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News Release

Latest Study Links Work-Life Measures to better Business Performance

Local business leaders to spearhead adoption of Work-Life best practices across industries

A company's Work-Life climate impacts voluntary staff turnover, employee performance and customer satisfaction. These are the findings of Singapore's most extensive empirical research on work-life practices conducted by the Ministry of Manpower (MOM), together with the Nanyang Business School, Nanyang Technological University (NTU)¹. The study was revealed today at the launch of **Employer Alliance (EA)**, an association comprising business leaders in Singapore who seek to encourage greater work-life practices across industries.

Results of MOM-NTU Research

2 Spearheaded by the Tripartite Committee on Work-Life Strategy, the study identified **reduced voluntary turnover** as the critical link between Work-Life and business performance. Firms that are more advanced in Work-Life are found to enjoy lower levels of voluntary turnover consistently, which is in turn related to better employee labour productivity and profitability. In Sakae Sushi, based on 7-point scales, a single unit improvement in Work-Life Climate led to 6%-14% of a unit reduction in employees' intention to quit². In addition, other important benefits of Work-Life include **increased employee engagement and performance**, which in turn **improved customer satisfaction**. At the same time, it was found that top management support for Work-Life is critical to its development in a company.

¹ "Studies on the impact of Work-Life Initiatives on Employee and Firm Performance" comprises two inter-related studies. The first is based on data covering 7,000 companies from the Conditions of Employment (COE) surveys conducted by MOM from 1996 and 2003, and the second study is the first empirical model on Work-Life to be built in Singapore, involving 500 employees from home-grown company Apex-Pal which owns the chain of Sakae Sushi outlets.

² The impact on employees' intention to quit varies between the three components of Work-Life Climate:

- a) Usefulness of Work-Life benefits
- b) Direct supervisor support of Work-Life
- c) Top management support of Work-Life

Singapore Business Leaders to Champion Work-Life

3 The findings are key for the Employer Alliance which seeks to cultivate a network of business leaders to spearhead the adoption of Work-Life strategies in the private sector. Comprising CEOs from a diverse range of industries, the organisation's mission is to promote work-life strategies and create a world-class quality workplace in Singapore.

4 Expanding on the role of the Employer Alliance, Patricia Yim, the Chairperson of EA and also Managing Director of IBM Singapore, said "For Work-Life to be effective, business leaders must be convinced of its value and act upon it. The Employer Alliance acts as a resource and support point for CEOs to discuss best practices for adoption of work-life practices. Through Employer Alliance, we also aim to alert members to Government support available, such as the WoW! Fund³, and champion the adoption of best practices within each of our own industries."

5 Citing examples of how Employer Alliance would go about converting the companies, Ms Yim added, "Small efforts can go a long way in impacting the business environment in Singapore. For example, if your employee had a conference call till 4am the previous night, it is not unreasonable to allow him to come to work later so that he has sufficient sleep; or if someone needs to bring his child to a doctor in the morning, it is possible to allow him to come in a few hours later and complete his tasks at another time. Not all Work-Life initiatives are expensive; you just have to start thinking differently."

A Pioneering Effort to Improve the Quality of Workplaces

6 Indicating support for the Employer Alliance is Mr Hawazi Daipi, Senior Parliamentary Secretary (Education and Manpower) and Chairman of the Tripartite

³ The Work-Life Works! (WOW!) Fund was set up to facilitate the development and implementation of Work-Life Strategy at the workplace, in particular, flexible work arrangements. The Government will co-fund up to 70 per cent of the costs incurred for approved projects, subject to a cap of S\$30,000 per organisation.

Committee on Work-Life Strategy, “It is such testimonies by real CEOs of real companies which will help other business leaders realise that Work-Life is too important to be simply given lip-service. I understand the Employer Alliance is currently the only organisation in the world where CEOs have come together to promote Work-Life in so organised a fashion. This is a pioneering effort and a testimony to how the business community in Singapore can work together to improve the quality of Singapore’s workplaces. Enlightened CEOs must be the ambassadors of Work-Life and actively engage other leaders to convince them of its value to their organisations.”

Top management support crucial

7 The launch of Employer Alliance is timely as the study also shows that top management support is crucial to maximise the effectiveness of Work-Life benefits. A unit increase in employee rating of top management support of Work-Life is over 4.5 times more effective in improving employee work performance than a unit increase in employee rating of Work-Life benefit usefulness. Similarly, senior management support and direct supervisor support are also crucial in promoting staff retention.

A strong business case for work-life

8 The study goes further to quantify just how much employee turnover, productivity and customer satisfaction impact a company’s bottom-line. Dr Khim Kelly, an expert on Organisational Performance Measurement from NTU, explained “The application of human resource metrics at Sakae Sushi revealed that turnover costs as much as 9.5 times an employee’s basic monthly wage⁴. Similarly, a day’s absenteeism can cost up to 2.3 times an employee’s daily wages and benefits.”

9 Conversely, the study showed a strong correlation between a company’s Work-Life climate and employee engagement and performance. In turn, a single unit increase

⁴ Over ¾ of the turnover costs was derived from the productivity losses of replacement employees, with training the replacement and administrative costs accounting for the remaining costs.

in employee work performance drives a 14 per cent of a unit increase in customer satisfaction with service responsiveness.

Employer Alliance – moving forward

10 Ms Yim further elaborated on what Employer Alliance would be aiming for in its efforts, “We hope to encourage small improvements amongst the 60% of companies that have been classified as lagging in Work-Life in the report. This will significantly transform the work environment in Singapore where Work-Life strategies are widespread because business leaders recognise that it safeguards their biggest asset – people.”

11 Companies interested in joining the Employer Alliance can contact the Employer Alliance Manager, Mr Jonathan Chong on 6418-1605, fax 6587-1284, or e-mail jonchong@employeralliance.sg.

12 The public release version of the research by Nanyang Business School is available electronically at the GreatWorkPlace Portal: www.greatworkplace.com.sg and at the Employer Alliance Website www.employeralliance.sg.

Notes to Editors:

About the Employer Alliance

The Employer Alliance brings together CEOs who champion work-life harmony and promote the benefits of Work-Life programmes. It exists to help and support organisations committed to Work-Life strategies through CEO sessions and other activities to share best practices and alert members to Government support, like the WoW! Fund.

Employer Alliance members also champion the adoption of best practices within their own industries. Members engage and influence immediate business partners through a ‘1-Get-5’ approach which aims to spread the word to five others. This generates a dynamic web of formal and informal support and expertise which keeps on growing.



The vision is to instill Work-Life harmony as part of the corporate landscape, where industry best practices are widely shared and emulated because business leaders recognise that a work-life strategy safeguards their biggest asset – people.

About The Tripartite Committee on Work-Life Strategy

The Tripartite Committee on Work-Life Strategy (TriCom) was set up to drive and facilitate implementation of Work-Life Strategies in all industry sectors in Singapore through tripartite collaboration. Member agencies, including government, union and employer representatives, undertake to drive and lead implementation of the Work-Life activities identified by the TriCom within their respective organisations or sphere of influence.

The TriCom has organised national-level programmes and activities to increase the practice of Work-Life Harmony in establishments, such as Work Life Harmony Week in July 2005. It also promotes the widespread adoption of Tripartite Guidelines, Codes of Practice and Best Practices on Work-Life and monitors progress of implementation and effectiveness of the guidelines. Over time, it continues to review the progress of the national Work-Life Strategy and its implementation in Singapore as well as monitor developments overseas to aid in its deliberations. Its latest move is to collaborate with the Employer Alliance to promote Work-Life Strategy through CEOs and top management of companies with good work-life practices.

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