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When staff walk out en masse

Staff satisfaction, not contractual measures, is key to retaining employees, say experts

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It is not every day that one-third of the staff of a bank that caters to the well-off stage a mass exodus. But that did happen earlier this month at the Singapore office of RBS Coutts, The Straits Times reported last Wednesday.

The mass resignation of about 70 staff members, who sources say have been poached by a rival private bank, is a reminder of how volatile the job market can be.

Still, mass walkouts are uncommon here, human resource consultants told The Sunday Times.

Mr Josh Goh, assistant director of corporate services at The GMP Group, said: "A walkout en masse is uncommon and happens only during special circumstances."

Mass walkouts are not restricted to any particular industry and can happen across all levels, he added.

But Mr David Ang, executive director of the Singapore Human Resources Institute, suggested that such an event is more likely to happen in the financial services sector.

"This tends to be an industry where the group is linked in overall performance and the members are comfortable with one another and are able to deliver results. So if the leader moves, those below him may also want to follow," he said.

The chairman of the Government Parliamentary Committee for Manpower, Madam Halimah Yacob, noted that "poaching" - where companies woo staff from their competitors - is not illegal in Singapore.

"Companies can try to create conditions against it in their employment contracts but in the end, Singapore is a free market," said Madam Halimah, an MP for Jurong GRC.

Lawyers and human resource experts said employers may adopt two kinds of measures to try and retain staff: contractual and human resource measures.

Said Associate Professor Ravi Chandran from the National University of Singapore Business School: “A contract of employment is not a contract of enslavement. Thus generally, the employee can leave at any time.

“However, the employer may, in the contract drafting, make this process more difficult and make mass exodus more difficult.”

First, he said employers may add in a “restraint of trade” clause which typically prohibits what the employee can do after he leaves the job.

For instance, it may state that he cannot set up a business in competition, join a competitor, poach employees or solicit the firm's customers.

Secondly, employers can use the “garden leave” clause, usually found in senior management contracts. This clause typically states that if the employee resigns, he has to give a long notice.

During this period, he is still employed and paid by the company but he does not get much work, to prevent him from joining a competitor.

But Prof Chandran said these two clauses may not always be binding.

Their inclusion may not be a best practice too, said Mr Goh, adding: “When an employer has additional clauses in the contract, it shows the employees that the company does not trust them.

“Also, the employer is telling the staff it faces a serious issue with regard to poaching. In the end, it just reflects badly on the organisation - that is, it can't retain its staff.”

Instead, organisations should maximise staff satisfaction, human resource consultants and labour MPs said.

Mr David Wee, managing director of Lee Hecht Harrison Singapore, said: “One key activity that companies can do is to foster stronger employer-employee relationships.

“Gone are the days when a manager is just a ‘manager’. Today, anyone managing employees is also expected to motivate, encourage and lead them.”

Mr Peter Haglund, country manager of Manpower Staffing Services Singapore, said measures to retain employees are not a one-time project but a continuous effort.

He added: "It is important to provide employees with a sense of belonging as this will determine their level of commitment and engagement.

"Employers should measure employees' level of engagement on a regular basis to gain feedback, which should be followed up upon."

Ms Jessica Tan, an MP for East Coast GRC, said: "For employees, there may be pull factors elsewhere but employers can ensure their staff members have opportunities to grow within the company and that the business itself can grow. "These will serve as incentives for employees to stay."

Agreeing, Ms Josephine Teo, an MP for Bishan-Toa Payoh GRC, said: "It's important for employers to improve an employee's resume with time. It's a real message for employers to invest in developing and teaching employees."

One employer which practises this is Tyco Safety Products. Said Ms Alison Shee, its regional human resource manager for South-east Asia: "Always keep employees in the loop as to what's happening in the organisation and don't leave them second-guessing.

"At Tyco, staff members receive regular updates each week on what is happening within the organisation and changes that are taking place.

"This transparency in communication is driven from the top and helps create a culture where employees are connected and satisfied."

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