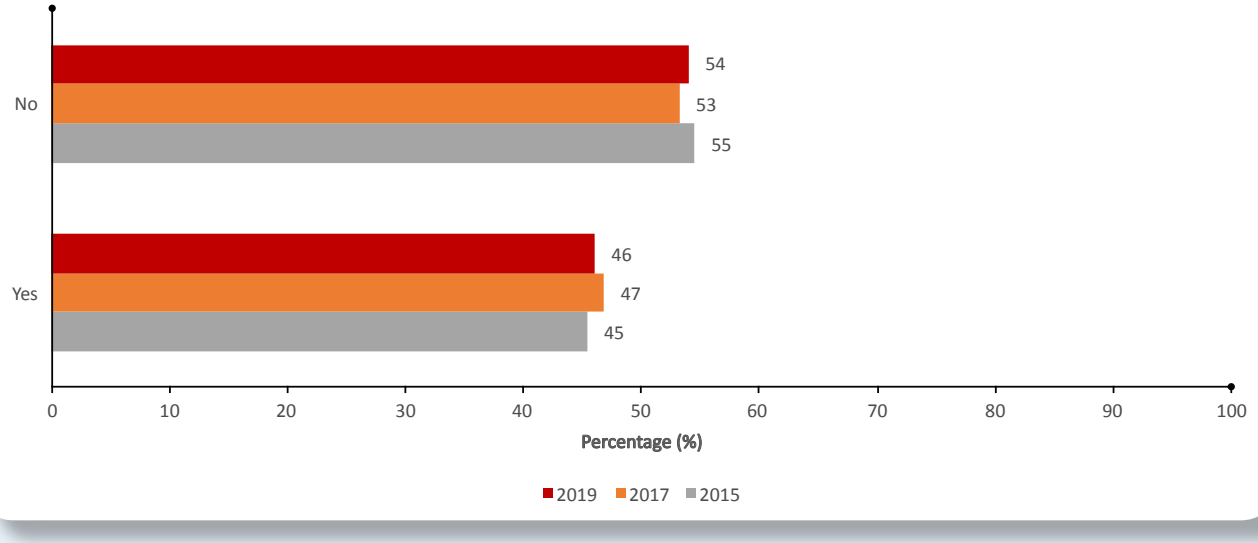


Remuneration disclosures: Comply-or-explain

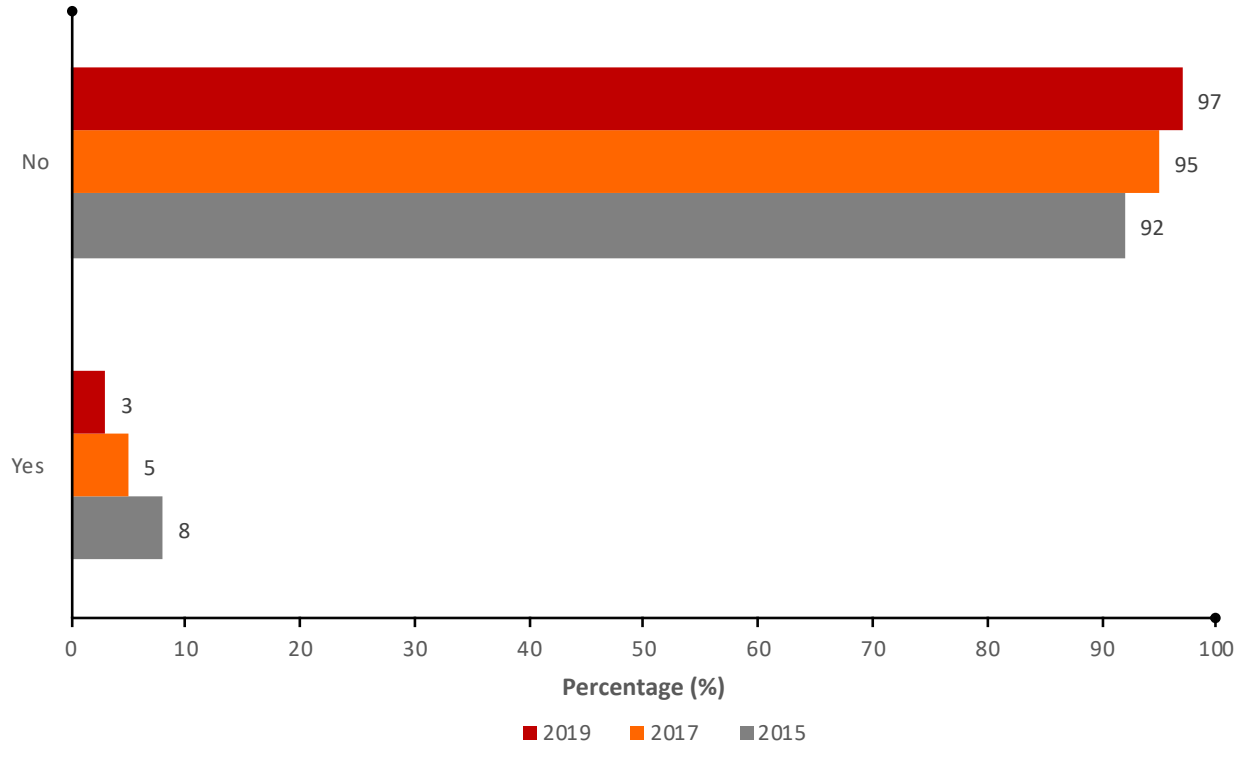
Disclosure on remuneration is addressed in Principle 8 of the Code of Corporate Governance, in which companies are to be transparent on their remuneration policies, level and mix of remuneration. Specifically, Provision 8.1(a) requires that companies disclose in their annual reports the names, amounts and breakdown of remuneration of each individual director and the CEO.

In the 2019 Survey, only 46 per cent of respondent firms provided detailed remuneration of individual directors and CEO. This is little changed from previous editions of the Survey. A higher proportion of

Does your company fully disclose the detailed remuneration of each individual director and the CEO on a named basis?



Does your company intend to fully disclose the detailed remuneration of each individual director and the CEO on a named basis, within the next two years?



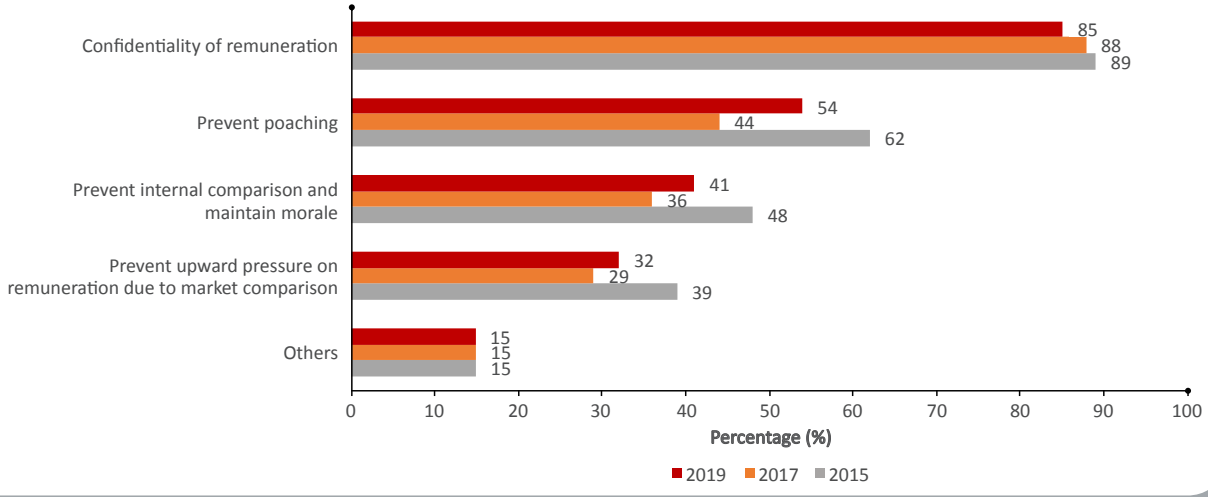
large cap respondent firms (59 per cent) complied with disclosure on remuneration, compared to mid-cap firms (48 per cent) and small cap firms (42 per cent).

Perhaps more worrying is that an overwhelming majority (97 per cent) of the respondent firms in the Survey that did not disclose on their remuneration had no intention to make such disclosures within the next two years. This indicates an entrenched attitude on the part of companies, and raises the issue of how to increase compliance on this aspect of corporate governance.

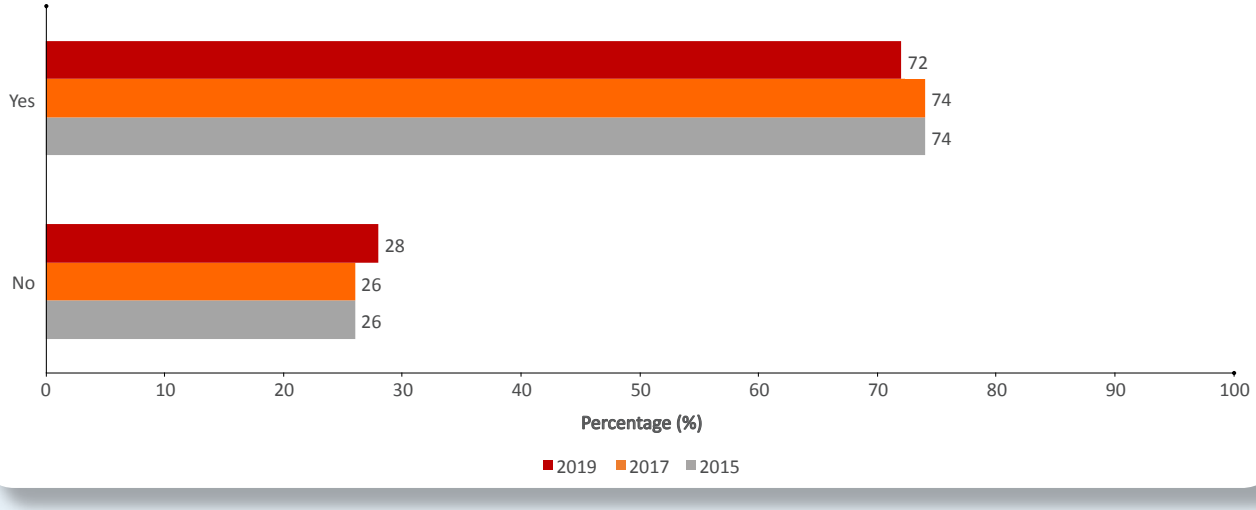
Despite amendments to SGX Listing Rule 710, which make explicit that compliance with the principles of the Code of Corporate Governance is mandatory, and variations from the provisions are on a comply-or-explain basis, it remains to be seen if disclosures on remuneration will improve over time. Reasons cited for non-disclosure range from confidentiality, to prevent poaching and maintain morale.

Code Provision 8.1(b) requires remuneration disclosure of the top five key management personnel (KMP), who are not directors or the CEO, in bands of S$250,000 and in total. The Survey results show that compliance with remuneration disclosure for the top five KMP (72 per cent) compared to directors and the CEO (46 per cent) is higher. This seems to suggest that remuneration disclosure in bands may be more palatable to companies.

What are the reasons that the company does not fully disclose the detailed remuneration of each individual director and the CEO on a named basis? (% of 68)



Does your company fully disclose the remuneration (in bands of $250,000) of the top five key management personnel (who are not directors and not the CEO), and the aggregate total remuneration paid to these five personnel?



Going forward

How companies deal with the changes to the limit on independent directors' tenure, as well as how shareholders vote on this issue, remain to be seen. An industry-led Corporate Governance Advisory Committee will continue to monitor the progress of corporate governance practices after implementation of the new rules and regulations.

Perhaps only time will tell if stricter enforcement of the comply-or-explain regime could improve the state of corporate governance in Singapore listed companies.

Chua Wei Hwa and Koh Wei Chern are both Associate Professors at Singapore University of Social Sciences.

Launch of Singapore Board of Directors Survey 2019

On 7 November 2019, SID launched the 11th edition of the *Singapore Board of Directors Survey 2019*, with 150 company directors and senior management in attendance at the Marina Mandarin Singapore.

The survey, undertaken by SID and SGX in collaboration with PwC and Singapore University of Social Sciences (SUSS), provides an insight to the board structures and practices of listed companies in Singapore.

In his welcome address, Mr Adrian Chan, Vice-Chairman of SID, said the survey results were encouraging and indicative of the progress made by listed companies to comply with the revised Code of Corporate Governance and SGX Listing Rules. The full extent of compliance, however, would not be obvious until after 1 January 2022, when some of the most pertinent clauses would come into effect.

Mr Ng Wai King, SID council member and Chairman of the Survey Committee, and Dr Chua Wei Hwa, Associate Professor of SUSS, presented key findings from the survey, touching on governance issues such as directorship tenure, board composition, board diversity and renewal, director training, risk management, audit and remuneration.

This was followed by a panel discussion moderated by Mr Philip Forrest, SID council member.

Ms June Sim of SGX RegCo addressed the hot topic: the codification of the nine-year rule for independent directors. While acknowledging that the Survey results indicated that a majority of respondent firms plan to put their independent directors up for a two-tier shareholder vote, she observed that some directors may not want to take the reputational risk of subjecting themselves to a shareholder vote.

The SGX does not seek to be overly prescriptive, and would prefer to strike a balanced approach, between the interests of shareholders and company boards. The two-tier shareholder vote gives investors a voice, while offering directors an option of renewing their tenure. Board renewal

L-R: Philip Forrest, Kevin Ho, Fang Eu-Lin, June Sim.

and board diversity encompass not just gender, age or skills, but a diversity of perspectives, which result in better board decisions and outcomes for the company, said Ms Sim.

Ms Fang Eu-Lin of PwC Singapore highlighted that 94 per cent of respondents in the Survey either strongly agree or agree that sustainability is very important in company strategy. This indicates that the current pressing urgency to tackle climate change stakes the higher ground for board directors to pivot their focus towards the broader area of sustainability. Companies can ill afford to remain complacent, and should take a more proactive stance in these matters.

Similarly, in terms of board diversity, companies need to do more. The figures are stark: 39 per cent of respondents in the Survey have all-male boards, while 21 per cent say they are happy with having just one woman on their boards and have no plans to appoint more women directors.

Mr Kevin Ho of WongPartnership tackled the issue of director training. He said it is glaring that there are directors with zero training hours. The number of hours and dollar amounts spent on director training remain dismal. As regulators consider the implementation of continuing professional development (CPD)-style requirements, he advised directors to take charge of their own professional development.

Against the backdrop of rapid technological advances and disruptive business models, board directors need to expand the content of their training, to include emerging trends such as cyber security, to better assess the adequacy of their companies' cyber readiness.

Another hotly debated topic was remuneration disclosure. To a query from the floor if the regulatory authority should mandate this requirement given the increasing reticence of companies to disclose remuneration, Ms Sim was in favour of a progressive approach that entails getting companies to disclose in bands. This does not presage a relaxation in the stance of the authority but gently nudges companies towards a larger degree of disclosure, with the goal to work towards greater disclosure in the long run.

Other matters discussed included shareholder rights and engagement, whistleblowing and board assessment. ■

The Board of Directors Survey *is available from the SID Secretariat at S$90 for SID members and S$150 for non-SID members.*

SID-SGX Roundtable on Compliance with 2018 CG Code

SID held a dialogue session on 25 October 2019, for directors to share their views on compliance with the provisions of the 2018 Code of Corporate Governance. Close to 15 corporate leaders of small, mid- and large cap companies attended the lunch meeting at SGX.

The session was co-chaired by Mr Adrian Chan, Vice-Chairman of SID and Mr Irving Low, Head of Advisory, KPMG Singapore. They walked through the key revised provisions and invited feedback on the consultation questions.

While participants at the session were generally supportive of the key revisions, they were of

the view that the 2018 Code could be reviewed and enhanced. The discussions largely focused on the nine-year rule, board diversity policy, independent directors and board composition, remuneration disclosure, and risk management and internal controls. ■

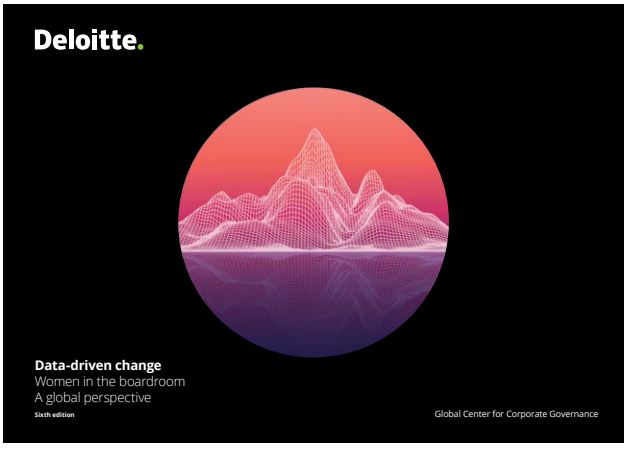
Women in the Boardroom: Slow progress

The sixth edition of Deloitte's *Women in the Boardroom: A Global Perspective* report noted that 16.9 per cent of board seats globally are held by women. In Singapore, women hold just 13.7 per cent of board seats.

The figures underscore a familiar refrain: women are largely under-represented on corporate boards, and progress to change this trend continues to be slow.

"If the global trend continues at its current rate of approximately 1 per cent increase of women on boards per year, we will be waiting more than 30 years to achieve global gender parity at the board level," said Ms Sharon Thorne, Deloitte Global Board Chair.

In Singapore, several women hold senior leadership roles, but far fewer serve on boards, noted Ms Seah Gek Choo, Southeast Asia and Singapore leader, Deloitte Center for Corporate Governance.



While there are no quotas in place for women serving on boards, other initiatives help to ensure diversity in the workplace. Under Singapore's Code of Corporate Governance, updated in 2018, company boards are required to have a suitable mix of skills and experience, including diversity of gender and age. Companies must also have a diversity policy, and disclose the policy, its objectives, and implementation progress in the annual report. ■

Singapore Chief Legal Officer Awards

The winners of the Singapore Chief Legal Officer (CLO) Awards 2019 were announced at the Singapore Corporate Counsel Association's (SCCA) annual black-tie dinner at the Capella on 1 November 2019. Mr K Shanmugam, Minister for Home Affairs and Law was guest-of-honour at the event.

The Awards recognise the significant contribution of in-house lawyers to the work of the board and senior management team of their organisations based in Singapore. The nominees were evaluated on competencies such as leadership, innovation, excellent lawyering, corporate governance, corporate responsibilities and sustainability.

The CLO Awards 2019 was jointly organised by the SCCA, SID, Heidrick & Struggles and partnered by St James Place Wealth Management and Skadden, Arps, Slate, Meagher & Flom. ■

2019 Singapore CLO Award winners and sponsors:
(L to R): Andy Sumner (Partner, St James Place Wealth Management); Charles Lim (Managing Director & General Counsel, GIC) – Winner, Government Category; Jean Chong (VP, General Counsel, Assistant Compliance & Ethics Officer, APAC, ON Semiconductor) – Winner, MNC Category; Mark Tan (General Counsel, GLP) – Winner, Singapore Listed Company Category; Charles Edward (Partner, St James Place Wealth Management); Stanley Park (General Counsel, Scotia Bank).

Asian Boards Resistant to Change

A report by the Center for Creative Leadership (CCL), *BOLD 3.0: Future Fluent Board Leadership in Asia*, highlighted the need for professional development of leadership skills among corporate board members. SID, together with the Confederation of Indian Industry, Institute of Corporate Directors Malaysia, Institute of Corporate Directors Philippines, the Sri Lanka Institute of Directors and Vietnam Institute of Directors, collaborated in the survey.

A total of 350 board leaders, directors and CEOs across six countries – India, Malaysia, Philippines, Singapore, Sri Lanka and Vietnam – were surveyed as part of the report. Quantitative data was supplemented by 109 detailed interviews of senior board and C-suite leaders across Asia.

"While the traditional approaches of Asian boards have succeeded in building Asian companies' market share to this point, we are seeing that natural limit of how far these approaches can carry companies," said Mr Sunil Puri, Senior Director of Research, Innovation and Product Development, Asia, CCL, who led the research.

The launch of the report was held at The Raffles Hotel in Singapore on 6 November 2019, with a panel discussion featuring industry leaders providing insights into trends in leadership development and regulatory changes in Asia. ■

ACs and Innovation

On 1 October 2019, KPMG hosted 14 Audit Committee Chairmen to discuss the topic "What is the AC's role in Innovation?". Mr Irving Low, Head of Advisory, KPMG in Singapore, led the discussion.

The phrase "innovate or die" has become the new business mantra. However, in KPMG's latest *Benchmarking Innovation Impact* 2020 report, nearly 59 per cent of respondents indicated that their innovation efforts are ad hoc or emerging, and fewer than 13 per cent had reached a stage where their innovation programmes are perceived to be integrated or optimised.

To improve focus on innovation, some companies have established board committees such as Innovation and Technology Committees. In most companies, responsibility for innovation resides with the main board, while in some, the Board

Risk Committee is tasked with the responsibility of overseeing innovation.

Clearly, there is no single approach to governing innovation. But as far as overseeing their company's innovation efforts and decisions are concerned, AC chairs opined that the primary oversight responsibilities should not reside with them. However, the board needs to devote enough time to the matter at hand. ■

The CEO's Dilemma

On 30 October 2019, Korn Ferry hosted 12 CEOs to discuss "The CEO's Dilemma in a rapidly disrupting world". Mr Graham Poston and Mr Ric Roi, Senior Client Partners, Korn Ferry, underscored the need for CEOs to perform and transform with agility, in the context of digital disruption.

Common challenges include recruiting and retaining the right talent, obtaining buy-in from staff, managing shareholders' expectations, building alignment with the board, cross-cultural issues and differing priorities.

CEOs should mobilise change at three levels: leader, team and organisation. Change alignment should reduce resistance and accelerate transformation, with a focus on the five "C"s for leadership: Committed, Connected, Curious,

Creative and Courageous. The right team, and the right people, with the appropriate dynamics, culture and disciplined processes, can play a vanguard role in effective execution of the strategy.

To succeed across a broad plane, collaboration with key stakeholders vis-à-vis company board, shareholders and business partners, is critical. ■

AC Pit-Stops

Tax Disputes and Controversies

On 17 September 2019, Ernst & Young conducted a presentation on "Managing Tax Disputes and Controversies" at One Raffles Quay. Ms Chung-Sim Siew Moon, Asia-Pacific Tax Policy and Controversy Leader at Ernst & Young Solutions led the discussion.

Addressing current trends in tax controversies, Ms Chung-Sim noted that disputes between tax authorities and taxpayers are on the rise. Corporate boards should integrate tax with business planning, and have in place the right people with appropriate skillsets in the right jurisdictions. Boards should evaluate existing systems, stay connected and adopt a top-down, end-to-end global approach to tax controversy.

Tax corporate governance provides a framework of formally documented policies and operational

procedures that identify, escalate and mitigate tax risk. With the Inland Revenue Authority of Singapore currently consulting on a tax corporate governance initiative, boards should be aware of specific ongoing areas of focus for compliance. Tax transparency codes and emphasis on real-time data and digital government are likely to impact the tax regime in Singapore, and boards should be prepared to adapt to the changes. ■

Investigating Financial Frauds

More than 40 directors and senior managers turned up for the last AC Pit-Stop for the year, "Navigating Through a Financial Fraud Investigation", held on 21 November 2019 at AXA Tower.

Mr Benjamin Ee, Managing Director, FTI Consulting, shared the importance of directors being prepared to handle financial fraud allegations. He highlighted that fraud cases are often complex, difficult to unravel and increasingly international in scope. Directors need to understand their obligations and be conversant with the Listing Rules, Securities & Futures Act, Companies Act and the Singapore Penal Code.

Offering tips on prescribed steps, he used a decision tree to help navigate potential alleged fraud situations, which participants found practical and

useful. Case studies were also shared to demonstrate the complexity of fraudulent schemes. Mr Ee walked participants through how a comprehensive independent investigation applies tools, such as computer forensics, artificial and business intelligence to corroborate the facts and evidence gathered.

ACRA and SGX representatives joined in to engage in a dynamic discussion with participants. ■

Business Future Series

Cyber Security for Directors

Close to 30 participants turned up for an interactive session on "Cyber Security for Directors", organised by SID in collaboration with Ensign InfoSecurity, PwC and NTT on 26 September 2019.

Mr Low Chee Juee, Vice President, Consulting, Ensign InfoSecurity highlighted the vulnerabilities and key trends of the cyber threat landscape. He noted that Singapore remains a high-profile target for cyber threat actors because of its interconnectivity.

Participants were invited to take part in a highly engaging cyber security war game led by the PwC team. The real-time interactive session underscored the challenges faced in boardrooms, including basic hygiene factors, infrastructure and access to accurate and timely information.

Mr Chang Boon Tee, Director, Managed Security Services Sales, NTT, presented the findings from the *NTT Security Global Threat Intelligence Report 2019*, and offered key insights into how to establish cyber resilience and maturity in the ever-changing cyber landscape.

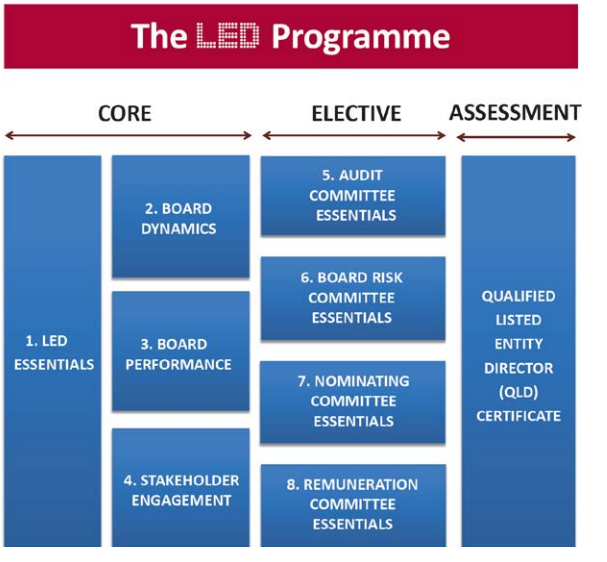
The session ended with a lively panel discussion moderated by Ms Poh Mui Hoon, Council Member, SID. Participants were then invited for a tour of Ensign InfoSecurity's Briefing Centre. ■

QLED Certificate

From December 2019, SID members who complete all four Listed Entity Director (LED) Programme Core modules and any two Elective modules may opt to sit for a computer-based assessment at SID's office. The LED Programme, which is organised with the support of the Singapore Exchange, is a pre-requisite programme for first-time appointees on boards of listed companies.

Comprising four core modules and four elective modules on the range of regulatory, compliance and corporate governance matters in Singapore, the course seeks to help a director understand his or her duties on the board and the major board committees.

Candidates who pass the assessment will be awarded a Qualified Listed Entity Director (QLED) Certificate from SID to recognise they have demonstrated mastery in foundational knowledge of the duties and responsibilities of boards and directors.



The QLED Assessment is not a compulsory examination, and dates will be scheduled on a quarterly basis, subject to available slots. ■

Creating Value in Family Businesses

On 10 October 2019, participants tuned in to an SID webinar on "Creating Value over a Family Life Cycle". Professor Annie Koh, Vice President of Business Development, V3 Group Professor of Family Entrepreneurship, and Professor of Finance (Practice) at Singapore Management University conducted the online presentation.

The key stages of a family business leadership succession planning process are: initiation, development, selection, transition and review. Beyond that, organisational culture, commitment, a family corporate council and continuity in legacy, stewardship and leadership are all important components to consider in a sustainable family business.

Sharing success stories on intergenerational transition, Prof Koh reflected that diversity on the board should be balanced with a collective voice for the new board. A strong, independent board can benefit from having family leaders as advisers, bringing balance between the needs of owners and managers.

While no single model of family and corporate governance works for all businesses, what marks successful multigenerational companies is a set of principles and processes that work in the unique circumstances of their companies. ■

Leadership and Social Media

Close to 30 participants attended the session on "Being a Board Director in the Age of Social Media" on 8 November 2019 at CapitaGreen. Ms Maya Hari, Vice President of Twitter Asia Pacific kicked off the session with an overview of how social platforms are important for board directors and why business leaders should consider leveraging social platforms to build, influence and drive the growth of their organisations.

Ms Chandan Deep, Head of Sales Partnerships and Revenue, Twitter Asia Pacifc added that business leaders use social media to maintain relevance, connect to consumers and highlight their work. Thought leadership and reaching out to talent are frequent reasons for using social media.

Popular trending topics among business leaders include technology and disruption, diversity and inclusion, and sustainability. Outlining best practices, the speakers addressed key considerations and risks in using public platforms online, and how to mitigate these during crisis management.

The session concluded with a hands-on, interactive discussion where participants got tips on how to craft their messages and build influence in this digital age. ■

SGOOD Focus

Money for Good

The Governance for Outstanding Organisation Directors (SGOOD) Programme comprises a holistic curriculum that spans across three levels of professional learning: Fundamentals, Essentials and Advanced. These are to cater to the needs of nonprofit organisation (NPO) board members at various stages of their directorship journey. In addition, the SGOOD Focus offerings feature workshops and seminars which delve into specific aspects of the nonprofit space.

Within the Focus series, there are four workshops on "Money for Good" conducted in collaboration with fintech company StashAway. These four workshops address aspects of sound financial management. The sessions are: "Managing Cash and Donations" (MFG1), "Reserve Management and Drafting Investment Policy Statement" (MFG2), Fundraising Tips and Best Practices (MFG3) and Financial Code of Governance (MFG4).

The first two workshops were held on 26 November and 2 December 2019, and the next two will be held on 14 January and 25 February 2020.

Targeted at board members of small and medium-sized charities, the sessions are conducted at no cost to participants – in recognition of the fact that smaller charities may not have easy access to training budgets.

Sound financial management is the key to ensure long-term viability and survival of any charity organisation. However, most charities lack the experience or expertise to do so, and many lack the resources to implement sound financial management practices.

The Money for Good workshops bring together industry experts and professional financial

advisers to discuss the issues related to financial management and internal controls, with regards to the Code of Governance for Charities and Institutions of a Public Character. The focus is on practical examples and solutions.

Conducted in the format of a panel discussion, participants learn from examples of best practices in financial management, including cash flow, reserve, investment management and risk management sharing by experienced panellists. Participants explore practical solutions and can adapt best practices into the specific context and constraints of small and medium-sized charities. ■

Fireside Chat

Think Big, Act Bold

SID hosted a Fireside Chat on 13 November 2019 at Capital Tower, which attracted more than 100 SID members. The topic was "Go Big or Go Home?" The speaker lineup was an impressive cast, with leaders of some of the region's biggest startups: Mr Chatri Sityodtong (Chairman and CEO, ONE Championship), Mr Ye Gang (Group Chief Operating Officer, SEA), Mr Lee Li Meng (Chief Strategy Officer, Razer), and Mr Ron Sim (Founder, Executive Chairman and CEO, V3 Group).

The members-only session was a panel discussion moderated by Mr Keith Magnus, Chairman, Asia and Global Partner, Evercore Inc. The event was sponsored by Evercore and Heliconia, and the venue sponsored by CapitaLand.

In the age of the "unicorn" (startups valued in excess of $1 billion), the winner-takes-all mentality has encroached into the common narrative, hence the rhetorical question: "Go Big or Go Home?". With Uber, Lyft, WeWork and the likes in mind, and the exponential rise in the ranks of "unicorns" in this past of the world, are we approaching a bubble situation?

The four speakers took turns to offer their insights and business vision, as well as share their personal journeys in driving growth. Topics covered include the metrics for success, business models, partnerships, fundraising experiences, board-management relationship, human capital strategy and the issue of trust.

With the varied backgrounds and personalities on stage, the scene was set for a lively and animated discussion.

The flow of questions was relentless and the responses were sometimes surprising and often revealing. For instance, Mr Sim, who has delisted his flagship companies twice, debunked the notion that boards and management work in tandem. Pointing to rocky relationships with investors and boards, it was obvious to him that there is no one-size-fits-all business model.

The speakers were open in sharing their perspectives and experiences, offering inspiring accounts about their low points and challenges, as well as their sense of achievement in their respective fields. SID members continued the conversation well after the session, when they were invited to network over refreshments. ■

Corporate Governance Roundup 2019

The annual SID Corporate Governance Roundup was held at the Orchard Rendezvous Hotel on 19 November 2019 with 150 participants attending.

Five SID governing council members provided a synopsis of the happenings in 2019 and a glimpse of what could be expected for 2020 in key corporate governance and directorship matters.

Questions from the audience during the panel session that followed focused mainly on the impact of the revised Code of Corporate Governance and Listing Rules on practices of listed companies, in particular, the efficacy of the comply-or-explain regime. The shift in compliance limits in the nonprofit landscape, and tenets of board diversity, such as gender, age and expertise, also dominated the discussions.

In the next few pages, we summarise the council members' takes in the following areas:

- Regulatory Updates
- Corporate Governance Developments
- Singapore Directorship Landscape
- NonProfits
- Board Diversity

REGULATORY UPDATES

Tan Boon Gin

"It is not possible for regulators to control everything. In enforcing market discipline, SGX RegCo will take a targeted approach with pre-emptive and swift action against wrong-doers, to ensure that other companies are not unnecessarily burdened."

Key happenings in 2019

Targeted approach to enforce market discipline:

- Notices of Compliance to require special auditor to report exclusively to SGX RegCo.
- Directors' and Executive Officers' Watch-List.
- Fast Track list for companies with track record of compliance and good corporate governance.

What to expect in 2020

Continued partnership with market community to elevate corporate governance standards:

- Collaboration with valuers through IVAS for business valuation and SISV for property valuation.
- Ongoing referrals to ACRA and ISCA.
- Upcoming consultation on requirements for a Singapore-based auditor and second auditor.
- Upcoming best practices guide for corporate finance lawyers.

Official whistleblowing channel:

- SGX RegCo takes whistleblowing information seriously.
- New stand-alone whistleblowing office with a dedicated team.
- Avenue for market to constantly provide feedback, suggestions, and occasionally act as whistleblowers.

Corporate Governance And Directorship

Tham Sai Choy

"Exactly a year ago, the banner headlines around the world were dominated by a story that involved corporate governance failures and a crisis in leadership. The arrest of Carlos Ghosn (then chairman of the global carmaking alliance between Renault, Nissan and Mitsubishi) was just the tip of the iceberg."

Ng Wai King

"Directors need to know about a range of issues, if not all in depth. They have to be prepared for risk management crisis situations, be ready with business continuity plans, plant strategy initiatives, and know which experts to reach out to."

Key happenings in 2019

- Adoption of a more stringent stance towards and clamping down on errant directors.
- Pushback against globalisation and rise in nationalistic policies presage a substantial shift in conduct of international trade amid geopolitical tensions

  a) US-China trade war.

  b) US-imposed sanctions on Huawei.

  c) Hong Kong protests and backlash.

How companies should respond in 2020

- Engage external advisers should the need warrant it.
- Greater scrutiny by board directors of press statements in lieu of potential organisational reputational risk.
- Board directors should be more cognisant of their responsibilities and discharge them accordingly, as opposed to delegating them.

NonProfits

Theresa Goh

"The Commissioner of Charities Annual Report 2018 highlighted the landscape of today's charitable sectors and points to possible gaps. SID has stepped up to lend its expertise and resources to fill the gaps of directors' induction, structure training, continuous learning and thought leadership in corporate and charity governance. Our professional development for nonprofits takes a holistic approach to the nonprofit director's life cycle development. We call it SGOOD – Singapore Governance for Outstanding Organisation Directors – and we work in collaboration with other institutions of good to bring about change in directors' behaviours."

Key happenings in 2019

- NPO Forum: In Conversation with Commissioner of Charities.
- Complete curriculum of NPO Director topics – SGOOD Fundamentals/Essentials/Advanced.
- Financial sustainability series for charities.

What to expect in 2020

- Continue with So, You Want to be a NonProfit Director and SGOOD (18 modules).
- Financial Sustainability Series for small charities.
- Themed network cum matchmake event for smaller charities.
- NPO Board Committee Series.
- NPO Board Leadership Forum.
- Pilot professional development for statutory boards and social enterprises.
- Co-own the publication of NC Guide for NPOs with Council for Board Diversity and Ernst & Young.
- Sector feedback to NCSS and AIC from SGOOD programme.

Board Diversity

Junie Foo

"There is still a long way to go in achieving the stated goals in board diversity. While gender is just one aspect of diversity, it is an important and visible one widely tracked by institutional investors, governments and interest groups. The Council for Board Diversity highlighted that all-male boards reduced by four among the 100 largest listed companies, although 21 still remain. Statutory boards and IPCs perform better."

Key happenings in 2019

- Increase in percentage of women on board from Dec 2018 to Jun 2019 for the following:
  a) Top 100 listed companies – Increase to 15.7%.
  b) Statutory boards – Increase to 24.5%.
  c) Top 100 IPCs – Increase to 27.4%.
- Increase in proportion of women in senior roles and proportion of businesses with at least one woman in senior management.
- Collaboration of SID Board Diversity and Appointments Committee with BoardAgender.

What to expect in 2020

- Continuing efforts by Council for Board Diversity to look into achieving 20% female representation on boards in top 100 listed companies on SGX by 2020.
- Targeted activities and events to encourage demand for female candidates and to make the supply of these potential female directors visible. ■

New SID Council Elected at AGM

The 21st Annual General Meeting (AGM) of SID was held on 19 November 2019 at the Ballroom of the Orchard Rendezvous Hotel. The AGM was held after the lunch break, following the Corporate Governance Roundup session for members in the morning (see pages 74 to 77).

With the requisite quorum, Mr Tham Sai Choy, Chairman of SID called the meeting to order.

Mr Edwin Lee, Acting Executive Director, SID summarised the past year's activities and outlined key initiatives for 2020 through a brief presentation.

The AGM resolutions were then tabled and voted on electronic polling devices provided by Boardroom Limited, with scrutineer services by Deloitte. Mr Tham acknowledged the pro bono contribution by Boardroom and Deloitte, and also conveyed his appreciation to Far East Organization for co-sponsoring the venue for the day's activities.

Three members, who had previously been elected/co-opted into the governing council, were re-elected and elected, respectively, into the council (see next page). A total of two members stepped down from the council.

Mr Tham thanked the retiring council members for their contributions.

The new SID council had its first meeting immediately after the AGM. ■

Governing Council Members

The following member was re-elected to the SID council at the 21st AGM.

Tan Boon Gin

The following members were elected to the SID council at the 21st AGM.

Adrian Chan

Howie Lau

The following SID council members retired at the 21st AGM.

Robert Chew

Lee Chong Kwee

SID-INSEAD IDP 2019 Closing Dinner

A total of 23 participants from the sixth cohort of the International Directors Programme (IDP) Asia Edition converged at Artemis Grill & Sky Bar of CapitaGreen on 18 September 2019 for their IDP 2019 closing dinner.

Professor Jose-Luis Alvarez, programme director, highlighted that the IDP continues to receive rave reviews from the international director community. The diverse backgrounds of the participants have enabled past and present cohorts with a broad perspective on directors' challenges that stand them in good stead to be effective directors on international boards.

He also shared INSEAD's vision in shaping global leaders who will steer business as a force for good.

Mr Edwin Lee of SID expressed his appreciation to INSEAD for the continuing support and partnership. He added that the present climate of politico-economic uncertainty has given a degree of urgency for directors to sharpen their decision-making and oversight capabilities.

All in, it was an evening filled with laughter and good food, the camaraderie being testament of the lasting connections made at the programme. ■

SID Networking: Board Ready

More than 30 participants attended the SID networking event "Board Ready", held on 27 November 2019, at One Raffles Quay. The event was targeted specifically at aspiring and new directors, to offer a platform for networking and to introduce them to the demands and obligations of being a board member.

The session was initiated by the SID Board Diversity and Appointments (BDA) Committee to recognise that board diversity encompasses not just gender and age, but skillsets and experience. Increasingly, boards are looking for more diverse candidates, with varied skillsets and experience in new areas like artificial intelligence, digital marketing, cloud computing, organisational development, public relations, and cyber security.

Ms Junie Foo, Chair of BDA Committee, and SID members Mr Shai Ganu (Managing Director, Willis Towers Watson), Ms Jessica Cheam

(Founder and Managing Editor, Eco-Business) and Ms Wan Mei Kit (Independent Director, Prudential Assurance Corporation Singapore) shared their personal directorship journeys.

Feedback from the participants was positive, and many expressed their appreciation of this targeted approach to nurture new board talent. ■

Director Appointments

SID members appointed as directors of listed companies during the period 1 September to 30 November 2019

COMPANY	PERSON	DESIGNATION
AnAn International Limited	Wong Joo Wan	Non-Executive Director
AnnAik Limited	Gan Thiam Poh	Independent Director
Asiamedic Limited	Lawrence Peter Lim Hong Haw	Independent Director
Astaka Holdings Limited	Victor Lai Kuan Loong	Independent Director
Baker Technology Ltd	Wong Meng Yeng	Non-Executive Chairman
BlackGold Natural Resources Limited	Chng Hee Kok	Independent Director
Broadway Industrial Group Limited	Basil Chan	Independent Director
CDW Holding Limited	Jack Chia Seng Hee	Independent Director
CEI Limited	Lisa Theng Siew Lian	Independent Director
Centurion Corporation Limited	Wong Kok Hoe	Executive Director
China Star Food Group Limited	Alex Chua Siong Kiat	Independent Director
F J Benjamin Holdings Ltd	Yee Kee Shian Leon	Independent Director
Forise International Limited	Robin Chin Sin Beng	Independent Director
Green Build Technology Limited	Jimmy Ng Poh Khoon	Independent Director
Heeton Holdings Limited	Richard Tan Chuan-Lye	Independent Director
Hoe Leong Corporation Ltd	Lee Chin Chai	Independent Director
Hoe Leong Corporation Ltd	Joseph Liew Yoke Pheng	Executive Chairman
Katrina Group Ltd	Tan Kong King	Independent Director
Keppel Corporation Limited	Tham Sai Choy	Independent Director
Kimly Limited	Lau Chin Huat	Independent Director
Koon Holdings Limited	Tan Thiam Hee	Non-Executive Director
Luxking Group Holdings Limited	Chng Hee Kok	Independent Director
Luxking Group Holdings Limited	Er Kwong Wah	Independent Director
Millennium & Copthorne Hotels Limited	Kwek Leng Beng	Executive Chairman
Oceanus Group Limited	Eugen Chua	Independent Director
P5 Capital Holdings Ltd	Pearce Lau Ping Sum	Non-Executive Chairman
Pine Capital Group Limited	Gan Wah Kwang	Independent Director
Pine Capital Group Limited	Tomi-Jae Tjio Wanlun	Executive Chairman
PNE Industries Ltd	Lim Meng Wee	Independent Director
Procurri Corporation Limited	Peter Ng Loh Ken	Independent Director
RH PetroGas Limited	Kuan Li Li	Independent Director
Roxy-Pacific Holdings Limited	Cecilia Tan Hong Lye	Independent Director
Sakae Holdings Limited	Nicholas Ngoh York Chao	Independent Director
Sanli Environmental Limited	Chua Teck Huat	Executive Director
Sapphire Corporation Limited	Jackson Tay Eng Kiat	Independent Director
Serrano Limited	Tay Kah Poh	Independent Director
SEVAK Limited	Maneesh Tripathi	Executive Chairman
Sincap Group Limited	William Chia Soon Hin	Independent Director
TEE International Limited	Peter Lai Hock Meng	Independent Director
USP Group Limited	Chan Siew Wei	Independent Director
USP Group Limited	Lim Boh Soon	Executive Director
USP Group Limited	Yin Kum Choy	Executive Director
Wilmar International Limited	Soh Gim Teik	Independent Director
Yeo Hiap Seng Ltd	Sitoh Yih Pin	Independent Director
Yongmao Holdings Limited	Hoon Chee Wai	Independent Director
Y Ventures Group Ltd	Tan Jia Kien	Independent Director

SGOOD Essentials Modules 5-8 • 6 September-28 November 2019

SID-INSEAD International Directors Programme Module 3 • 17-19 September 2019

So, You Want to be a NonProfit Director • 18 September 2019

Board and Director Fundamentals • 25 September 2019

Listed Entity Director Programme • 9-17 October 2019

SID-SMU Singapore Directorship Programme Module 5 • 31 October-1 November 2019

SID's Q4 Events (Oct - Dec 2019)

DATE	TYPE	EVENT DETAILS
1 Oct 2019	PD	BDC3: Audit Committee Chairman's Conversation
3 Oct 2019	PD	SGD6: Financial Management and Accountability
9 Oct 2019	PD	LED1: Listed Entity Director Essentials
10 Oct 2019	PD	LED2: Board Dynamics
10 Oct 2019	PD	LED3: Board Performance
10 Oct 2019	PD	Webinar: Creating Value over a Family Business Life Cycle
11 Oct 2019	PD	LED4: Stakeholder Engagement
16 Oct 2019	PD	LED5: Audit Committee Essentials
16 Oct 2019	PD	LED6: Board Risk Committee Essentials
17 Oct 2019	PD	LED7: Nominating Committee Essentials
17 Oct 2019	PD	LED8: Remuneration Committee Essentials
25 Oct 2019	Event	SID-SGX Roundtable
30 Oct 2019	PD	BDC6: CEO Conversation
31 Oct 2019	PD	SGD7: Fundraising, Outreach and Advocacy
31 Oct-1 Nov 2019	PD	SDP5: Strategic CSR and Business Valuation
7 Nov 2019	Event	Singapore Board of Directors Survey Launch
8 Nov 2019	PD	CTP10: Being a Board Director in the Age of Social Media
13 Nov 2019	Event	Fireside Chat: Go Big or Go Home?
19 Nov 2019	Event	Corporate Governance Roundup
21 Nov 2019	PD	ACP: Navigating Through a Financial Fraud Investigation
26 Nov 2019	PD	MFG1: Managing Cash and Donations
27 Nov 2019	Event	Members Networking: Board Ready
28 Nov 2019	PD	SGD 8: Social Trends
28-29 Nov 2019	PD	SDP6: Effective Succession Planning and Compensation Decisions
2 Dec 2019	PD	MFG2: Reserve Management and Drafting Investment Policy Statement
10-12 Dec 2019	PD	IDP3: Developing Directors and their Boards

Upcoming Events

Core Professional Development Programmes

PROGRAMME	DATE	TIME	VENUE
SDP1: The Role of Directors	7-9 Jan 2020	0900 to 1730	SMU Campus
SGA2: Digitalisation and Innovation for NPOs	8 Jan 2020	0900 to 1300	Clarke Quay Central
MFG3: Fundraising Tips and Best Practices	14 Jan 2020	1730 to 1930	The Octagon
Charities-Donors Networking Event	5 Feb 2020	1730 to 2000	The Octagon
SYD: So, You Want to be a Director	12 Feb 2020	1030 to 1300	Capital Tower
BDF: Board and Director Fundamentals	18 Feb 2020	0900 to 1730	M Hotel
SGA3: Branding for NPOs	18 Feb 2020	0900 to 1300	Clarke Quay Central
SDP2: Assessing Strategic Performance	19-21 Feb 2020	0900 to 1730	SMU Campus
CTP1: Sustainability Deciphered for the Business	20 Feb 2020	0900 to 1100	Capital Tower
DFF: Director Financial Reporting Fundamentals	25 Feb 2020	0900 to 1700	Capital Tower
MFG4: Financial Code of Governance	25 Feb 2020	1730 to 1930	The Octagon
NFF: NonProfit Financial Reporting Fundamentals	3 Mar 2020	0900 to 1700	Clarke Quay Central
LED1: Listed Entity Director Essentials	4 Mar 2020	0900 to 1700	PARKROYAL on Marina Bay
LED2: Board Dynamics	11 Mar 2020	0900 to 1300	PARKROYAL on Marina Bay
LED3: Board Performance	17 Mar 2020	0900 to 1300	PARKROYAL on Marina Bay
SGA1: Enterprise Risk Management for NPOs	17 Mar 2020	0900 to 1300	Clarke Quay Central
LED4: Stakeholder Engagement	19 Mar 2020	0900 to 1300	PARKROYAL on Marina Bay
SGD1: Essentials of NonProfit Board Leadership	24 Mar 2020	0900 to 1300	Clarke Quay Central
LED5: Audit Committee Essentials	25 Mar 2020	0900 to 1300	M Hotel
SDP3: Finance for Directors	25-27 Mar 2020	0900 to 1730	SMU Campus
LED6: Board Risk Committee Essentials	27 Mar 2020	0900 to 1300	M Hotel
LED7: Nominating Committee Essentials	27 Mar 2020	1330 to 1730	M Hotel
International Directors Forum	30-31 Mar 2020	0900 to 1700	INSEAD Campus
SID-INSEAD International Directors Programme Cocktail Preview	31 Mar 2020	1730 to 1900	Capital Tower
LED8: Remuneration Committee Essentials	31 Mar 2020	0900 to 1300	M Hotel
LEDM: Listed Entity Director Programme (Mandarin) – Core	1-3 Apr 2020	0900 to 1730	Shanghai, China
NBF: NonProfit Board and Director Fundamentals	2 Apr 2020	0900 to 1700	Clarke Quay Central
SDP1: The Role of Directors	7-9 Apr 2020	0900 to 1730	SMU Campus
BFS1: Disruptive Technologies for Directors	15 Apr 2020	0900 to 1300	Raffles City Tower
SGD2: Board Dynamics	21 Apr 2020	0900 to 1300	Clarke Quay Central
EGP: Enterprise Governance Programme	21 Apr 2020	0900 to 1300	Capital Tower
BFS3: Artificial Intelligence and Ethics for Directors	22 Apr 2020	0900 to 1300	M Hotel
MCD3: The Board in Strategy Formulation	28 Apr 2020	0900 to 1730	M Hotel
CTP2: Digital Directorship	29 Apr 2020	0900 to 1100	Capital Tower
LED1: Listed Entity Director Essentials	13 May 2020	0900 to 1700	M Hotel
SDP2: Assessing Strategic Performance	13-15 May 2020	0900 to 1730	SMU Campus
LED2: Board Dynamics	15 May 2020	0900 to 1300	M Hotel
LED3: Board Performance	19 May 2020	0900 to 1300	M Hotel
LED4: Stakeholder Engagement	21 May 2020	0900 to 1300	M Hotel
SGD3: Board and Management Dynamics	28 May 2020	0900 to 1300	Clarke Quay Central
CTP3: Design Thinking for Sustainability	28 May 2020	0900 to 1100	Capital Tower
IDP1: Board Fundamentals – Responsibility, Effectiveness, Decision Making and Strategy	14-17 Jun 2020	0900 to 1730	INSEAD Campus
IDP1: Board Fundamentals – Responsibility, Effectiveness, Decision Making and Strategy	17-20 Jun 2020	0900 to 1730	INSEAD Campus
CTP4: Emerging Risk of Weaponised Digital Disinformation	24 Jun 2020	0900 to 1100	Capital Tower
MCD1: Boards and Political Networks	25 Jun 2020	0900 to 1300	M Hotel
SGD4: Talent and Volunteer Management	26 Jun 2020	0900 to 1300	Clarke Quay Central
BDF: Board and Director Fundamentals	30 Jun 2020	0900 to 1730	M Hotel
DFF: Director Financial Reporting Fundamentals	1 Jul 2020	0900 to 1700	Capital Tower
SDP3: Finance for Directors	1-3 Jul 2020	0900 to 1730	SMU Campus
SYN: So, You Want to be a NonProfit Director	7 Jul 2020	1700 to 2100	Clarke Quay Central
SYD: So, You Want to be a Director	8 Jul 2020	1030 to 1300	Capital Tower
LED1: Listed Entity Director Essentials	16 Jul 2020	0900 to 1700	M Hotel
LED2: Board Dynamics	17 Jul 2020	0900 to 1300	M Hotel
LED3: Board Performance	17 Jul 2020	1330 to 1730	M Hotel
LED4: Stakeholder Engagement	20 Jul 2020	0900 to 1300	M Hotel
LED5: Audit Committee Essentials	20 Jul 2020	1330 to 1730	M Hotel
LED6: Board Risk Committee Essentials	21 Jul 2020	0900 to 1300	M Hotel

Core Professional Development Programmes

PROGRAMME	DATE	TIME	VENUE
LED7: Nominating Committee Essentials	21 Jul 2020	1330 to 1730	M Hotel
LED8: Remuneration Committee Essentials	22 Jul 2020	0900 to 1300	M Hotel
CTP5: Executive and Director Remuneration	23 Jul 2020	0900 to 1100	Capital Tower
SGD5: Strategy and Board Performance	28 Jul 2020	0900 to 1300	Clarke Quay Central
MCD4: Enterprise and Strategic Risk Management	13 Aug 2020	0900 to 1300	M Hotel
SDF: Startup Director Fundamentals	20 Aug 2020	0900 to 1200	Capital Tower
SGD6: Financial Management and Accountability	25 Aug 2020	0900 to 1300	Clarke Quay Central
SDP4: Risk and Crisis Management	27-28 Aug 2020	0900 to 1730	SMU Campus
SGD7: Fundraising, Outreach and Advocacy	22 Sep 2020	0900 to 1300	Clarke Quay Central
IDP2: Board Dynamics, Efficiency and the Role of Committees	22-24 Sep 2020	0900 to 1730	INSEAD Campus
BFS2: Cyber Security for Directors	24 Sep 2020	0900 to 1300	Kallang Place
SDP5: Strategic CSR and Business Valuation	24-25 Sep 2020	0900 to 1730	SMU Campus
BDF: Board and Director Fundamentals	29 Sep 2020	0900 to 1730	M Hotel
IDP2: Board Dynamics, Efficiency and the Role of Committees	30 Sep-2 Oct 2020	0900 to 1730	INSEAD Campus
MCD2: Cross-Cultural Leadership and Competence	2 Oct 2020	0900 to 1300	M Hotel
LED1: Listed Entity Director Essentials	6 Oct 2020	0900 to 1700	TBC
LED2: Board Dynamics	8 Oct 2020	0900 to 1300	TBC
LED3: Board Performance	8 Oct 2020	1330 to 1730	TBC
LED4: Stakeholder Engagement	13 Oct 2020	0900 to 1300	TBC
LED5: Audit Committee Essentials	15 Oct 2020	0900 to 1300	TBC
LED6: Board Risk Committee Essentials	5 Oct 2020	1330 to 1730	TBC
LED7: Nominating Committee Essentials	21 Oct 2020	0900 to 1300	TBC
LED8: Remuneration Committee Essentials	21 Oct 2020	1330 to 1730	TBC
SGD8: Social Trends	27 Oct 2020	0900 to 1300	Clarke Quay Central
SDP6: Effective Succession Planning and Compensation Decisions	29-30 Oct 2020	0900 to 1730	SMU Campus
DFF: Director Financial Reporting Fundamentals	4 Nov 2020	0900 to 1700	Capital Tower
IDP3: Developing Directors and Their Boards	14-16 Dec 2020	0900 to 1730	INSEAD Campus
IDP3: Developing Directors and Their Boards	15-17 Dec 2020	0900 to 1730	INSEAD Campus

Other Professional Development Programmes

PROGRAMME	DATE	TIME	VENUE
AC Pit-Stop: Intangible Assets in a Tangible World	13 Feb 2020	0900 to 1100	Hong Leong Building
AC Pit-Stop: Managing Risk in a Digital World	5 Mar 2020	0900 to 1100	TBC
BDC4: Nominating Committee Chairman's Conversation	7 Apr 2020	1200 to 1400	TBC
BDC3: Board Risk Committee Chairman's Conversation	27 Apr 2020	1200 to 1400	TBC
AC Pit-Stop: Reviewing Financial Statements and Selecting Auditors	28 May 2020	0900 to 1100	TBC
BDC1: Board Chairman's Conversation	3 Jun 2020	1200 to 1400	TBC
BDC2: Audit Committee Chairman's Conversation	11 Jun 2020	1200 to 1400	TBC
AC Pit-Stop: Leveraging Analytics and Technology for Internal Control and Fraud Prevention	9 Jul 2020	0900 to 1100	Wilkie Edge
BDC5: Remuneration Committee Chairman's Conversation	24 Aug 2020	1200 to 1400	TBC
AC Pit-Stop: Impact of International Tax Rule Changes	17 Sep 2020	0900 to 1100	Marina One
BDC6: CEO Conversation	29 Oct 2020	1200 to 1400	TBC

Major Events

EVENT	DATE	TIME	VENUE
ACRA-SGX-SID Audit Committee Seminar	16 Jan 2020	0900 to 1100	PARKROYAL on Marina Bay
SID Annual Golf Tournament	12 Jun 2020	0930 to 2100	Sentosa Golf Club
Singapore Corporate Awards	23 Jul 2020	1700 to 2200	Resort World Sentosa
Singapore Governance and Transparency Index Launch	4 Aug 2020	0900 to 1100	PARKROYAL on Marina Bay
SID Directors Conference 2020	9 Sep 2020	0900 to 1600	Suntec City Convention and Exhibition Centre
Annual Corporate Governance Roundup	17 Nov 2020	1000 to 1200	Orchard Rendezvous Hotel

Course dates and venues are subject to change. Please refer to www.sid.org.sg for the latest updates.

Welcome to the Family

September 2019

Rena Chai
Ronald Cheng Jue Seng
Matthias Chin
Chua Hung Meng
Chua Tian Chu
Aishath Fazeena
Thierry Paul Henri Forichon
Gan Eng Sheng
Michel Emile Geday
William Charles Hendricks
Hong Pian Tee
John Irving
Thomas Glyn James
Alan B. Jones
Maninder Kartik
Michelle Khor
Stepan Khukharev
Tracia Lam Wai Mei
Lee Jim-Heng
Lee Tak Meng
John Lee Yow Meng
Loh Yinshan
Lum Seow Khun
Amit Oberoi
Marcus Oh Wan Keong
Ervinna Pang
Jagdish Parihar
Mark Phua
Poon Joe Keen
Anthony Gerard Quinn
Meri Rosich
Lachmi Niwas Sadani
David Jackson Sandison
Ralf Schmidt
Eleanor Seet
Sheng Yifei
Ganessaraj Soocelaraj
Tan Chang Leei
Clarence Tan Jia Hui
Tony Tan Yee Chin
Staphnie Tang
Richard Teo
Badri Veeraghanta
Mark Wee
Leslie Yaw Chooi Kok
Nicholas Yoong Swie Leong
Gerard Yuen

October 2019

Ang Lian Kiat
Thillainathan Aravinthan
Vikas Arora
Franck Pierre Luc Boullier
Tim Chapman
Aries Cheah
Audrey Chia Shu Han
Chirasak Chiyachantana
Chua Ah Leng
Chua Kay Ming
Praveen Dayal
Alexandr Donov
Elizabeth Fong
Ernest Fong Ming Huang
Foo Kia Juah
Goh Yeng Peng
Varabott Ho
Stephen Jones
Monica Kan
Koh Chia Ling
Shuwen Koh Sok Boon
Sylvelin Kok
Kevin Koo Chiang
Robin Laird
Francois Andre Raphael Lancon
Stephen Langton
Bhavna Laroya
Jeffrey Lee Hing Hook
Lee Sing-Kok
Li Shuyun
Lim Chong Kin
Lawrence Peter Lim Hong Haw
Nigel Lim
Perry Loong
Lily Low
Ma Jianhua
Linda Murray
Doreen Nah
Dennis Ng Chong Meng
Josephine Ng Jie Vern
Ng Kheng Liang
Jeannie Ong
Juan Jorge Oxenford
Soennerstedt Carl Johan Pontus
Mohit Kumar Purbey
Naresh Raja
Ken Sakurai
Dhirendra Shantilal
Manoj Shetty
Kunchit Singsuwan
Ratnasabapathy Sivanandam
Margaret Soh
Chris Spiliopoulos
Aphichat Sramoon
D. Sriram
Felix Tan Jia Kien
Tan Tow Choon
Regina Tay
Adrian Teng
Teng Hwee Keng
Emmy Teo Chang Suang
Grace Tong
Raf Lambert P. Vandersmissen
Venktaramana V. Vijayaragavan
Oscar Wezenbeek
Royston Wong
Wendy Wong Soh Keng
Edwin Yeo
Yeo Zhui Pei
Yeoh Soon Hwa
Yong Weng Hong
Andrew Yuan

November 2019

Sallim Abdul Kadir
Joachim Ackermann
Aw Kie Jin
Stephen Barnham
Ben Birks
Conrad Campos
Ab Razak Chanbasha
Chang Tou Choong
Chen Xia Ling
Nathaniel Ashley Childres
Daniel Marie Ghislain Desbaillets
Ani Dinasan
Stephen Patrick Gore
Jerry Koh
Joey Lah
Lennie Lim
Liong Yuen Ming
Loh Chee Peng
Eric Loh Kgai Mun
Bruno Georges Michel Mascart
Joshua Ong Kian Guan
Ong Kian Tick
Shingo Ota
Chariya Poopisit
Kenny Rogers Stephen
Zachery Tan Hsien Zhe
Tan Ting Yong
Tan Tiong Cheng
Tham Poh Cheong
Toh Shang Ching
Mark White
Mark Wong Shi Pian
Sandy Wong Yuen May
Shelly Yeo
Natasha Zhao

SID Governing Council 2020

CHAIRMAN
Tham Sai Choy

FIRST VICE-CHAIRMAN
Wong Su-Yen

SECOND VICE-CHAIRMAN
Adrian Chan

TREASURER
Ramlee Buang

COUNCIL MEMBERS
Wilson Chew
Ferdinand de Bakker
Junie Foo
Philip Forrest
Pauline Goh
Theresa Goh
Derek Lau
Howie Lau
Lee Suan Hiang
Max Loh
Ng Wai King
Neil Parekh
Poh Mui Hoon
Jaspal Singh
Soh Gim Teik
Tan Boon Gin

Professional Development Map For NonProfit Directors 2020

Governance for Outstanding Organisation Directors (SGOOD)

FORUMS	Focus	NBC	26	NonProfit Board Conversations NEW
		MFG	25	Money For Good NEW
COURSES	Advanced	SGA	24	SGOOD Advanced NEW
	Essentials	SGD	23	SGOOD Essentials
	Fundamentals	NFF	22	NonProfit Financial Reporting Fundamentals NEW
		NBF	21	NonProfit Board And Director Fundamentals NEW
		SYN	20	So, You Want To Be A NonProfit Director

Social Enterprise | Charities / IPCs | Societies | Statutory Boards

Highlights

SGOOD FUNDAMENTALS

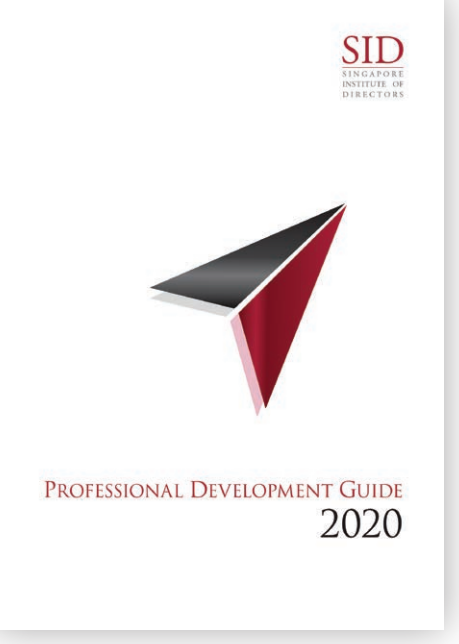
- NonProfit Board and Director Fundamentals
- NonProfit Financial Reporting Fundamentals

SGOOD ADVANCED SERIES

- Enterprise Risk Management for NPOs
- Digitalisation and Innovation for NPOs
- Branding for NPOs
- Cyber Security for NPOs

MONEY FOR GOOD SERIES

- Fundraising Tips and Best Practices
- Financial Code of Governance



CHARITIES-DONORS NETWORKING EVENT

For details, pick up a copy of the *Professional Development Guide 2020*
or visit **www.sid.org.sg/SGOOD**

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