

Is Singapore's demographic a ticking time bomb for businesses?

BY MATTHEW KAY

This generation is living longer than ever before. In Singapore, life expectancy at birth for men is 80 and women is 85 (as of 2015). This is compared to a life expectancy of 59 for men in 1960 and 63 for women. Medical innovations, as well as more awareness of how to live healthily and the importance of having an active mind are often attributed to our longer lives.

However, whilst this seems to be good news – there is another issue at the moment in Singapore – people are living longer and not having as many children as previously. According to UN projections, 47 per cent of the country's population will be aged 65 or over by 2050. Singapore is also seeing a very low birth rate – around 1.2 children per woman. These figures have led many to predict that the country is sitting on a demographic time bomb.

But what does this mean for the business world?

An ageing workforce inevitably means that businesses need to evolve and ensure their structure and culture is adequately prepared for older employees, working for longer.

In Singapore, the Ministry of Manpower amended the law last year to take into account this ageing population – the Retirement and Re-employment Act means that the minimum age of retirement is 62, and employers must offer re-employment rights to eligible employees who turn 62, and up to the age of 67. It was this re-employment age which changed – prior to July 2017, employees up to the age of 65 had this right. In order to incentivise Singaporean businesses to employ older members of staff, the government offsets up to three per cent of the employee's wage. In their guidelines on this reemployment, the Ministry of Manpower writes: 'Employers should see older employees as a source of quality manpower and recognise the value of making the workplace age-friendly. At the same time, employees have to see the benefit of staying employable, and should be flexible and adaptable so as to continue to contribute to the organisation.'

As people get older, modifications to their day-to-day role may have to be made. Aspirations and ambitions change as people get older and they may well want to work more flexibly too.

In today's fast-paced business world, it is not really sustainable for individuals to be doing the same role into their late sixties – a continual long hours working culture for 50 plus years is likely to exhaust people, both mentally and physically.

To enable us all to work longer and for businesses to best capitalise on this so-called 'demographic timebomb', it is important companies reassess how people work and not just in their later years. We all need to work in different ways and embrace this way of working earlier on in life - this increases the likelihood that people will be able to work productively over their whole career and not just fall, exhausted, into a consultancy role when they are nearing retirement. For example, perhaps 15 years or so of the 'traditional' 9-5pm working day, then perhaps a break to travel, back to working two to three days a week, followed by another stint of full-time work, with a break later in life to concentrate on something else, and then back to work but on a consultancy basis. This working model creates more variety and opportunities.

Working in this way won't work for all professions, but more sectors are looking at embracing flexible and agile working, or offering another way altogether. In the legal sector we have seen a rise in legal

consultants who are able to work more flexibly, and this role appeals to legal professionals at many different stages of their life and career – not just at the end, but for parents who want to spend more time with their children, for example.

Of course, we have the government's Tripartite Standard on Flexible Working Arrangements in Singapore, which is gaining more signatories by the day. However, more needs to be done by businesses to tackle this very real problem of our ageing workforce. Offering a different way of working for the last few years of someone's career will not get the most productive results – for the company or the individual. Instead, offering more flexible options at all stages of a career will help ensure longevity and for individuals, now is a good time to think about how your career could take a different path – especially if you're going to have to be doing it for longer.

Source : <https://sbr.com.sg/hr-education/commentary/singapores-demographic-ticking-time-bomb-businesses>