

Stay The Course To Cut Costs And Save Jobs

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NWC Guidelines In Brief

- Companies whose business, profitability and/or prospects are affected by the economic downturn could in consultation with their unions/workers, implement a wage freeze or wage cut in line with their performance and prospects, in order to help companies stay competitive and save jobs.
- Companies which perform well should reward their workers with moderate wage increases, preferably in the form of variable payment, so that their long-term cost competitiveness would not be affected.
- Companies with excess manpower should implement the Tripartite Guidelines on Managing Excess Manpower for alternatives to retrenchments.
- Employers and unions/workers should continue to tap on the various tripartite measures and initiatives available to manage the impact of the downturn, reduce costs and minimise job losses.
- Government should continue expanding the Continuing Education & Training infrastructure. Workers are encouraged to be flexible and be prepared to upgrade current skills and learn new skills. Employers are encouraged to tap on the CET system and the various assistance measures such as SPUR (Skills Programme for Upgrading and Resilience) to up-skill their manpower and build new capabilities.
- Those who are seeking employment should adjust their expectations and make career switches, if necessary, to take up available jobs. Employers too, should be open to taking in workers with little or no relevant experience, and set appropriate employment terms reflecting the market realities of their sectors.
- Government and companies to continue looking at ways to reduce non-wage costs so as to lower the overall business costs and enhance Singapore's competitiveness.
- Companies are encouraged to make use of components of the flexible wage system, including the Monthly Variable Component to manage total wage cost.
- Companies should ride on this downturn to enhance their productivity through innovation, best sourcing, service excellence and developing the workforce to be highly skilled, productive and flexible. Companies can improve the skills of their workforce by tapping on SPUR.
- Tripartite partners should continue to push ahead with initiatives such as enhancing the employability and employment of older workers, bringing more women back to the workforce, and enhancing efforts to help low wage, contract and informal workers.
- Companies should maximise the use of the current slack manpower conditions to improve the skills of their workforce. This is critical to raising their competitiveness when the global economy recovers. Companies and workers must not delay in participating in SPUR to upgrade skills and capabilities so that they would be in a stronger position for the recovery.

It may well seem like some rays of light have started to seep through Singapore's tunnel in this crisis. But is this for real or is it a momentary illusion?

"We should continue to stay the course to save jobs for the workers and prepare for the upturn. The bare truth is that the economic situation may be worse than what it really seems because in this downturn, the tripartite partners have adopted multiple measures to shelter the pain of our workers," NTUC Secretary-General Lim Swee Say cautioned union leaders, in response to the National Wages Council's Guidelines for 2009/2010.

The Labour Movement strongly supports the guidelines which reminds both companies and workers to remain vigilant and press on with efforts to upturn this downturn.

Said NTUC Deputy Secretary-General Heng Chee How, leader of the NTUC team in the tripartite workgroup: "The Labour Movement believes that if we stop cutting costs to save jobs now, retrenchments will go up. And if we stop retraining workers and placing them into jobs, unemployment will rise.

"Companies should make judicious use of the flexible wage system and variable wage components to manage wage costs and match rewards to performance in a sustainable way. They should also continue to reduce their non-wage costs and tap on SPUR (Skills Programme for Upgrading and Resilience) to upgrade company competitiveness and their workers' employability. Management must lead by example in these efforts, especially during these trying times, as workers look to management to do the right things to keep the company running and to save their jobs."

DSG Heng added that workers must play their role and tap on opportunities to enhance their employability and careers with constant upgrading and training. These skills will be lifelines to ensure that they remain relevant to their companies' needs.

At the same time, the Labour Movement urges the Government to continue helping companies reduce non-wage costs and have access to adequate credit.

It also urges companies to progress ahead with long-term initiatives.

Said DSG Heng: "The Labour Movement also calls on companies to persist with the re-employment of older workers, helping women return to work, helping low-wage contract and informal workers, and improving productivity to raise the workforce's competitiveness. These efforts address structural manpower issues in our economy and will benefit companies and workers immensely in both the short and long term."