

The fight for global talent: new directions, new competitors – a case study on Singapore

Balbir B. Bhasin

Eckerd College, St. Petersburg, Florida, USA

Patrick Low Kim Cheng

Management Development Institute of Singapore, Singapore

Keywords

Expatriates, Professionals, Improvement, Singapore

Abstract

Reveals that companies are testing new ways to entice professionals into their field due to the lack of global talent available. States that this is increasing in importance since having the right people can yield greater financial returns. States that the USA used to be a haven for talented individuals but now other countries are joining the battle to entice individuals, examining the case of Singapore and the problems encountered. Concludes that for the most part Singapore has been successful.

Introduction

As global talent becomes increasingly scarce, companies are testing new and innovative ways to entice professionals to their field. With talent at a premium these days, articles including titles such as “Recruit or die” (Caufield, 2000), “Talent crunch continues in most firms” (Sloan, 2000), “Growing firms are waging war to fill empty seats” and “The tug of war for Asia’s best brains” (Chanda, 2000) are becoming increasingly common in the various HR professional journals.

The paradigm shifts include the current prominent use of the Internet in locating professionals; there now exist “online auctions” for talented individuals; headhunters are being invited to serve on corporate boards; and more recently Korn/Ferry searched for candidates for the cabinet of Mexico’s president-elect Vicente Fox.

Two recent HR conferences are indicative of the new direction. In March, “The 2001 talent management strategies conference” in New York City addressed “talent acquisition techniques in a seller’s market” as “the new talent marketplace requires a very different set of skills to source, attract and hire the best talent”. With some companies spending up to \$3 billion a year on their people, the need for effective human capital strategies is obvious.”

The 10th Annual Human Resource Conference hosted by the prestigious Conference Board in May 2001 included a session on “the war for talent” as “finding talented business leaders for organizations is not getting any easier.” It is not. Count on having to confront one sure-bet shortage in the foreseeable future: talent. And talent has become the major source of competitive advantage and arguably the scarcest

resource in the knowledge based global marketplace.

On 8 January 2001 KPMG International reported record revenues of \$13.5 billion worldwide, a 16 per cent growth. Chairman Stephen G. Butler attributed the success to “becoming the very best at both serving global clients and attracting and retaining world-class talent.” In the last quarter of 2000, President and CEO of Korn/Ferry, Windle B. Priem noted that “there is little data to suggest that the demand for top talent is likely to slowdown anytime soon.”

Businesses long ago learned that having the right people can yield measurably higher financial returns. With the mammoth sway towards privatization, public and non-governmental organizations (NGOs) are increasingly coming into the marketplace as they too realize that, at the end of the day, it is the talent that will determine the success of the organization. And this is becoming a global phenomenon.

The USA has long been a haven for talented individuals but now other countries are joining the fray for talent by offering similar or better opportunities for professionals and their families, in addition to the requisite perks and cash incentives. Singapore is a case in point.

Singapore – a country without resources

Located in Southeast Asia between Malaysia and Indonesia, Singapore is a tiny island and city-state with no natural resources (see Figure 1). It was founded some 180 years ago by Sir Stamford Raffles as a natural deep-water port, hence it became a great trading center. Singapore remained a British colony until 1963 when it joined Malaysia. In 1965 it became independent and

Received: August 2001
Revised: September 2001
Accepted: October 2001



Career Development
International
7/2 [2002] 109–114

© MCB UP Limited
[ISSN 1362-0436]
[DOI 10.1108/13620430210421632]

The research register for this journal is available at
<http://www.emeraldinsight.com/researchregisters>



The current issue and full text archive of this journal is available at
<http://www.emeraldinsight.com/1362-0436.htm>

“subsequently became one of the world’s most prosperous countries, with strong international trading links (its port is one of the world’s busiest) and with per capita GDP above that of the leading nations of western Europe” (CIA, 2000).

A strategic location, a stable government, aided by a hardworking population of some four million (700,000 are foreigners) are just some contributory factors that have made Singapore a model nation. The unique features of the country are:

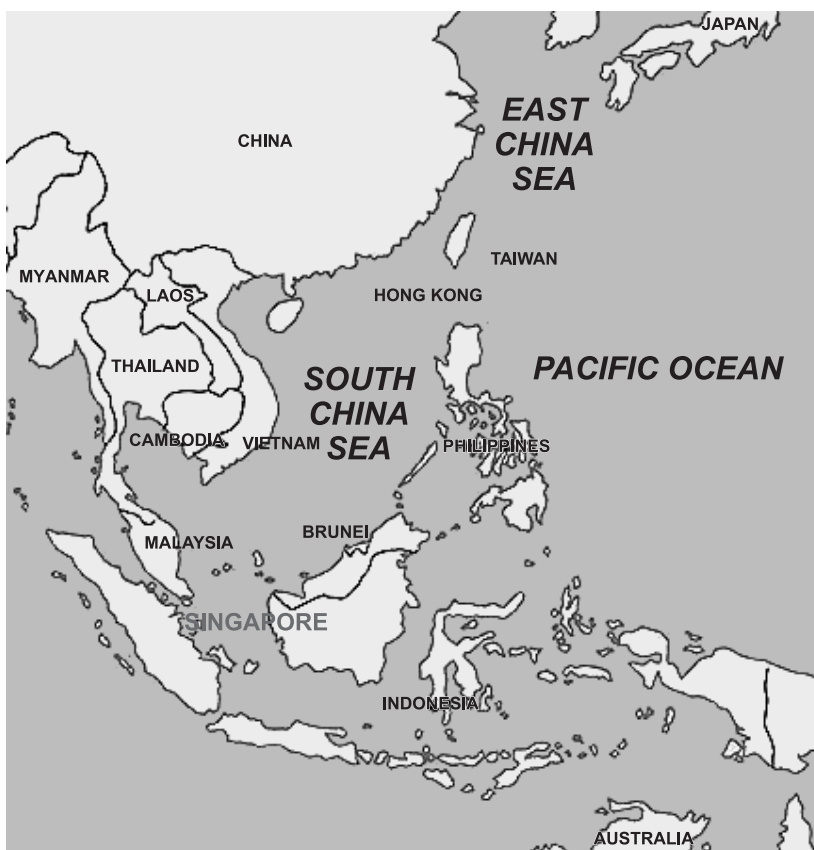
- *Geography.* Singapore is a small island, located 140km (less than 100 miles) and one degree north of the equator. It stretches 42km from east to west and 23km from south to north. The total land area, including several offshore small islands, is about 649km² (around 225 square miles).
- *Population.* Singapore’s population is multi-racial. The Chinese form about 76.8 per cent of the population, Malays 13.9 per cent, Indians 7.9 per cent, and other ethnic groups about 1.4 per cent. The official languages are Malay, Chinese, Tamil and English. Malay is the national language and English, the language of administration. Although Singapore’s population is predominantly Chinese,

Singapore’s heritage is multi-racial, multi-cultural and multi-religious. The minority groups enjoy freedom in expression and worship.

- *Government.* Singapore practices a democratic system of government in which its leaders are popularly elected. General Elections are held regularly at intervals of not more than five years. There are 82 elected Members of Parliament. The Cabinet, comprising 16 Ministers is responsible to the Parliament. The Head of State is the President who is elected and serves a term of six years. He has veto powers in the spending of national reserves and over key appointments in the civil service. The head of the government is the Prime Minister who commands the confidence of the majority of MPs. In 1990, Mr Goh Chok Tong succeeded Mr Lee Kuan Yew who was the first Prime Minister for 31 years.
- *Economy.* Industrialization began some 30 years ago in the 1960s and foreign trade has grown strongly to \$382 billion in 1999. The top five export markets are the USA, Malaysia, the European Union, Hong Kong and Japan. Besides manufacturing, other economic activities include service and knowledge intensive activities. Services include financial, port and tourism. Knowledge industries include research and development, engineering design and computer software development. Singapore has worked hard at creating a favorable business climate. Emphasis is placed on building partnerships with international companies to go regional and global, so that the economy will develop an external wing. Growth has been remarkably steady by any standards. This is attributed to a highly developed and successful free-market economy, a remarkably open and corruption-free business environment and stable prices.

Figure 1

Map of Southeast Asia



The need to invest in human capital

Singapore leaders have long realized the need to augment from abroad the limited local talent available to them at home, especially in the areas of technical and managerial expertise. Founding father Lee Kuan Yew in his memoirs discloses his early realization that for “a small resource-poor country like Singapore, with two million people at independence in 1965, talent is a defining factor” (Lee, 2000, p. 158) Since the beginning, concerted efforts have been made to attract talent to Singapore’s shores, as part of the

overall plan to invite foreign investment. Bureaucratic obstacles were progressively removed to make the city genuinely more hospitable to international experts and executives of multinational and regional corporations.

The current Prime Minister Goh Chok Tong declared in August 1999 that “our goal is to turn Singapore into a magnetic hub of people, minds, talents, ideas and knowledge.” “Singapore will be a place where opportunities abound, where able and enterprising people want to live, work and enjoy themselves, and where foreigners are welcomed, and treated as part of our extended family” declared Deputy Prime Minister Lee Hsien Loong in October 1999.

To achieve this, a Ministry of Manpower was established. It commissioned a *Manpower 21* study to determine Singapore’s strategy for the coming millenium. The vision of *Manpower 21* is for Singapore to evolve into a talent capital, where knowledge, skills and attitudes of the people become the competitive advantage. Employment of foreign manpower would be a deliberate strategy to enable growth beyond what indigenous resources can produce (Ministry of Manpower, 1999, p. 14).

Foreign manpower is divided into two categories. International talent is expressly defined as:

- Specialist talent includes professionals and experts who have unique and differentiated skills to add value to the economy.
- Innovative, research and creative talent that creates value by developing new ideas, processes, products and services.
- Entrepreneurial talent that is able to realize the potential of new ideas, products and services by generating markets and multiplying opportunities for wealth creation.

The general foreign worker category is defined as the lower skilled or unskilled workers who provide the basic role of supporting value by their participation in the workforce.

Schemes and structures to attract talent

Currently the nation has a string of policies, incentive schemes and formal structures to implement the strategy to woo the best brains to its shores:

- 1 *Multinational corporations and regional headquarters scheme.* Through the Economic Development Board (EDB), Singapore is consistently wooing direct

foreign investment by MNCs. Special tax benefits and *les specialis* status is offered to companies setting up their regional headquarters in Singapore. Naturally, such corporations are encouraged to relocate their senior executives and specialist staff in Singapore. The infrastructure to cater for the needs of expatriates and their families is already in place. This includes country-national schools (USA, Canadian, British, Japanese, etc.), international schools and colleges, country-national associations and clubs, etc. It is important to point out that of the *Fortune Global 500* companies, 229 (almost half) have operations in Singapore, either directly or through operational headquarters located there. In all, there are more than 5,000 international companies in Singapore. Recently, Caltex chose to relocate its global headquarters to Singapore.

- 2 *Deposit scheme for permanent residence.* This scheme is designed for entrepreneurs interested in making an investment in Singapore and consequently making Singapore their place of residence. Under the scheme, the applicant deposits S\$1.5 million (approximately US\$900,000) with the Government. The deposit is then made available for investments in approved business activity. Permanent residence status (equivalent of a Green Card) is conferred when the deposit is made.
- 3 *Scheme for housing foreign talent (ShiFT).* This scheme was set up on 27 August 1977 to cater for the housing needs of incoming talent. This is managed by the quasi-government body, the Jurong Town Corporation (JTC), which specializes in developing industrial parks, and with the cooperation of the Housing and Development Board (HDB), Singapore’s housing authority. ShiFT apartments are located within the various housing estates and foreigners are encouraged to live side by side with Singapore families, enabling them to become part of the community.
- 4 *Contact Singapore.* An agency under the Ministry of Manpower (MOM) it was set up with the objective of becoming a resource and information center for helping individuals connect to career and educational opportunities in Singapore. It has seven overseas Contact Singapore centers – Boston, San Francisco, Washington DC, Toronto, London, Perth and Sydney and recently expanded to Hong Kong. It maintains an active Web-site to provide the necessary information and serve as a link

(www.contactsingapore.org.sg). Services provided include:

- Advising on career opportunities and information about Singapore employers, job openings, and general employment trends in Singapore.
 - Facilitating employers' recruitment by running SEARCH (Singapore Employment Advisory and Recruitment Channel) program that provides overseas recruitment services for Singapore employers.
 - For specific sectors, connecting with relevant government agencies, professional/trade associations and chambers of commerce.
 - Facilitating relocation and settling down in Singapore. Orientation tours and seminars are offered to acquaint interested individuals with the key aspects of working, studying and living in Singapore.
- 5 *Easing employment barriers.* To make it easy for international talent to work and reside in Singapore, an open and streamlined immigration system has been adopted. A professional visit pass is available for professionals taking up short-term assignments (less than three months) obviating the need to apply for an employment pass (EP). A visit pass for Training is available for professionals earning more than S\$2,000 per month to undergo training in Singapore. Finally, a "P" work pass is issued to foreigners with professional, executive, administrative or managerial qualifications. A "Q" pass is issued to skilled workers and technicians with specialized skills.
- 6 *Professional, technical personnel and skilled workers scheme (PTS).* Permanent residency under this scheme is granted to people who have secured a job in Singapore first and hold an employment pass (P or Q). Applicants must be below 50 years of age. The spouse and unmarried dependent children (below 21 years) of a PR may also apply for permanent residence. Applicants are assessed using a points system which will take into account: the type of employment pass, duration of stay in Singapore, academic qualifications, basic monthly salary, age and kinship ties in Singapore.
- 7 *Landed permanent residence (LPR).* This scheme is open to those with acceptable professional/tertiary qualifications who are interested in relocating to Singapore but who are currently not working in Singapore. Successful applicants will have up to two years to seek employment and relocate their families to Singapore.
- Permanent residence will be granted once employment is secured or the family has relocated to Singapore. LPR is not renewable.
- 8 *Approval-in-principal (AIP) for permanent residence scheme for Hongkongers.* This scheme gives a five year approval-in-principal permanent residency to Hongkongers. The holder can obtain PR status if within the five years, he/she secures employment or relocates his family to Singapore ahead of himself.
- 9 *Business migration program.* This scheme applies to entrepreneurs with track records and a detailed proposal to do business in Singapore. Applicants must have a business proposal worth at least S\$3 million and provide incremental contribution towards Singapore's economic development. Investment projects need to be approved by the Economic Development Board.
- 10 *Jobs on-line.* A wide selection of Web sites are made available to allow for easy access to opportunities from the comfort of a home:
- Career Mosaic Web site – www.careermosaic.com.sg
 - Singapore Job Bank – www.jobbank.com.sg
 - Jobsite Singapore – www.pcesseervices.com
 - Job Asia – www.jobasia.com.sg
 - Jobsdb – www.jobsdb.com
 - 9to5 – www.9to5.com.sg
 - S-pore.net – www.s-pore.net
 - Recruit Asia – www.recruitasia.com
 - Manpower – www.manpowe.com.sg
 - Jobstreet – www.jobstreet.com.sg
 - Contact Singapore – www.contactsingapore.org.sg
- 11 *Technopreneurship 21.* This is aimed at attracting the formation of new businesses involving use of new and innovative technology. "Technopreneurs use technological innovations and translate such technology into products and services" (Milton-Smith *et al.*, 1999, p. 1) Supporting this scheme are more than 60 Government Development Assistant Programs (GDAPs). Whatever the stage of growth the company may be – start-up, growth, expansion, or venturing overseas – there are grants and loans to help growth. One such program is the

Innovator's Assistance Scheme (IAS) with the objective to assist inventors and innovators in translating their innovations into commercial products. Financial assistance is given at two stages – development of the prototype and test marketing.

- 12 *Foreign artistic talent scheme.* Introduced in July 1991, this scheme aims to invite global talent in the arts – photography, dance, music, theatre, television, literature and film – to take up residence in Singapore, thereby augmenting local talent and helping raise artistic standards. A foreign artist who is granted permanent residence under the scheme will enjoy the same status and benefits as Singapore artists. He/she will be eligible to apply for National Arts Council (NAC) grants, to be nominated for arts awards, and to represent Singapore in overseas arts events.
- 13 *Foreign sports talent scheme.* This scheme was initiated as far back as 1996 by the Singapore Sports Council (SSC). Ordinary immigrants may take six or more years to become Singapore citizens, but under this scheme (also known as the Rainbow Scheme), applicants can become citizens the fast track way – in three years, less than half the time. A China-born paddler came to Singapore when she was only 15 and recently represented the nation in the Sydney Olympics. Three table tennis players from China, and six women hockey players from Mongolia are hoping to be fielded in the 2002 Asian Games.
- 14 *Singapore scholarships.* Emulating the US practice of “green harvest” – offering jobs even before graduation on the basis of performance before final examinations – is another way the country is attracting talented young people from around the world. It is said to have offered hundreds of scholarships to bright students from China, India, and the region with the hope that some would remain because of better opportunities; and even those who returned to their countries would still be useful to Singapore companies that went abroad (Lee, 2000, pp. 166-7).
- 15 *Friends of Singapore network.* This network extends the reach for talent through contacts and referrals and promotes Singapore in the talent market. The intention is to build “a group of people who have had a positive experience with the ‘Singapore Way’”. This network includes:
 - Singaporeans or ex-Singaporeans studying, working and living overseas;

- expatriates who have worked or lived in Singapore;
- international students who have gone through the Singapore education system;
- international talents who have business links with Singapore; and
- international advisors, experts and consultants with whom the Singapore government or its agencies have worked with and who are favorably disposed towards Singapore (Ministry of Manpower, 1999, p. 37).

From the above list, it is clear that a comprehensive and elaborate plan – but one with a personal touch – is in place for the nation to achieve its objective. This is categorically explained as “creating a city with a vision, where tomorrow is shaped by talent and skill, where passion for new challenges spur one to greater heights, and where everyday brings with it new opportunities and rewarding experiences” (Contact Singapore Web site).

Conclusions and lessons

It is difficult for an independent observer to ascertain the degree to which these efforts of the Singapore Government to attract global talent have been successful. If one were to take the government's words at a glance, they would indicate the following typical testimonials from individuals and representatives of the international community:

Compared to any other country in Asia, Singapore offers one of the most attractive environments for a foreigner, especially since almost everyone speaks English (Sean Farquar, Canadian, Manager, RCI Asia-Pacific Private Ltd).

Singapore is a city that is embracing change, a city that is facing the 21st century with a very positive attitude (Steve Green, US Ambassador to Singapore).

Singapore is a world class city with excellent infrastructure and an environment extremely conducive to working and developing your career (Thierry Poux, French, Regional Director, Adecco).

In Singapore, you've got a lot of work opportunities, especially for people with specific skills. We are starting to see companies from all over the world relocating their offices and facilities to Singapore, which means more jobs for lots of people (Ian Grundy, British, Regional Marketing Director, Adecco).

A fair assessment would be to calculate the returns on investments made in terms of

capital and manpower of the schemes in place. As these data are not available, one can only remain assured that the Singapore government, which is well known for its pragmatism, would not pursue non-performing schemes.

There have been concerns by Singapore citizens, aired somewhat privately, that a free flow of external manpower could put their jobs in jeopardy. The issue was serious enough to require the Prime Minister to explain in his annual state-of-the-nation address in 1998, 1999 and 2000. On 9 August 2000 he cited examples of countries around the world competing for talent. Germany has introduced a “green card” system to recruit 20,000 IT workers, mainly from India. The US Congress is considering three bills to increase the number of visas for skilled foreigners. US universities and corporations systematically seek out the best students and graduates to join them, regardless of nationality.

China too, big as it is, wants more talent. Each year, it plans to lure back 10,000 of its own nationals studying abroad with preferential policies such as higher wages and high-quality housing. Even the British Government is pushing through laws to open the gates even wider for British companies to recruit foreign talent. He concluded by reminding Singaporeans to “change our mindset towards foreign talent, or global talent, as I prefer to call them. We have to welcome them, offer them permanent residence, and absorb them” (Prime Minister Goh Chok Tong’s National Day Rally 2000 speech in English).

Singapore’s strategy is making others pause and think. *The Australian*, in July 1998 published an article entitled “to prosper, we need more migrants”:

Why does a nation, less than one-thousandth the size of Australia decide to allow more immigrants than Australia? Singapore’s stated economic strategy is to be the regional center of knowledge-intensive service industries. To get there it will invite the brightest, best-educated and best-motivated people from the region to make Singapore their home. Singapore’s bold strategy should shock us into rethinking our immigration strategy as a matter of urgency.

Just as political leaders are realizing, corporate leaders too need to accept the reality that the fight for global talent is here

to stay. Either you compete globally or you are no longer in the game. The world is essentially becoming one market as far as human talent is concerned.

References

- (*The Australian*) (1998), “To prosper, we need more migrants”, *The Australian*, July.
- Caufield, B. (2000), “How growing firms are waging the war to fill empty seats”, *Internet World*, 15 June, available at: www.findarticles.com/cf_0/mODXS/12_6/63567827/p1/article.jhtml?term=recruit+or+d
- Chanda, N. (2000) “The tug of war for Asia’s best brains”, *Far Eastern Economic Review*, Hong Kong, 9 November.
- CIA (2000), *The World Factbook 2000*, CIA, Pittsburgh, PA, available at: www.cia.gov/cia/publications/factbook/geos/sn.html
- Lee, K.Y. (2000), *From Third World to First*, Singapore Press Holdings, Singapore.
- Milton-Smith, Lee, Chan and Tang (1999), *The Making of a Technopreneur*, ITE Alumni Association, Singapore.
- Ministry of Manpower (1999), *Manpower 21*, Ministry of Manpower Publication, Singapore.
- Sloan, C. (2000), “Talent crunch continues in most firms”, *Home Textiles Today*, 11 December. available at: www.findarticles.com/c/-/0/mOBCV/15_22/68547005/p1/article.html?term=talent+crun

Further reading

- Africano, L. (2001), “Shopping for executives”, *American Way*, Dallas, TX, 1 January.
- Bathey, J. (2000), “The keys to recruiting success: a tight labor market drives companies to use innovative tactics to attract prospective employees”, *InfoWorld*, 28 February.
- Business Wire* (2000), “Global demand accelerates in third quarter 2000 for highest paid executives according to Korn/Ferry international index”, Los Angeles, CA, 5 December.
- Government of Singapore (1999), *Singapore 21: Together We Make the Difference*, Singapore 21 Committee, Singapore.
- Ministry of Information and Arts (2001), *Information Orientation Program*, Government of Singapore, Singapore.
- Ministry of Manpower (2000), *Contact Singapore*, Ministry of Manpower Publication, Singapore.
- PR Newswire* (2001), “KPMG international reports record revenues of \$13.5 billion”, New York, NY, 8 January.