

Fair employment practices in a difficult labor market

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The figures in the latest labor market report released by Singapore's Ministry of Manpower (MOM) in June 2020 present a grim outlook. The report, which provides an overview of the labor market situation in 1Q 2020, notes that total employment has registered its sharpest contraction on record. Unemployment rates are also at their highest in a decade¹. Yet, these figures only represent the early effects of COVID-19, and the full impact of the pandemic has yet to be felt.

The COVID-19 pandemic has drawn greater attention to hiring practices

With a global recession looming, there will undoubtedly be increased pressure for Singapore's leaders to look out for the needs of jobseekers. Employers can expect their hiring practices to come under greater scrutiny amidst the worsening labor market. To illustrate, the issue of whether employers can make it mandatory for jobseekers to declare their last drawn salary or to share their previous payslips recently came under the spotlight in Parliament² as part of a discussion on the fair treatment of workers when they are retrenched, terminated or have their wages reduced.

Additionally, the MOM announced in June 2020 that it will require employment agencies (EAs) to comply with the Tripartite Guidelines on Fair Employment Practices (TGFE) when recruiting on behalf of employers from 1 October 2020 onwards. EAs play an important role in the labor market, filling about three in 10 job vacancies. The extension of the TGFE to employment agencies signals a move by the Singapore Government to strengthen fair hiring practices during this challenging time.

TGFE

Employers should therefore ensure that they adhere to the TGFE. One of its key principles is that employees should be recruited and selected on the basis of merit, and regardless of age, race, gender, religion, marital status, and family responsibilities, or disability. Employers are thus encouraged to, amongst other things, apply consistent and fair selection criteria to their recruitment process, whilst at the same time help develop a Singaporean Core by making reasonable efforts to attract and consider Singaporeans for job positions on merit.

¹ <https://stats.mom.gov.sg/Pages/Labor-Market-Report-1Q-2020.aspx>

² <https://www.straitstimes.com/politics/parliament-employers-who-lay-off-workers-but-shirk-obligations-to-pay-retrenchment-benefits>



The TGFEP also contains specific guidance on various aspects of the recruitment process, including:

- ▶ **Job advertisements:** These should clearly state the selection criteria of the employer and should avoid words or phrases that could be perceived as discriminatory.
- ▶ **Job applications forms:** These should only ask for information relevant to assessing an applicant's suitability for a job.
- ▶ **Job interviews:** The interview process should be fair and unbiased, and the interviewers should confine their questions to those relevant to the job requirements in assessing an applicant's suitability.
- ▶ **Tests:** If tests are used for selection purposes, they should be relevant to the job requirements and reviewed regularly to ensure their relevancy and that they are free from bias.

Fair Consideration Framework

In addition, employers should take note of the Fair Consideration Framework (FCF) set out by the MOM. Under the FCF, employers who wish to employ foreigners must first advertise on MyCareersFuture.sg, fairly consider all candidates, and practice fair hiring. Such advertising must also comply with the FCF requirements, which include:

- ▶ Not using discriminatory words or phrases.
- ▶ The job advertised must match the occupation in the work pass application.
- ▶ The salary offered must be clear, specific and consistent.
- ▶ The advertisement must be open for at least 14 days.
- ▶ If there any changes to the advertisement details, it must be kept open for at least another 14 days.

Adopting fair employment practices can help create long-term value

For employers, a commitment to fair employment practices can help create long-term value for their business. One such avenue is the Human Capital Partners (HCP) Programme, which recognizes employers with progressive human capital development practices that help to develop the local talent pool. Such employers may be recognized as "Human Capital Partners" (HCPartners). HCPartners enjoy better government support and stand out as an employer of choice. On the contrary, failing to comply with the TGFEP or FCF could result in an employer being debarred from applying for or renewing work passes. Employers that embrace fair employment practices set themselves up for the opportunity to accelerate growth in a post-pandemic economy.

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If you have any questions on this issue, please contact:



Evelyn Ang
Managing Director
Atlas Asia Law Corporation

T: +65 6718 1288
E: evelyn.ang@atlasiasialaw.com.sg

Click [here](#) to view Evelyn's profile



Kayleigh Wee
Senior Associate
Atlas Asia Law Corporation

T: +65 6718 1740
E: kayleigh.wee@atlasiasialaw.com.sg



Wei Yang Lim
Associate
Atlas Asia Law Corporation

T: +65 6718 1885
E: wei.yang.lim@atlasiasialaw.com.sg

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