

## **The Sunday Times, Home, pg 6 16 November 2008**

### **RETRENCHED...and what to do next**

**'In a financial crisis, any paying job is a good one, even if you have to stand in the sun and rain,' an ex-storekeeper tells MAVIS TOH and SHULI SUDDERUDDIN**

When Mr Chai Choo Sah was retrenched from his job as a yacht storekeeper a month ago, he was not surprised.

For months, business at the company he worked for had been poor, as rich overseas clients - perhaps victims of the current financial turmoil - dropped off.

Some 50 colleagues had already been laid off earlier.

With help from the National Trades Union Congress (NTUC), the 57-year-old father of three children in their 20s, whose wife is a homemaker, got a job as a landscaping technician in about two weeks.

The union arranged interviews for him at his old workplace as soon as he was retrenched.

He had to take a 40 per cent pay cut from the \$2,000 he was getting before.

"In a financial crisis, any paying job is a good one, even if you have to stand in the sun and rain," said Mr Chai.

The Singapore National Employers Federation said 6,100 workers have been retrenched up to September this year, compared with 7,700 for the whole of last year.

The 1997-98 Asian financial crisis saw 29,000 jobs axed. The Sept 11 aftermath in 2001 saw 25,000 people laid off.

Labour chief and Minister in the Prime Minister's Office Lim Swee Say has predicted the possibility of a retrenchment level this year of "around 10,000 or less, and an overall unemployment rate of below 3 per cent".

Experts whom The Sunday Times spoke to said that besides the financial sector, electronics, manufacturing, hotels and retail have been badly hit by the turmoil.

Said Ms Julia Smith, country leader for Hewitt Singapore, of a recent survey: "The most common response to the recession is a hiring freeze, but 15 per cent of organisations surveyed said they will likely have retrenchments while an additional 35 per cent are considering layoffs."

The Singapore Human Resources Institute also carried out a recent salary survey. It showed that, on average, three supervisors, eight executives and 19 non-executives may be retrenched per company.

Last week, DBS announced 900 job cuts, and 750 staff have already been laid off by IM Flash Technologies, a joint venture between Intel and Micron Technology. Motorola and American Express have also told local staff that job losses loom as part of global cuts.

This means business is picking up for outplacement specialist Paul Heng, founder of NeXT Career Consulting Group.

"Inquiries have doubled over the last three weeks," said Mr Heng, who works with firms to provide support for retrenched workers. "First quarter next year, there will be more bloodshed."

Mr Heng's team has been present at many retrenchment exercises to help those affected manage their emotions and plan their next career moves.

"Some get angry and upset with the company, some break down and cry, and others put up a brave front," Mr Heng said. "The impact of a retrenchment is usually difficult to stomach."

Some observers said the "R" word can come back to haunt employers.

Mr Renny Yeo, president of the Singapore Manufacturers Federation, said: "Retrenchment is an expensive long-term exercise because once the economy picks up again, the company will have lost relevant skill sets."

Mr Heng agreed, adding that retrenchment should be a "last resort" and companies should first look at other ways of reducing costs, like cutting down on overtime and going for short work weeks.

The Dairy Farm group has never retrenched full-time staff since it emerged, in 1903, as supermarket Cold Storage.

The group - which includes other businesses such as Guardian, Giant and 7-Eleven - now has 7,000 employees in full-time and part-time positions.

"We have kept our workforce trim and multi-tasking at all times. Supporting this strategy is the use of part-timers during peak hours and weekends.

"With this approach, in the event of a downturn, we can easily release part-timers if there is a need. However, at the moment, we are still short of workers," said Ms Carol Yong, human resource director for Dairy Farm Singapore.

Stockbroking firm Phillip Securities also swears by its staff. It has seen a 75 per cent drop in transaction volume in recent months, but it has yet to retrench any of its employees and has no plans to do so.

“In our 33-year history, we’ve gone through many cycles of recession and we’ve never had to resort to retrenchment,” said managing director Loh Hoon Sun. “People are our key asset and this is good for staff morale.”

To counter the recession, the company - with 3,000 employees globally - has cut down on advertisements and frozen headcount. It may have to trim year-end bonuses.

But where job cuts cannot be avoided, NTUC deputy secretary-general Heng Chee How urged retrenched workers to be prepared to switch industries.

The union and the Workforce Development Agency provide training and courses for skills upgrading at subsidised rates.

“It’s not easy to switch industries but it may be necessary,” said Mr Heng.

Mr Chai, the ex-storekeeper, said: “Just look for another job as fast as possible and don’t wait or waste time. We must do what it takes to survive.”

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## Tips to survive when it's time to pack up

### 1 Handling the emotional shock

Shock and anger usually come immediately after a retrenchment, especially for those who’ve been with the company for long periods.

“A sudden retrenchment can be quite shocking,” said headhunter Adrian Choo. “Don’t bear the burden alone, keep your family engaged.”

Be honest with your family and let them know of the likely lifestyle changes needed.

Psychiatrist Simon Siew said retrenched high-fliers or sole breadwinners especially may become depressed or question their self-worth.

“Being retrenched is not the end of the world, you’ll get through it and there will be jobs available,” said GMP Group CEO Annie Yap.

## 2 Plan your finances

If you get a large severance package, don't be tempted to splurge on holidays and a car.

"You should save it or spend it on things which will make more money, like shop space to start a business," said Ms Siti Mastura, who was retrenched in 2004.

Be careful too with taking loans for big-ticket items like houses, cars and consumer electronics.

More importantly, ensure that you have medical coverage, apart from company benefits. The last thing you want is to be jobless and unable to pay sudden medical bills.

## 3 Get your skills assessed and go for necessary training

By assessing the skills you currently possess, you can decide which new skills you will need to land a new job.

Singapore Manufacturers Federation president Renny Yeo said: "The economy is changing tremendously. The only way to stay relevant is to retrain to suit the needs of new industries."

Job-seekers can approach the Community Development Councils, the Singapore Professionals' and Executives' Cooperative at the Singapore Human Resources Institute and the National Trades Union Congress (NTUC) to get their skills assessed and to find suitable training regarding skills, interviews and resumes.

Ms Yap said: "It is fine to say you were retrenched on your resume so that you are not perceived as dishonest.

"Retrenchment is very common right now and not performance-related, so it does not reflect badly."

## 4 Stay positive

Those retrenched should give themselves six months to a year to find a new job.

"It's very important to stay connected with friends and ex-colleagues to network and to stay positive," said Ms Yap.

NTUC deputy secretary-general Heng Chee How advised those retrenched to be proactive and seek help from the NTUC and Workforce Development Agency to source for jobs across sectors.

Expect to have to go for multiple interviews before being offered a job.

“Don’t get dispirited; employers can sense your low morale,” said Mr Choo.

## 5 Be flexible

It’s highly possible for those retrenched to have to reinvent themselves and to find work in another industry.

“People must accept the change and do what’s best when it comes to survival,” said outplacement specialist Paul Heng. “There will be jobs; it just depends on how flexible and adaptable people are.”

Added Mr Chai Choo Sah, who was retrenched one month ago and now works in a different industry: “At the job interviews, there were only landscaping and security jobs available though I was previously a storekeeper.

“You just have to get the relevant training and take whatever job you can get.”

Those retrenched should also be prepared for a pay cut.

“You have to be open-minded. The cut may be only temporary and you should be able to catch up in one year,” said Ms Yap.