

The Human Resource Development Policy of Singapore

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Abstract: *There has been a debate about whether an increased quantity of graduates promotes economic development. This paper will take the circumstance in Singapore as an example to analyse this controversy. For this objective, it starts by describing the situation in Singapore from different aspects, which include vocational and education training systems, the status of graduates and immigration policy. It focuses on analyzing how Singapore has solved the problem of talent shortage by applying a combination of policies and achieved sustainable economic development, which has transformed Singapore from a backward and poor economy into one of the most advanced economies in the world and become one of the Four Asian tigers in just a few decades. Then, it concludes with a discussion of whether or not an increased quantity of graduates promotes economic development and if the current strategies are suitable for the country to meet economic development needs.*

Keywords: *Human Resource Development Policy, Singapore, Vocational Technical Educational System, Immigration*

1. Introduction

This essay aims to analyse the Human Resource Development (HRD) policy of Singapore. It describes Singaporean HRD policy from different aspects. Firstly, it starts by explaining the historical background of Singapore. Then, it represents the political issues and describes how it impacts HRD policy. After that, it analyses three other factors that strongly related to HRD policy, which include economic factor, institutional factor and immigration.

2. Historical background of Singapore

Singapore is located on the Southeast Asian Peninsula and was colonised by the British in 1826. In 1963, it joined Malaysia as a state. On August 9, 1965, Singapore became an independent country after being expelled from Malaysia [1]. As an emerging country, Singapore did not have a strong economic foundation and sufficient natural resources. However, Singapore is located at the significant maritime hub of Asia, and despite its lack of natural resources, it has advantages to develop foreign trade [2]. Since its independence from 1965, it has rapidly become one of the Four Asian Tigers, depending on the development of human resource and international trade. As the young country without abundant natural resources, education, human resource development, and vocational and educational training have been the highest priorities of Singaporean development [3].

3. Political issues in Singapore

“Since the founding of Singapore, the People’s Action Party has been the only ruling party (one-party dominance), and there are few opposition parties in Parliament that can form a supervisory force” [4]. Although the single-party dominant government has unfavourable factors for the development of national democracy, it has specific benefits for economic growth. Because this kind of government has high work efficiency and reliable execution of decisions. Osman (2004) states that “the National Trade Unions Congress (NTUC) is the sole trade union centre in Singapore and is politically supported [5]. The purpose of the trade union is not so much to safeguard the rights and welfare of the workers but rather to preserve economic stability and, most importantly, to attract investors.”

4. The economic development in Singapore

Singapore has always been concerned about the sustainable development of the economy. In the early 1960s, Singapore opened all industries except public utilities and telecommunications to foreign investment. To solve the employment problem, Singapore focused its investment on labour-intensive sectors such as textiles. Mirza (2011) argues that “In the 1970s and 1980s, in order to accelerate the development of capital-intensive, high value-added emerging industries, the Singaporean government invests heavily in infrastructure construction, strives to attract foreign investment in the most superior business environment.” Also, it has made significant achievements in the electronics industry, manufacturing industries, financial, communications, transportation, tourism and other service industries. And it attracted foreign direct investment of an average of 2.3 billion US dollars per year in the 1980s [6]. Singapore has built an outstanding investment environment in the world. Although Singapore has a small number of people and insufficient natural resources, the proper investment environment and talent development strategy have made Singapore one of the best in the world in evaluating business efficiency.

On the one hand, Singapore uses foreign capital to develop its economy. On the other hand, it has made a series of HRD policies with economic development as the core. With a small population base, Singapore is committed to cultivating domestic talents through different ways such as graduates, apprenticeships and vocational and educational training, while introducing foreign talents through policies.

5. Human Recourse Development institutions in Singapore

“To meet the human resources needs of different industries, Singapore has established a vocational technical educational (VTE) system to meet the needs of economic development at various stages” [7]. The International Labour Organization (1997) reported that “Singapore’s VTE is an important sector that can accelerate the safety of necessary vocational and technical skills to support labour-intensive manufacturing activities.” For instance, ship repairs, pipelines, television maintenance and Repair, sheet metal processing, etc. Singapore Vocational Institute (SVI), established in 1964. In 1968, 84% of the students entered the “academic” field, only 8% of the students entered the technical field, 7% of the students entered the professional area, and only 1% of the students entered the business field [8]. Consequently, “the Technical Education Department (TED) was established in 1968 to supervise the development of secondary technical education, industrial training, and professional teacher training. Secondary vocational schools are gradually being replaced by vocational institutes.” [9]. The apprenticeship program built nine vocational institutes from 1969 to 1972, and the number of graduates has increased tenfold.

Another critical institution established in the 1970s was The Vocational and Industrial Training Board (VITB). It is formed by the merger of the Adult Education Board (AEB) and Industrial Training Board (ITB). Because of the shortage of labour market personnel in Singapore at that time, VITB was born, and its responsibility was to train skilled people in the commercial, industrial and business sectors for the country. On the one hand, VITB provides pre-employment preparation and training for students who have just left school. On the other hand, VITB provides opportunities for continuing education and self-skill improvement for adults who are already working. From 1979 to 1991, VITB trained 112,000 skilled workers in Singapore, accounting for 9% of the local workforce [10].

In 1992, the Singaporean government decided to reorganise VITB to Institute of Technical Education (ITE). ITE was established on April 1, 1992, to replace VITB to improve the vocational training level of the Singapore workforce. “As a public vocational education institution, it provides employment training for secondary school graduates and continuing education and working people.” [11]. The institution provides professional courses covering engineering, construction, accounting, nursing, medicine, and offers in the technical field. The Singaporean government's education reform in 1992 required every Singaporean student to have at least ten years of mainstream education. Students who are talented in the technical field can enrol in the institution of Technical Education after completing secondary school [11].

After Singapore was founded in 1965, it set the goal of focusing on economic development. Subsequently, according to the domestic financial situation, set up a series of vocational and technical development institutions. Instead of only cultivating graduates, the government provides more choices for the people while meeting the different requirements of industrial development.

6. Immigration policy in Singapore

Since its establishment, Singapore has been a multi-ethnic country with immigrants. This historical

background has laid the foundation for attracting immigrants in the later period [3]. In Singapore, foreign labour accounts for one-third of the total labour force. As one of the countries with the highest proportion of foreign talents in the world, it has always introduced foreign workers in a targeted and strategic manner. The government classifies and manages foreign workers by implementing a talent ranking system. In terms of permanent residence and join in Singapore's nationality policy, it is inclined to senior-skilled talents. Soon-Beng(1995) points that "in order to encourage immigration of highly skilled foreign workers, the Singapore government has introduced a very attractive policy [12]. The government encourages highly skilled foreign workers holding work visas to become permanent residents gradually, and then apply for Singapore citizenship to become full citizens. For example, Singapore citizens enjoy very high housing, education and medical subsidies compared to non-residents or permanent residents. The conditions for applying high-tech talents to immigration to Singapore are not high, and the primary review condition is whether the salary is up to standard."

Nevertheless, for low-skilled employees, with the development of Singapore, the education level and affluence of the people continue to increase. Singapore needs to introduce temporary workers from abroad to engage in low-level jobs that Singaporeans are not willing to engage in. For instance, domestic workers, drivers, and sanitation workers. "But in comparison, for low-skilled labour, Singapore only encourages them to work locally rather than stay in Singapore permanently. It is challenging to apply for permanent residency or citizenship in Singapore unless their skills are upgraded to mid-level or senior level." [13]. With a small population base and low fertility per capita, the Singapore government, while cultivating talents in line with the country's high-end manufacturing industry, uses immigration policies to attract foreign workers to fill in low-end skilled labour and retain top management talent.

7. Conclusions

This essay analyses Singapore's human resource management policy from five perspectives. It includes the historical background, the political situation, and the economic development goal of the country, the vocational and technical training institutions, and the immigration policy of Singapore. Through comprehensive analysis, although Singapore has natural shortcomings in talent cultivation and economic development, it has been making up for it through late diversification policies and exploring the HRD policy that is most suitable for the country to meet economic development needs.

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