

Job Satisfaction

Were The "Good Old Days" Really Better?



**A Detective
On The Job**



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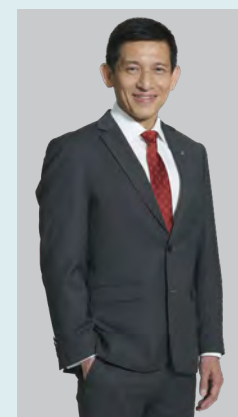
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FROM THE
ISCA COUNCIL

GOOD JOBS, GOOD PEOPLE, GOOD FIT



Christopher Wong Mun Yick
FCA (Singapore)
ISCA Council Member

Dear members,

WORLD MENTAL HEALTH DAY, which is observed globally on October 10, provides an opportune time to talk about mental health. This is what our cover story "Job Satisfaction" does, as it focuses on mental wellness at the workplace. Delving into the question if the "good old days" were indeed better, the article examines the evolving perspectives towards work, aspirations of younger workers, and what an organisation needs to do to attract and retain talent.

This got me thinking about what a typical career trajectory looks like. In my time, once we joined the workforce in our 20s, it would mostly have been keeping our noses to the grindstone as we climbed the career ladder. A lack of personal life was considered normal and accepted as a necessary sacrifice.

While research shows that the younger generation also embraces the grind, sustained work stress has taken a toll on their mental health. Then came the pandemic, which prompted contemplation of what truly constitutes job satisfaction. When Gen Z entered the workforce, bringing with them an acute awareness of global issues and societal inequalities, "the job" is no longer a job – it now encompasses the whole spectrum of work experience. The "normal" of today, as defined by Gen Z, is more than just traditional metrics as Gen Z also prioritises purpose, meaning, and holistic well-being, including work-life balance and a healthy, empowering and inclusive work environment.

For organisations which want to attract good people, it's time to revisit outdated practices and put in place good jobs, as defined by our new-generation workforce.

ABOUT CHRISTOPHER WONG MUN YICK

Mr Wong is the Chairman of the ISCA Audit Committee and has served on the Nominations Committee since his election to the ISCA Council in 2019. He was also a member of the Membership Committee from 2019 to 2023.

Mr Wong has extensive experience in serving public listed, private and multinational companies from a range of industry sectors, some of these in a senior capacity as the Global Client Service Partner. He previously held the role of Staff Partner in his firm.

Mr Wong is a member of the Industry Advisory Committee for Accountancy at the Singapore Institute of Technology and serves on the Accounting Advisory Board of the National University of Singapore Business School. He is the Board Director of Tripartite Alliance Limited and the Chairman of its Audit and Risk Committee. He is also on the Board and is an Audit Committee member of the Trailblazer Foundation, and a Trustee of the St Joseph's Institution Philanthropic Fund.

Mr Wong is currently Head and Partner of Assurance at Ernst & Young LLP.

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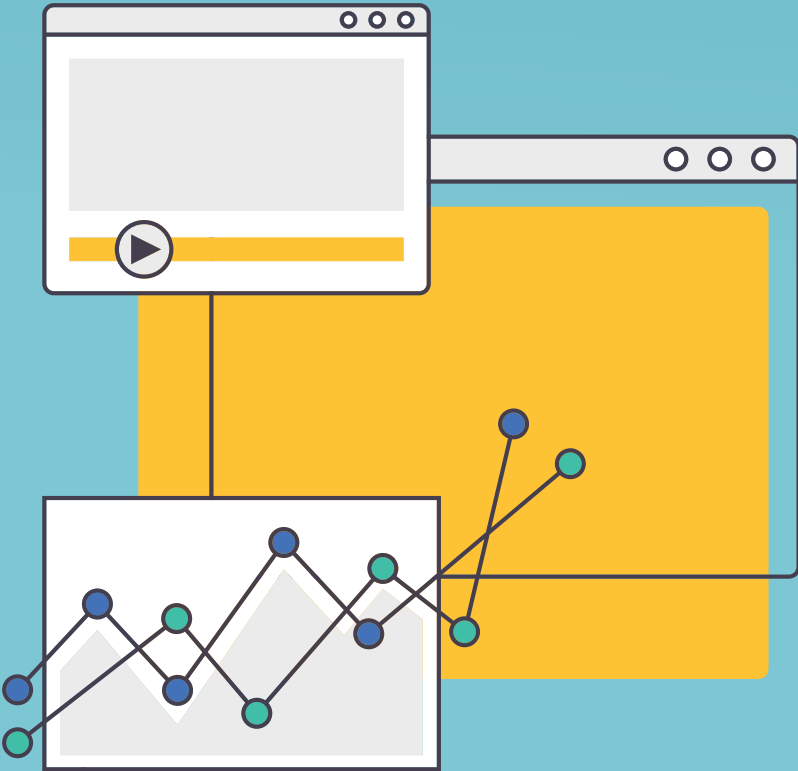
CA (Singapore) Jeannie Ong, Associate Director of Forensic Advisory, Grant Thornton Singapore, shares what it takes to be a financial forensic practitioner, and why she finds it a fulfilling and rewarding career option.

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Through the Institutes’ overseas ISCA Chapters, we aim to alleviate the challenges faced by members and organisations when navigating unfamiliar markets. ISCA also leverages our partnerships with foreign professional accountancy organisations to provide timely support and up-to-date information to our overseas members and to companies planning to bring their organisations global.

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The increasing attention on mental health has heightened awareness and led to a better understanding of mental well-being. Sustaining mental well-being requires time and effort, much like how one would work to improve one’s physical health through exercise.

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STEMMING THE TIDE OF QUIET QUITTING

The job market is displaying signs of employee discontentment. In the ever-present competition for top talent and to stem the tide of quiet quitting, organisations must do more to motivate employees and improve employee engagement and well-being.

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TAPPING INTO THE ENTERPRISE INNOVATION SCHEME

The EIS aims to encourage businesses to engage in R&D, innovation and capability development activities. Under the scheme, enhanced or new tax deductions and/or allowances are granted on qualifying expenditure incurred on five qualifying activities in the innovation value chain.

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Risk Orientation Critical To Chief Audit Executive Effectiveness

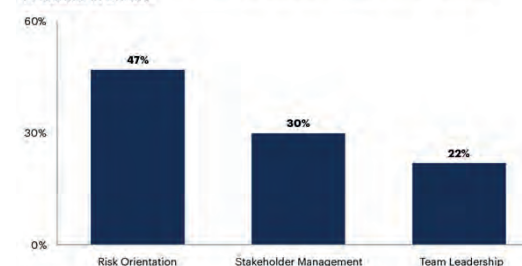


CHIEF AUDIT EXECUTIVES (CAES) HAVE IDENTIFIED RISK ORIENTATION, stakeholder management, and team leadership as the top three characteristics of the most effective individuals, according to a survey by Gartner, Inc¹.

"In terms of CAEs being 'effective', it can ultimately be measured by important organisational risk outcomes, such as risk-informed decision-making, the number of surprise risk events, recovery times after risk events, and delivering a coordinated risk response," says Tim Berichon, Senior Director Analyst, Gartner Risk & Audit Practice. "The more personally effective a CAE is, the better those outcomes will likely look in an enterprise."

FIGURE 1 THREE DRIVERS OF HIGHER CAE PERSONAL EFFECTIVENESS

Percentage of Maximum Change as a Result of Moving From 10th to 90th Percentile in Drivers



n = 114
Source: Gartner, August 2023

1) Risk orientation

"Risk orientation was the single biggest factor driving high CAE personal effectiveness scores in our study," says Mr Berichon. "CAEs with high-risk orientation improved their personal effectiveness by up to 47%."

Risk orientation results in the CAE's audit plan aligning with top enterprise risks, and audit's risk assessment aligning with other functions. Further, audit recommendations are well aligned to enterprise risk appetite.

"Everything internal audit does should be oriented to risk," he adds. "Given the importance of risk orientation, it's also interesting to note that effective CAEs are more likely to actively participate in enterprise risk management (ERM)."

2) Stakeholder management

Stakeholder management drove improvement up to 30% in CAE personal effectiveness. This involves regular informal discussions with key stakeholders, and an empathetic understanding of their motivations and priorities. The CAE monitors the concerns of key stakeholders, and CAEs understand how they are perceived by others.

The most effective CAEs view themselves more as "strategic" executives and are "aspirational" in the role, explains Mr Berichon. "A vital characteristic of high-performing executives is strong rapport with stakeholders throughout the enterprise, and this is another main attribute found in the more effective CAEs."

3) Team leadership

Effective team leadership underpins effective CAEs. Coaching team members towards their goals and helping them to develop in their role is important, as well as encouraging direct reports to meet their counterparts across the business to discuss ongoing projects.

"This is not just about goals and priorities but about listening to, and understanding, the needs of a team," he points out. "An effective team leader fosters an open culture where team members share thoughts and ideas, and helps people make connections that will aid their development."

Garner surveyed 114 CAEs across 180 areas in April 2023 to identify the most important measures of an effective CAE. The six that were the most significant included: management satisfaction, CAE and audit department performance, perception of the CAE, audit engagement quality, CAE impact, and team engagement.

PHOTOS SHUTTERSTOCK



Are Singapore Workers Ready For Digitalisation?

THE COVID-19 PANDEMIC HAS PROPELLED COMPANIES WORLDWIDE TO SWIFTLY EMBRACE DIGITALISATION, requiring

employees to adapt rapidly to new technologies. Now, three years on, do Singapore workers consider themselves equipped to adapt to the rapid digital transformation that is underway? Yes and no, according to *Perceptions Of Digitalisation In The New Normal World*¹, which surveyed Gen X and Baby Boomers, Gen Y, and Gen Z workers.

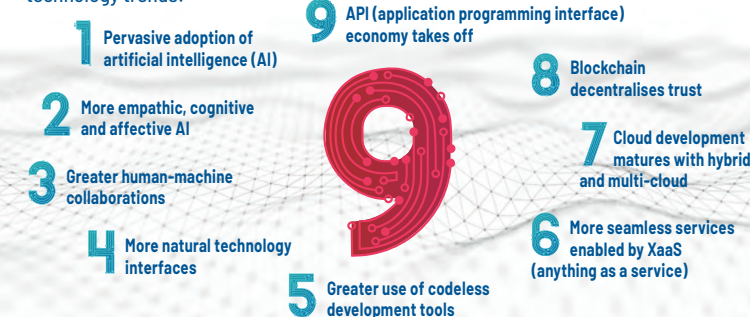
The research delves into the perspectives of Singapore workers to better understand how attitudes towards digital transformation have evolved, and to evaluate the adequacy of company support in the context of accelerated global digitalisation efforts. It also explores workers' perceptions of their companies' readiness for digitalisation, including upgrading opportunities available to them.



¹ <https://insight.rakuten.com/singapore-workers-preparedness-for-digital-transformation/>
² <https://www.imda.gov.sg/-/media/Imda/Files/SG-Digital/Annex-A---No-Embargo-Fact-Sheet-for-SDE-TRM.pdf>

Digitalising The Singapore Economy

In Singapore, the Services And Digital Economy Technology Roadmap² provides a scan of the digital technology landscape over the next three to five years, identifying the impact of key shifts and technology trends on Singapore. Here are the nine key identified technology trends:



Key insights

- **Company readiness; support for upskilling**
Most respondents believed their companies were prepared for digitalisation, with over 55% sharing this sentiment. Gen Z, often considered digital natives, exhibited the highest confidence at 63%. More than half of respondents felt supported by their companies to upskill. However, at least two-thirds across all demographics believed that Singapore companies could still do more to help and embrace digitalisation.
- **Preferred initiatives**
While external training and time off work to upgrade were popular choices across the board, Gen X and Baby Boomers preferred the latter, with 41% choosing this option.
- **Responsibility for digitalisation**
Opinions on whether a specific department should helm digitalisation efforts were divided across the generations. However, more respondents leaned towards a dedicated department for digitalisation. Gen X and Baby Boomers leaned towards the government (30%) and IT (29%) taking the lead, while Gen Y leaned towards IT (33%). A sizeable minority believed it should be a collective responsibility (21%). Gen Z favoured IT leadership (39%) and a government role (26%).
- **Familiarity with upskilling platforms**
SkillsFuture emerged as the most recognised upskilling platform, familiar to over 73% of respondents across all three demographics. Workforce Singapore also garnered significant recognition. Gen X and Baby Boomers favoured Udemy and Microsoft Learn, while Gen Y and Gen Z preferred platforms like Grab and Microsoft Learn.

"Digitalisation is a defining force reshaping industries and economies. The COVID-19 pandemic accelerated this transformation, prompting businesses to reimagine operations and embrace technology. To remain relevant, companies must invest in upskilling and foster a culture of continuous learning," says Kenji Naito, Group CEO of human resource services provider Reeracoen.

The collaborative study, by Reeracoen and online market research company Rakuten Insight Global, drew insights from 308 participants, with 39% (121 respondents) being Gen X and Baby Boomers, 38% (117 respondents) Gen Y, and 23% (70 respondents) Gen Z.



¹ <https://www.gartner.com/document/4658399>

● isca mini conference series

Insights To Data And Analytics

THE FIFTH INSTALMENT OF THE ISCA MINI-CONFERENCE SERIES WAS HELD ON SEPTEMBER 13, LIVE-STREAMED FROM ISCA HOUSE.

The session commenced with a compelling presentation by Michal Szczecinski, Senior Data Scientist, Google, who shared his extensive journey through various data roles across diverse sectors and organisations. One of the key takeaways from his presentation was the critical partnership between data professionals and finance teams in leveraging data-driven insights for informed decision-making.

Mr Szczecinski delved into the concept of overlapping roles in the data field, which encompasses analytics, automation, data architecture, data engineering, and visualisation. It emphasises the essential role of data science in providing insights and recommendations to stakeholders, akin to finance professionals with programming expertise creating essential value.



▲ Michal Szczecinski, Senior Data Scientist, Google, shared his extensive journey through various data roles across diverse sectors and organisations

He also shed light on the contrasting team structures in corporate and startup environments; corporations typically involve multiple teams collaborating on data projects, while startups often rely on smaller, more self-sufficient teams.

He explored the multifaceted applications of data analytics in the finance sector, including in performance management, forecasting, investor reporting, business modelling, fraud detection, and customer segmentation, among others.

In the context of designing effective data analytics processes, the article underscores the importance of setting clear objectives to achieve fast, accurate, and consistent results. It outlines principles such as automation, self-service, data reliability, transparency, and data collaboration as key factors in attaining these objectives.

Following Mr Szczecinski's presentation was a panel discussion led by esteemed professionals in the finance and data fields. Featuring Adele Liew, Financial Accounting Advisory Services Partner, Ernst & Young LLP (moderator); Mr Szczecinski; TC Lim, Executive Director (Finance Transformation), Nomura Singapore Limited; and Yew Peck Shia, Chief Financial Officer, YCH Group, the panellists provided valuable insights into the potential and challenges of utilising data. The discussion emphasised the significance of purpose-built tools, data cleanliness, and the development of essential skill sets, including domain knowledge in financial data interpretation and data utilisation.

In conclusion, the panel session noted the importance of collaboration between data science and finance, the versatility of data roles, and the practical applications of data analytics in the finance domain. It also highlighted the key principles and tools that facilitate successful data analytics within organisations, making it a valuable resource for professionals seeking to harness the power of data in finance.

The last ISCA Mini Conference Series event for the year, Insights into the Review of Financial Statements (<https://isca.org.sg/iscaacademy/isca-mini-conferences-2023>), will take place on November 8. Sign up now, and join us for this live webinar!



▲ The panel discussion featured (from left): Adele Liew, Financial Accounting Advisory Services Partner, Ernst & Young LLP (moderator); Mr Szczecinski; TC Lim, Executive Director (Finance Transformation), Nomura Singapore Limited; and Yew Peck Shia, Chief Financial Officer, YCH Group

PERSONAL COLOUR ANALYSIS

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This event is brought to you by ISCA Career Growth Centre, as part of the quarterly Career Lunch Talk series.

5 December 2023
11.30am – 1pm
ISCA House
Lunch is provided



Career Growth Centre



▲ Managing Director of Confirmation Kiran Bafna shared interesting insights

● isca tech talk series

The Future Of Audit

THE ISCA TECH TALK SERIES ON “THE FUTURE OF AUDIT” was led by Thomson Reuters Confirmation. Taking place on August 29, the session brought together over 70 ISCA members at ISCA House to learn about the challenges and opportunities auditors face now and in the future.

TECHNOLOGY'S ROLE IN ELEVATING AUDIT QUALITY

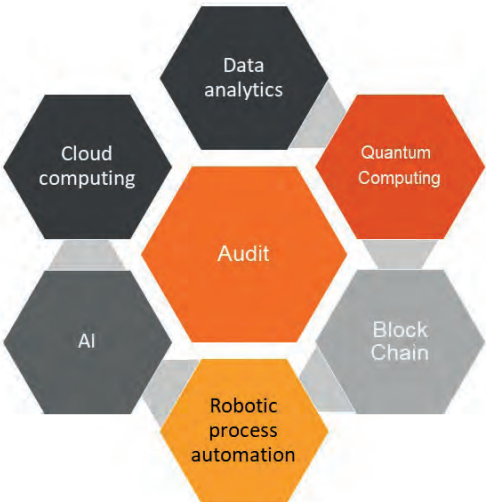
Key technologies - shaping the future of audits

According to our executives,

- Cloud (80%),
- Smart analytics (70%)
- Artificial intelligence (61%)

are the **top-cited must haves** for today's external auditors.

▲ Technologies that can help raise the quality of audit

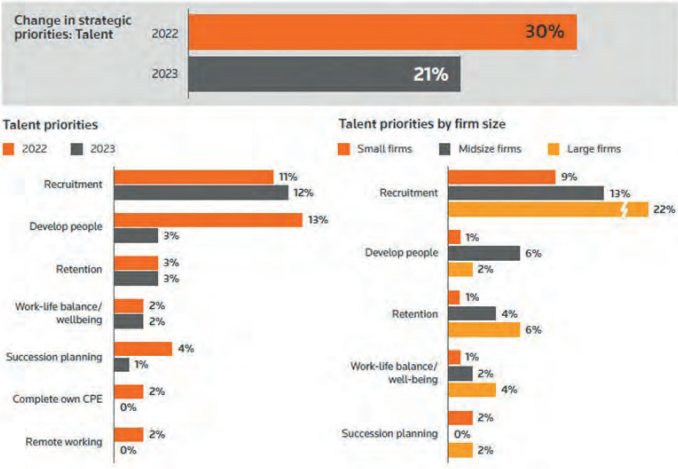


ATTRACTING TALENT WITH AUDIT TECH

Talent Priorities

This year's survey results confirm that **recruiting, training, and retaining qualified talent** will continue to be a **key challenge** for many firms in 2023

▲ Recruitment trends for the audit profession



Managing Director of Confirmation Kiran Bafna led the session, which centred on three key topics impacting the future of audit:

- **Quality** The role of International Standard on Quality Management (ISQM) and International Standards on Auditing (ISA) benchmarks in maintaining quality and consistency, and how firms must have a laser focus on detecting fraud to maintain trust and accountability;
- **Technology** Reasons why auditors are developing audit technology strategies, and how to navigate selecting the right technology provider;
- **Talent** How digital transformation can help attract the next generation of auditors, and strategies to retain talent.

Mr Bafna also touched on how technology platforms like Confirmation have become invaluable in helping audit companies stay one step ahead of the competition. For example, these platforms can provide audit firms with an easy, fast, and secure way to send more than 100 confirmation types to anyone, anywhere in the world. Audit firms can also tap on such platforms to keep up with the evolving regulatory changes, reduce non-value-added responsibilities and improve audit quality. Auditors, relieved from mundane, tedious and repetitive work, can thus dedicate more time towards conducting more insightful analyses and focus on higher-value tasks.



▲ ISCA and Thomson Reuters Confirmation group photo

Disciplinary Findings

UPON FINDING THAT MR LEE CHEE SUM GILBERT, CA (SINGAPORE), and Public Accountant had contravened Rule 64.4 of the Institute (Membership and Fees) Rules read with Section 130.1(b), of the Code of Professional Conduct and Ethics under the Third Schedule of the Institute (Membership and Fees) Rules in that he had not acted diligently in accordance with applicable technical and professional standards, that is, SSA 200 para 15 and SSA 240 paras 12 to 14, when performing professional activities or providing professional services,

- The Disciplinary Committee ordered:
1. That pursuant to Rule 137.1.3 of the Institute (Membership and Fees) Rules, he be fined the sum of S\$10,000.
 2. That pursuant to Rule 167 of the Institute (Membership and Fees) Rules, he and Ms Tiang Yii shall be jointly and severally liable to pay the Institute the sum of S\$30,014 (inclusive of 7% GST), being the costs and expenses incurred by the Institute in connection with the investigation and disciplinary proceedings undertaken against them.
 3. That pursuant to Rule 137.1.5 of the Institute (Membership and Fees) Rules, he be required to complete training courses on (i) revenue recognition; (ii) audit planning; (iii) fraud considerations and (iv) risk assessment within 6 months of the date of the order at his own expense, with the results to be reported to the Institute.

UPON FINDING THAT MS TIANG YII, CA (SINGAPORE), had contravened Rule 64.4 of the Institute (Membership and Fees) Rules read with Section 130.1(b), of the Code of Professional Conduct and Ethics under the Third Schedule of the Institute (Membership and Fees) Rules, in that she had not acted diligently in accordance with applicable technical and professional standards, that is, SSA 200 para 15 and SSA 240 paras 12 to 14, when performing professional activities or providing professional services,

- The Disciplinary Committee ordered:
1. That pursuant to Rule 137.1.3 of the Institute (Membership and Fees) Rules, she be fined the sum of S\$10,000.
 2. That pursuant to Rule 167 of the Institute (Membership and Fees) Rules, she and Mr Lee Chee Sum Gilbert shall be jointly and severally liable to pay the Institute the sum of S\$30,014 (inclusive of 7% GST), being the costs and expenses incurred by the Institute in connection with the investigation and disciplinary proceedings undertaken against them.
 3. That pursuant to Rule 137.1.5 of the Institute (Membership and Fees) Rules, she be required to complete training courses on (i) revenue recognition; (ii) audit planning; (iii) fraud considerations and (iv) risk assessment within 6 months of the date of the order at her own expense, with the results to be reported to the Institute.

● isca breakfast talk

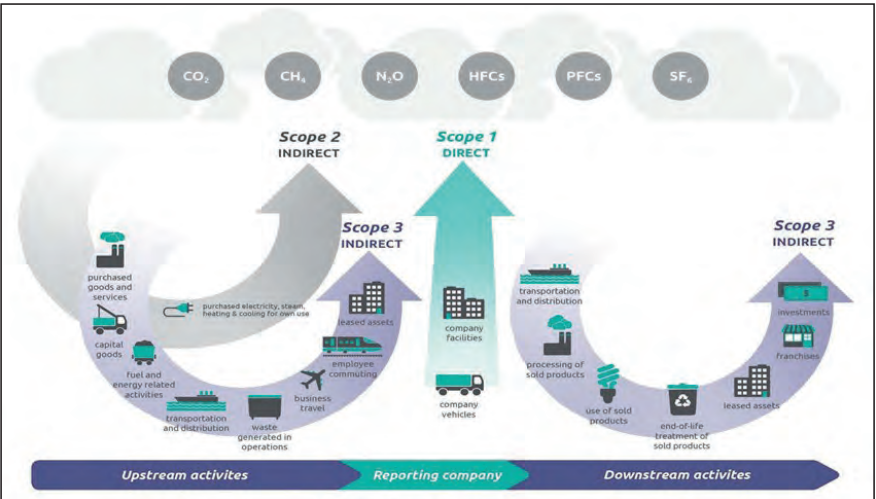
What Tax And Finance Professionals Need To Know About ESG

“WHY DO I NEED TO THINK ABOUT ENVIRONMENTAL, social and governance (ESG) now if it doesn’t affect me or my company yet?” That was a sentiment that many participants had when they signed up for the ISCA Breakfast Talk helmed by Grant Thornton Singapore on August 2.

The presentation kicked off with an overview of climate change and the associated transitional and physical risks, articulated by Hong Tin Wei, Associate Director of ESG and Sustainability Services at Grant Thornton. The financial impact of these risks includes the loss of income, changes in fair value or impairment, and fines.



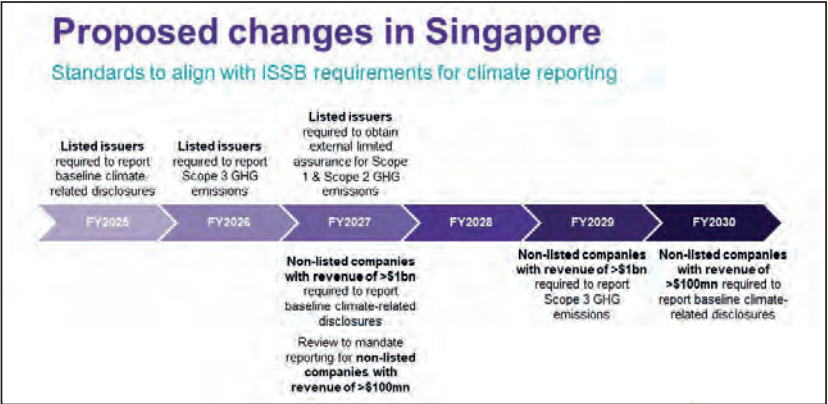
▲ Lor Eng Min, Corporate Tax Partner, Grant Thornton, spoke about the impact of the Carbon Pricing Act, and tax-related implications of ESG



▲ Examples of sources and classifications of greenhouse gas emissions along a value chain



▲ Hong Tin Wei, Associate Director of ESG and Sustainability Services, Grant Thornton, touched on the financial risks associated with climate change, and Singapore’s sustainability reporting landscape



▲ The Singapore Exchange is taking a phased approach to mandatory climate reporting for listed companies

Mr Hong then walked participants through the evolution of Singapore’s sustainability reporting landscape, beginning with the Singapore Exchange (SGX)’s phased approach to mandatory climate reporting as recommended by the Task Force on Climate-Related Financial Disclosures (TCFD).

Next up were the recommendations by Singapore’s Sustainability Reporting Advisory Committee. The proposed

reporting requirements align with the International Sustainability Standards Board (ISSB)’s IFRS S1 and IFRS S2, and Mr Hong explained what both standards cover. He pointed out that while not all companies have to make climate-related disclosures, their customers and suppliers may be required to provide climate-related information to companies that have mandatory reporting requirements.

Lor Eng Min, Corporate Tax Partner at Grant Thornton, spoke on the impact of the Carbon Pricing Act. With the price per tonne set to increase tenfold by 2030, the impact of the tax will be felt downstream.

Touching on the “G” of ESG, Ms Lor dove into how the Tax Governance Framework (TGF) and Tax Risk Management and Control Framework for Corporate Income Tax (CTRM) bring about benefits such as waivers of penalties and step-down of audits.

So, why do we need to think about ESG now? Because the sooner you get on the bandwagon, the sooner you can unlock the associated opportunities and mitigate the broad implications of sustainability risks.

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Guo Binglian

Job Satisfaction

Were The “Good Old Days” Really Better?



- Research shows that increasingly, younger workers are looking for meaning and fulfilment in their job roles.
- The accounting profession must adapt to the evolving career aspirations of the younger generations.
- Employers can adopt a three-pronged approach to manage the new breed of workers, comprising genuinely tuning in to them, measuring the pulse of the workforce, and customising their engagement strategies.

“WHERE HAVE ALL THE GOOD JOBS GONE?”

Many reminisce about the jobs of yesteryear – a time when jobs were steady, handshakes were covenants, and a “fair day’s work for a fair day’s pay” was not just a catchphrase but a lived reality. History has a funny way of idealising the past. From the dawn of capitalism, there has been this collective sigh, a feeling that once upon a time, things were just ... better.

And here we are, 21st-century folks, often feeling like mere cogs in an ever-accelerating machine, and nursing a fear of being left behind or replaced by a well-coded algorithm. Recent data show that Singapore workers are some of the most unhappy in the world¹, with pressing concerns about mental health and job satisfaction. It makes one wonder: Did our predecessors genuinely relish their 9-to-5 jobs more than we do? Or are we just riveted by the allure of nostalgia?

With World Mental Health Day observed globally on October 10, this is an opportune time

for self-reflection, with a particular focus on our professional well-being.

Job satisfaction is not merely corporate speak. Instead, it can serve as an indication of the state of our mental health. The equilibrium we find in our professional life reverberates through our overall well-being. A consistent shortfall in job contentment not only fuels burnout and anxiety, it affects organisational outcomes like productivity and retention. Indeed, our professional well-being should be everyone’s business.

EXAMINING NOSTALGIA

Data can often enlighten us where memory falters. The General Social Survey (GSS) offers insights into Americans’ job satisfaction from 1972 to 2021². Our deep dive into the GSS dataset has produced Figure 1, which highlights a fascinating observation: job satisfaction rates have remained almost consistent across these five decades, with minor fluctuations.



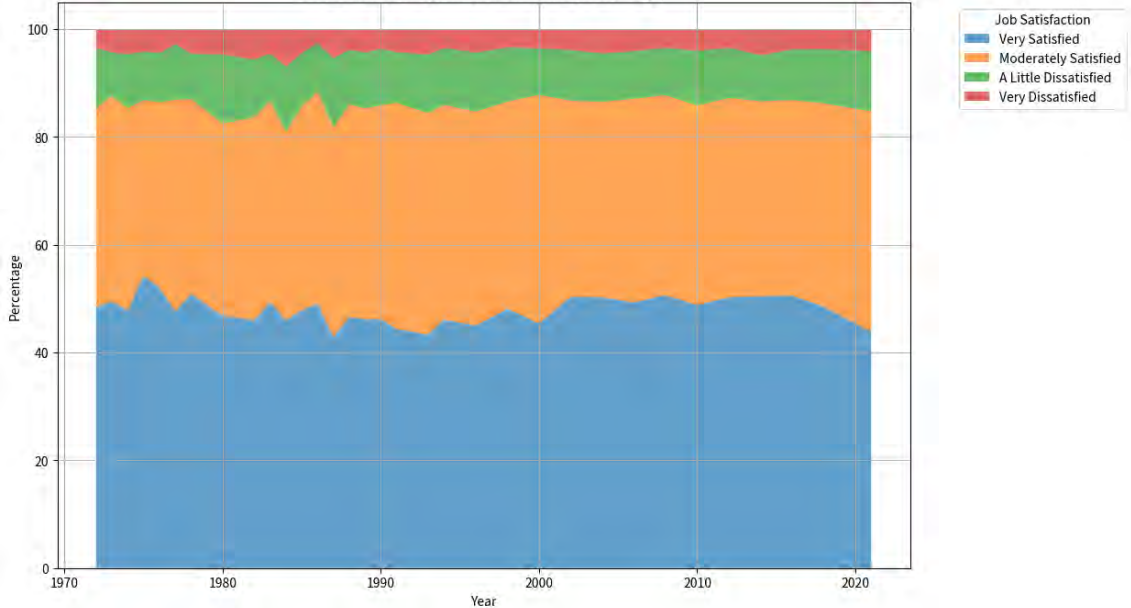
¹ <https://sbr.com.sg/hr-education/in-focus/singapore-has-unhappiest-workforce-in-world-study>
² <https://gss.norc.umd.edu/get-the-data>

PHOTOSHUTTERSTOCK



FIGURE 1

Job Satisfaction Levels Over the Years (Percentage)



When it comes to climbing the corporate ladder, Gen Z is not just looking upwards, they are asking what is holding that ladder, and why the climb matters. They crave depth, meaning, and broader horizons.

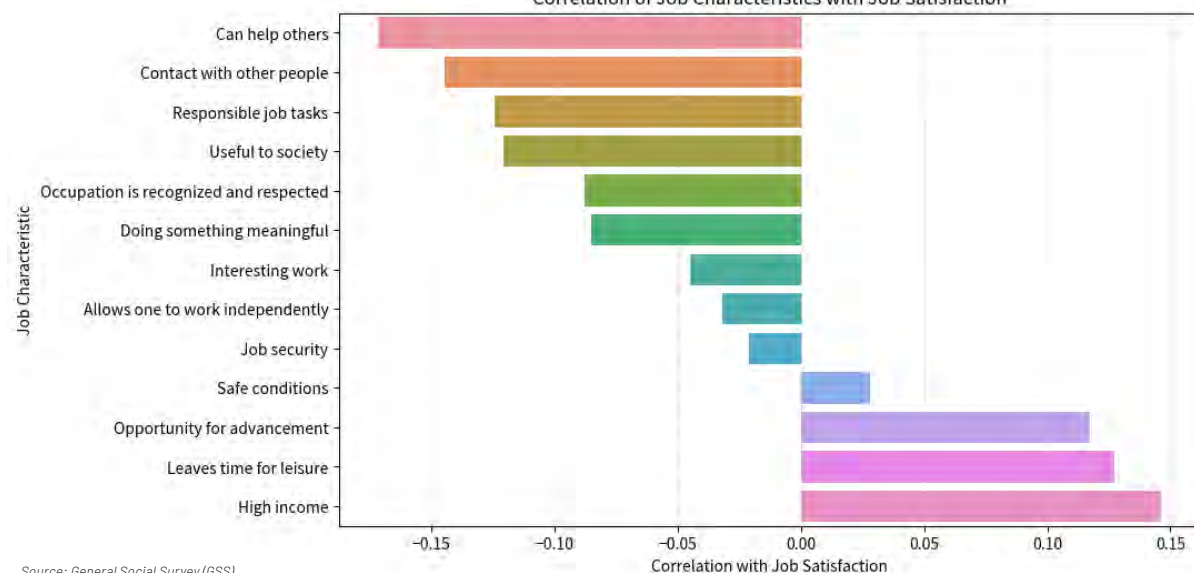
This forces us to challenge the age-old narrative that, if our past was not really that golden, why do we think it was? A detailed exploration of a past GSS dataset³, which contains various job satisfaction-related variables, reveals some compelling insights.

As seen in Figure 2, while the perceived importance of tangible benefits such as higher income and advancement opportunities positively correlates to job satisfaction, the perceived importance of less tangible factors such as human connection and societal contribution shows a negative correlation with job satisfaction. This could mean workers seeking purpose in their roles might be less satisfied with their jobs than their counterparts who are primarily motivated by money and success. But one must tread carefully



FIGURE 2

Correlation of Job Characteristics with Job Satisfaction



Source: General Social Survey (GSS)

here; just because two things are linked does not mean one causes the other. There could be other factors at play.

While not conclusive, this observation could shed some light on a puzzling situation. An article in *The Economist* states⁴, "By any reasonable standard, work is better today than it was. Pay is higher, working hours are shorter, and industrial accidents rarer." Yet, these tangible improvements have not necessarily translated into greater happiness. The true crux seems to lie in the intangibles: a sense of purpose, and a feeling of belonging.

Recent research, like PwC's *Global Workforce Hopes and Fears Survey – Singapore Highlights*, echoes a similar sentiment. "Money isn't enough by

itself to retain workers, who were almost as likely to cite intangible factors related to meaning", such as job fulfilment, having their viewpoints considered by their manager, and being themselves at work⁵. Essentially, old certainties about what motivates people have changed.

FROM PAY CHEQUES TO PURPOSE: THE EVOLVING MEANING OF JOB SATISFACTION IN MODERN WORKPLACES

Not long ago, we were deep into the "hustle culture" Silicon Valley championed. Then, to hustle was to succeed – waking up at ungodly hours, surviving on coffee, tied to desks – the grind was not just work, it was a lifestyle. Social media glorified this. In Singapore, a joint study, aptly named "Hustle Culture", by Milieu Insight, a market research company, and Intellect, a Singapore-based mental health startup, shows that over half of the younger workforce embraced this grind⁶. In the world of accountants, "peak seasons" are their version of the hustle – those intense times when they race against the clock to close financial books, prepare audits, and ensure compliance with tax regulations.

However, this "never enough" mentality has taken a toll. Mental health waned, personal relationships suffered, and job satisfaction hit rock bottom. The same study reveals that only 42% of Singapore's workforce felt engaged, and 26% felt dissatisfied with their job. And while Singapore races ahead economically, over half of the employees reported a poor quality of life.

When the pandemic hit, it brought about a consuming inward contemplation of what truly constitutes job satisfaction. The ensuing "great resignation" was not only about changing jobs but about seeking deeper fulfilment and happiness. Various studies indicate that 40% to 75% of the global workforce contemplated leaving toxic work environments to prioritise work-life balance and, in Singapore, that figure stood at 49% for the latter half of 2022⁷.

The ripple effects were also felt by the accountancy sector, with data from FloQast, an accounting software company, suggesting 53% of accountants were not entirely sure they would



³ 1982 data: the only year that job satisfaction-related variables were collected
⁴ <https://www.economist.com/business/2021/09/04/why-people-are-always-so-gloomy-about-the-world-of-work>
⁵ <https://www.pwc.com.sg/en/publications/hopes-and-fears-2022.html>
⁶ <https://www.milieu.eu/milieu-conversations/finding-the-balance-understanding-hustle-culture-and-its-impact-on-mental-health-and-well-being>
⁷ <https://content.mycareersfuture.gov.sg/great-reshuffle-what-employees-want-how-employers-support/>

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Old certainties about what motivates people have changed



⁸ <https://floqast.com/press/survey-reveals-a-majority-of-accountants-may-leave-their-organization-in-the-next-year/>
⁹ <https://sbr.com.sg/hr-education/in-focus/more-1-in-2-gen-z-singaporeans-are-quiet-quitting>
¹⁰ <https://www2.deloitte.com/us/en/pages/consumer-business/articles/understanding-generation-z-in-the-workplace.html>
¹¹ <https://www.careerexplorer.com/careers/accountant/satisfaction/>
¹² <https://www.economist.com/business/2022/01/29/purpose-and-the-employee>

PHOTOSHUTTERSTOCK

stay at their current company in the next year⁸. Of these, 63% were not even sure they would stay in the industry at all, which points to a concerning talent shortage in the sector.

Amid this backdrop, a more subtle form of departure surfaced – the phenomenon of “quiet quitting”. In Singapore, 35% of the workforce and a staggering 55% of Gen Z have silently disengaged, doing just the minimum required. A report from Indeed, an employment website, pinpoints the leading causes in Singapore: feeling underpaid (45%) and burnout (44%)⁹. While accountants are not explicitly called out in the data, given the common perception of

“overworked, underpaid” junior auditors and accountants, the statistics prompt questions about their levels of silent dissatisfaction.

As Gen Z enters the workforce, they are further reshaping its fabric. Born into the digital age, this generation possesses an acute awareness of global issues and societal inequalities. For them, job satisfaction is not solely about pay cheques, it is about contributing to a greater purpose. A Deloitte study validates this mindset, showing that Gen Z places less emphasis on salary compared to older generations¹⁰. It states, “If given the choice of accepting a better-paying but boring

job versus work that was more interesting but didn’t pay as well, Gen Z was fairly evenly split over the choice.”

For accountants, the picture is not rosy based on a survey conducted by CareerExplorer, a US career platform¹¹. It reveals that accountants rated their job satisfaction at only 2.6 out of 5, and a low 2.3 out of 5 when asked about finding meaning in their work. In such a landscape, the accounting profession must adapt to the evolving career aspirations of the younger generations.

For veteran CEOs and senior partners, the changing notion of job satisfaction is uncharted territory. In their playbook, climbing the ladder was the game. But Gen Z is not just looking upwards, they are asking what is holding that ladder, and why the climb matters. They crave depth, meaning, and broader horizons.

This is not just a hiring hiccup, it is a seismic generational shift. As traditional employers grapple to bridge this understanding, one thing is clear: the talent crunch is also a crunch of culture and values.

THE NEW EMPLOYER MANDATE

People today want more than just a job as they want to feel a part of something meaningful. They want to be loyal but loyalty is not a given, and it is earned when employers treat their staff right. As the job milieu evolves, loyalty thrives not just on pay cheques but on the deeper lexicon of engagement and purpose.

Let us pause for a moment and ask, “Why should employers care about staff job satisfaction?” The answer, simply put, is that when workers are happy, they stick around, give their best, and are less likely to jump ship at the first offer. The link between job satisfaction, lower turnover, and higher business productivity is underscored by statistical research; it is not just about contented workers but about thriving businesses.

Moving forward, employers may want to consider adopting a three-pronged approach to manage the new breed of employees:

1) **Tuning in to your workforce** makes a difference. Dive deep into conversations,

such as using proactive “stay interviews”, and leverage human resource (HR) analytics to get an honest look at the employee landscape. Create an environment where voices are not just heard but actively sought. It is about ensuring workers genuinely believe their concerns will be addressed.

2) Then there is **measuring**. An unsettling gap exists between employer and employee perceptions. When 68% of leaders think they support mental health but only 41% of staff concur, there is an obvious missing link. You cannot improve what you do not measure. Employers need to find and employ tools that accurately gauge the pulse of their workforce.

3) Lastly, **adaptation**. Bain’s research vividly depicts employees not as a monolith but as a spectrum¹². From “pioneers” seeking to change the world to “artisans” aiming to hone a specific skill and “givers” desiring to make a direct impact on others, employees wear many hats. Recognising these varied aspirations and goals, employers will need to customise their engagement strategies.

CLOSING THOUGHTS

As times change, so does our understanding of a “good job”. Each generation, with its own ethos, redraws the blueprint, and today’s workforce prioritises purpose, meaning, and holistic well-being over traditional metrics. In this fierce competition for talent, companies must think beyond the pay cheques to consider the whole work experience. The bar to satisfy has risen infinitely higher.

And herein lies the tension. While employees pivot to this new paradigm, many employers are found lagging, anchored in past practices. This dissonance rings loudly in the lament, “Where have all the good jobs gone?” In reality, it is not that good jobs have disappeared but that our expectations have shifted. ISCA

Guo Binglian is Research and Insights Manager, ISCA.

● member profile

A Detective On The Job

Jeannie Ong, CA (Singapore),
Associate Director of Forensic Advisory,
Grant Thornton Singapore



- More than mere number-crunching, an accountant needs to understand how businesses work, and have the breadth of knowledge in terms of how numbers impact businesses.
- Forensic practitioners are called in when there is an allegation to refute or to allay a claim; they investigate irregularities, doing what is akin to detective work.
- As fraud schemes are constantly evolving and every case is unique, forensic accountants have to constantly learn and upgrade themselves to stay ahead of the curve.

ANYONE WHO THINKS ACCOUNTING IS BORING SHOULD MEET JEANNIE ONG.

Ms Ong, 30, is an Associate Director at Grant Thornton Singapore, and her specialty is uncovering financial fraud – a job that certainly keeps her on her toes. “I was one of those can’t-sit-still kids, so I knew I didn’t want to be confined to a desk-bound job when I grew up,” she shares of her childhood. Given her natural affinity for numbers, Ms Ong decided on accountancy as her course of study; she had also figured early that it would afford her more flexibility.

While the common perception is that accountancy involves stable and predictable work that is purely number-crunching, Ms Ong is quick to point out that that is not the case for some areas of the profession. “It’s more about understanding how businesses work,” she explains. “You need breadth of knowledge in terms of how numbers impact businesses, as well as how the world operates.”

Having graduated from Nanyang Technological University in 2015 with a Bachelor of Accountancy, Ms Ong started out at PwC as an Audit Associate, a position she held for two years before being promoted to Senior Associate. In early 2019, she joined EY as a Senior Associate. “Audit definitely involved hard work and long

hours and there was always a deadline to meet,” Ms Ong reveals. “But it was a valuable experience as it provided me exposure to a wide range of industries. I also learned how human dynamics function, and how to work as a team.”

READING BETWEEN THE LINES

It was during her years in audit that Ms Ong discovered her calling for forensic accounting. “I found I had a knack for sniffing out things that were suspicious. I was often the one finding irregularities and raising my hand to say, ‘Something is wrong’,” she recalls. “It is in my nature to be inquisitive; I like to get to the bottom of things,” she states matter-of-factly. “That led me to decide that maybe forensics is a better choice for me. It fits my personality, it fits who I am, and it fits what I derive satisfaction from as well.” Then, clear on where she wanted her career to head, Ms Ong knew she needed to pivot and upskill. She received her accreditation from the Association of Certified Fraud Examiners (ACFE) at the end of 2018. “EY had an opening for a role in the forensic field, so I applied for the job and got it.”

She uses a canine analogy to explain the difference between her former and current work. “Auditing is like being a watchdog: the



A good financial forensics practitioner is someone who can connect the dots and make sense of chaos and confusion, drawing information from various sources to paint a coherent picture, and then make deductions supported by evidence.

purpose is to safeguard and ensure that the financial statements represent a true and fair value,” she says. “On the other hand, forensic practitioners are like bloodhounds: we are called in when there is an allegation to refute or to allay the claim. We basically hold a magnifying glass to the issue and utilise various forensic techniques with the aim to answer these questions: Who did it? How did they do it? What’s the *modus operandi*? What is the extent of loss? How do we prevent it from occurring in the future?” Forensic accounting experts are also relied upon in court to provide witness testimony and

litigation support, she adds.

The biggest difference between auditing and financial forensics is possibly the unpredictability of financial forensics. “In auditing, you have prior-year working papers as a source of reference. In financial forensics, every case is unique. I don’t think I have ever experienced two cases that are alike. You have different players, different schemes, different industries, different dynamics,” she describes. “So one day, we might be covertly investigating an organisation for procurement fraud. The next day, we could be at the storage unit digging through the



records. The following day, I might be deployed to another country to conduct site visits or to interview key personnel,” she says. She cited a past case where she had helped a client going through a divorce to locate “secret” assets that the spouse had stashed away.

If you are thinking that all this sounds like detective work, you are not wrong. “As part of our job, we try to uncover secrets that people want to keep hidden, so we deal with targets who may try to intimidate us or lie to us,” discloses Ms Ong, who grew up watching the classic Hong Kong series *Forensic Heroes*.

She relates the most alarming experience she and her teammates had. “On one of my first overseas assignments, we had a car tail us back to where we were staying. We were in the car when one of my team members went, ‘Hey, I think that car behind us has been following us

all the way from the client’s place.’” The group then asked the driver to turn a few rounds and then go into a remote road; the car continued to tail them. “We next asked the driver to drop us off at a public area where we skirted the main thoroughfare before getting back safely. I know it sounds scary but we always take safety precautions and use our common sense in such cases,” she says. “I wouldn’t go so far as to say it’s so dangerous that people are deterred from joining financial forensics!”

NEVER A DULL MOMENT

Today, Ms Ong works with a team of 10 at Grant Thornton Singapore’s Forensic Advisory practice, focusing chiefly on assisting corporations in the Asia-Pacific region in complex and challenging investigations involving fraud, bribery and corruption. She is also involved in the hiring of team members. “Other than the normal recruitment process, we conduct interviews and give candidates case studies,” she says. “We give them samples of a forged document and ask



“I’m happy I’m deriving purpose and finding value in what I do. It is this sense of accomplishment – that what I do makes a difference – that really drives me.”

them what they see. This way, we can discern those who are able to think critically on their feet, tapping on different resources and pulling the information together to identify irregularities.”

A good financial forensics practitioner is someone who can connect the dots and make sense of chaos and confusion; has the ability to handle volatility, drawing information from various sources to piece together a coherent picture, and can make deductions supported by relevant data points and evidence. Ms Ong adds that other critical qualities are resilience and grit. “Due to the nature of the job, we face a lot of resistance, obstacles and even hostility from individuals who want to keep their secrets under wraps,” she elaborates. She recalls a time when they had to vacate a client’s location because the workers had gone on strike, and the books and records went missing all of a sudden. “How do you deal with that?” she muses. “It is very important to have strong mental fortitude so you can deal with the challenges and demands of the job.”

“There are no shortcuts to becoming good at this. Nothing can replace experience. The best way to learn is to get your hands dirty and your boots on the ground,” she advises.

Experience is what enables a forensic practitioner to pick up the most innocuous clue. Ms Ong shares how, in one of her most memorable cases, a casual comment “blew up the entire case” and helped them find the key piece of evidence. “We were just chatting with one of the accountants when she made a passing remark, ‘Oh, by the way, whenever I received this document, it was warm to the touch.’ When we heard it, immediately we were like, ‘Wait, what do you mean by that?’ This led us to realise that someone within the company was forging documents by printing them off fresh, before passing them on. That’s why the documents she received were still warm,” she explains. “Before that, we only had bits and pieces of information, but her comment led to the key piece of evidence, and everything made sense afterwards.”

TOUGH BUT REWARDING

Financial forensics, though exciting, can be very hard work. “The nature of the job is very demanding, and most of our engagements are highly time-sensitive,” Ms Ong admits. Fraud schemes, she says, are also

constantly evolving and every case is unique, which is why forensic accountants have to constantly learn and upgrade themselves to stay ahead of the curve. “On top of that, it is challenging to deal with the very human aspect of the work, where we have to manage the visceral and raw emotions, because we bear witness to people who lie, cheat and steal,” she shares. Over the years, Ms Ong says that she has developed the ability to compartmentalise and recognise that she is first and foremost a professional and therefore, has to maintain her independence and objectivity when performing her duty. “It also helps that I have a very good team that I can trust to do things thoroughly and see things through from start to finish,” she adds.

For anyone keen to pursue financial forensics, Ms Ong informs that it is “definitely not for the faint of heart, but for the right person, it can prove very fulfilling and rewarding”. Her advice is to keep an open mind towards experiences and learning. “Just take the first step and start developing a solid foundation in accountancy and investigation. Take up mentorships, internships; speak to people in the industry. You’ll be surprised at how many people are willing to share their insights and experiences. All you need to do is ask.”

Professionally, she recommends they take up the ISCA Financial Forensic Accounting Qualification, which leads to the ISCA Financial Forensic Professional credential, which she is currently doing. “It provides a very good foundation on how to conduct investigations, how to conduct interviews, and the nature of digital forensics and financial crime,” she lists. “And it gives forensic practitioners an advantage. The examples and context of the course material are set in Singapore, which is very useful for students.”

Ms Ong, who finds she has to be intentional about taking breaks given the nature of her work, enjoys an equally unorthodox sport: aerobics – “as in, performing acrobatic tricks high above ground; it fits my personality,” she says. Professionally, her goal is also to fly high. “My dream is to one day be asked to take the stand in court as an expert witness, and I would like to do that in 10 years’ time. But for the moment, I’m happy I’m deriving purpose and finding value in what I do. It is this sense of accomplishment – that what I do makes a difference – that really drives me.” ISCA



Fann Kor

Updates From The CEO

Taking ISCA Global, One Country At A Time



- As the national accountancy body, ISCA plays our part to support the aspirations of members and local firms that wish to venture abroad, such as through the establishment of overseas chapters. ISCA is on track to have 12 overseas chapters by year's end.
- Through our overseas chapters, we aim to alleviate the challenges our members and organisations face, when navigating unfamiliar markets. We also leverage our partnerships with foreign professional accountancy organisations to provide timely

- support and up-to-date information to our overseas members, and those planning to bring their organisations abroad.
- Efforts to expand overseas go hand in hand with the Institute's goal to enhance the professional recognition of the CA (Singapore) designation, and the ISCA brand. The heightened global visibility and stronger presence internationally will elevate ISCA's standing and that of our members, thus opening more doors to opportunities in foreign markets.

ALL TOO SOON, WE ARE INTO THE FOURTH QUARTER OF 2023. I trust the past nine months have been a fruitful time for you, just as it has been for the Institute.

For some of us at ISCA, the past nine months felt a little like being a character in Jules Verne's classic adventure tale, "Around The World In 80 Days". It all started with ISCA President Teo Ser Luck asking a simple question, "How come we don't have a presence overseas?" Since January, the ISCA team has been to the Philippines, Malaysia, Vietnam, South Korea, Hong Kong SAR, Indonesia, China and Australia, and we have two more trips to go before we call it a year.

WHY GO INTERNATIONAL?

In a globalised business world, Chartered Accountants, being highly sought after for their expertise and business acumen, have career opportunities around the world. We have observed that more ISCA members are venturing overseas or returning to their home country to work. At the national level, the Singapore government has consistently encouraged homegrown firms to go beyond the domestic market and expand overseas.

As the national accountancy body, ISCA is playing our part to support the career aspirations of members who wish to venture abroad, as well as the internationalisation efforts of local firms; and

establishing overseas chapters is one of the ways we do this.

Through ISCA's overseas chapters, we hope to alleviate the challenges our members and firms face when navigating unfamiliar markets. We will leverage our partnerships with professional accountancy organisations (PAOs) in other countries to provide timely support and up-to-date information to overseas members and those planning to take their businesses outside Singapore. This will help our members connect with more international opportunities.

Our efforts to expand overseas go hand in hand with our goal to raise the professional recognition of the Chartered Accountant of Singapore or CA (Singapore) designation, and the ISCA brand. Our presence in key overseas markets facilitates the signing of agreements with PAOs in these countries, boosting the professional recognition of ISCA and CA (Singapore) there. A globally recognised CA (Singapore) credential will open doors worldwide for our members. Our heightened global visibility and stronger presence internationally will elevate ISCA's standing, and that of our members.

HOW WE SET UP OUR OVERSEAS CHAPTERS

Each of our overseas trips was jam-packed with meetings. We met with the PAOs and regulators to catch up on developments in their country's

PHILIPPINES



MALAYSIA



VIETNAM



AUSTRALIA



SOUTH KOREA



INDONESIA



BEIJING



HONG KONG SAR



SHANGHAI



GUANGZHOU



It is always a delight to connect with members who are flying the ISCA flag high all over the world

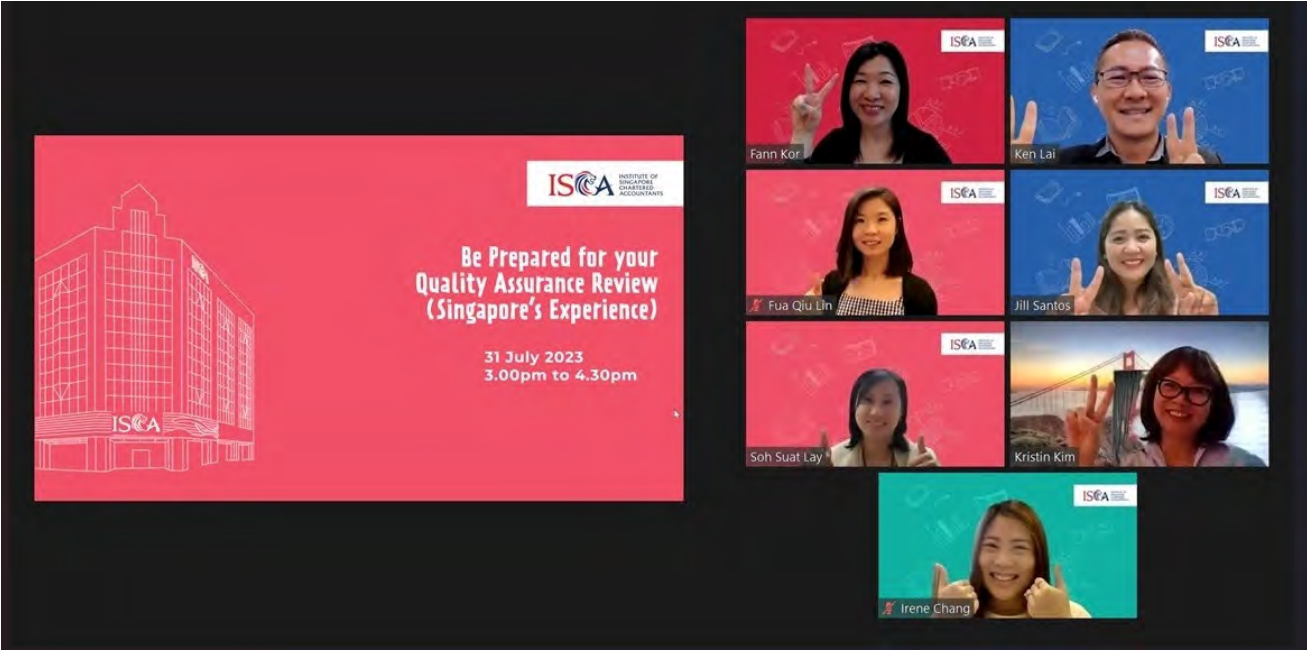
accountancy and regulatory arena. The insights provided us with a better understanding of the respective markets, and the potential areas for collaboration and support.

Before concluding each trip, we would organise a networking dinner for our members and business partners based there. It is always a delight to connect with members who are flying the ISCA flag high all over the world. We relish the opportunity to apprise them of ISCA's plans, as well as get to know more about their needs and how we can support them. Most of the members I met have shared how

much they miss Singapore and how happy they are to see ISCA going in this direction – reaching out and connecting with overseas members.

We want to be close to where our members are, and in the markets where there are business and career progression prospects for them. We are currently on track to set up 12 overseas chapters by the end of 2023: in the Philippines, Malaysia, Vietnam, South Korea, Hong Kong SAR, Indonesia, Beijing, Shanghai, Guangzhou, Australia, the United Kingdom and Thailand. That we were able to set up ISCA Chapters so quickly was due in large part to the

▲ ISCA has visited 10 cities to date, and will have 12 overseas chapters by year's end



Our first overseas chapter webinar was attended by 300 international professionals from 12 Asian countries

support given by our enthusiastic and enterprising members based in these locations. For this, we thank you from the bottom of our hearts.

Through our overseas chapters, the Institute can better support members in mitigating the issues they face as they explore new opportunities and navigate foreign business markets. The Chairpersons of our overseas chapters are our key points of contact in the respective markets, to assist with members' needs. They will spearhead the chapter initiatives, share about ISCA's resources, and facilitate business and talent mobility between Singapore and their particular markets.

As we connect with PAOs in other countries, we can tap on their on-the-ground knowledge to provide timely support and up-to-date information to our overseas members and those planning to take their businesses abroad. This will help open doors to more opportunities for our members and for our Singapore firms.

By entering into agreements with PAOs in key markets, we aim to enhance the recognition of ISCA and CA (Singapore) designation holders regionally and internationally. Our heightened international presence and overseas support

will benefit members who are exploring or seizing opportunities beyond Singapore's shores.

ISCA also supports international companies through our corporate membership. As a Corporate Member, the organisation becomes part of the ISCA community. They can access members-only resources, events and privileges, and stay plugged in to ISCA's initiatives and activities. The organisations can expand their networks and forge connections with fellow corporate members as well as leaders in the profession.

BUILDING CONNECTIONS AND COMMUNITY

Beyond business benefits, the overseas chapters are about building connections and community, which are so crucial for those living away from their home country.

The engagement plan for our overseas chapters will include both in-person and virtual activities. After all, it was through our engagement with partners and members in the Philippines, Indonesia and Malaysia that we learnt about the challenges in uplifting audit quality in these markets. In July, Qiu Lin¹ and I conducted our first overseas chapter webinar, which brought together 300 international



We will continue to expand our overseas footprint and deepen collaboration with our overseas counterparts and stakeholders to achieve a win-win, and provide greater opportunities for our members and organisations.



ISCA's Philippines Chapter Chairperson Jill Santos (second from left) organised a mini networking dinner for the Philippines Network members



ISCA wants to go where our members are based, to support their career aspirations

professionals from 12 Asian countries. We shared about Singapore's accountancy and regulatory landscape, findings from our Quality Assurance Review Programme, and tips for enhancing engagement performance. We will organise more virtual events and webinars to stay connected with our overseas members.

We have also created social media groups and WhatsApp groups for the respective overseas markets so that our members can connect with their overseas ISCA family.

Last month, our Philippines Chapter Chairperson Jill Santos organised a mini networking dinner for the Philippines Network

members. It was heartwarming putting faces to names and seeing strangers becoming friends. The other chapters will be organising their own networking events too.

We will also work closely with government agencies like Enterprise Singapore as well as other professional bodies and associations so that our members have more opportunities to network with professionals from various backgrounds.

Corporate Members, too, benefit from being part of the ISCA community. They are kept informed of business and industry happenings, and enjoy access to the Institute's rich repository of resources through our multiple channels and platforms. These organisations can widen their network as they establish relations with other like-minded Corporate Members, and accountancy and finance professionals.

SEE YOU AROUND (THE WORLD)

Our internationalisation plan is a multi-year initiative to put Singapore and ISCA on the global map of the accountancy profession by establishing ourselves as a globally recognised PAO. We will continue to expand our global footprint and deepen collaboration with our overseas counterparts and stakeholders to achieve a win-win, and provide greater opportunities for our members and organisations.

We are living in an era where we do not have to be constrained by our geographic boundaries when it comes to doing business. In an increasingly interconnected world, the world is our oyster.

Suat Lay² and I had a good laugh when we called ISCA's Singapore office our "HQ". We both know that by terming ISCA House our HQ, we are setting our sights on wider vistas and global opportunities for ISCA and our members.

We hope to garner your strong support for our future overseas activities. Tell us how we can meet your internationalisation needs. Share your views with me by writing to CEO@isca.org.sg.

I hope to see you at ISCA House for our networking events, and elsewhere in the world during our next overseas visit! **ISCA**

Fann Kor, CA (Singapore), is Chief Executive Officer, ISCA.



¹ Fua Qiu Lin, Divisional Director (Members and Stakeholders Engagement), ISCA
² Soh Suat Lay, Divisional Director (Members Experience and Communications)



Professor Ang Hak Seng

Creating And Quantifying Social Impact Investments For The People Sector

Toolkits And Best Practices



- To futureproof the social sector, it needs to undergo three shifts: from donation to investment, from working in silos to collaborating with others, and from doing good to creating social impact.
- To achieve these shifts, new knowhow and skills would be required.
- The "7 elements of social entrepreneurship" framework, based on the business excellence model, can be used to address the skills gap and guide an organisation towards success.

IN MY PREVIOUS ARTICLE, PUBLISHED IN THE SEPTEMBER ISSUE OF THIS JOURNAL, I examined the driving forces behind the evolution of the social sector. They can be summarised into four points, namely the changing expectations as a result of the change in Singapore's demographics, resource scarcity caused by the high cost of living, increasing demand for People sector services due to our rapidly ageing population, and the digital awakening that the nation experienced as a result of COVID-19.

I also evaluated the current state of Singapore's charities and, consequently, identified the gaps and shifts that the People sector will need to address and adopt, to become future-ready. Through our research,

the gaps we have identified can be grouped into the three main categories of demand, supply, and matching. To address these gaps, we have hypothesised three shifts that the social sector will need to undergo and they are: from donation to investment, from working in silos to collaborating with others, and from doing good to creating social impact. To achieve these shifts, the current model for the People sector would need to be reengineered, and the product of this reengineering process is the three key social innovations (Figure 1).

SOCIAL INNOVATIONS

As mentioned in the previous article, there are three key social innovations (social investment, social alliance, and social excellence) which need to occur for the sector to move towards impact investment – a necessary and fundamental shift to prepare the People sector for the future of work (Figure 1). Impact investment is the result of the cumulative efforts of the three social innovations, which embody the concept of doing good, doing right, and doing well.

Social investment

Social investment is a way of ensuring the sustainability of an organisation and is to be used in conjunction with other methods of income generation for charities, such as donations and grants. Before the charities or potential investors consider social investment, they will need to fully understand the reasons, considerations

FIGURE 2 3 MAIN QUESTIONS CHARITIES SHOULD ASK THEMSELVES BEFORE THEY START IMPLEMENTING SOCIAL INVESTING



and how they wish to invest. These considerations include the reasons for the extra funding, risk management plan, and a robust business plan (Figure 2).

One, understand the reason(s) for the extra funding. Before SSAs consider social investment as a potential income source, there must be a clear purpose for the extra funding. This would ensure that the extra funding would be maximised for social impact. Moreover, if SSAs are unable to convince themselves about the reason for the extra funding, it is unlikely that investors would be persuaded. A potential cause for needing extra funding would be for SSAs to embark on new initiatives and thus require funding to purchase relevant assets.

Two, ensure that proper risk management plans are in place as social investment requires a sound investment strategy. Therefore, charities are required to pay their investors, whether these are in principal, instalments, interest or dividends. Hence, it is critical that charities have a detailed

understanding of all their charity's cashflows including positive cashflows like donations or grants, and negative cashflows like utility bills and transport expenses. With this understanding, non-profits would be able to plan a robust risk management plan and prepare for certain scenarios. These scenarios include when SSAs are unable to pay investors or when certain types of assets, such as transport vehicles, cost more than expected. For scenarios like these, a potential resource SSAs can tap into is their reserves. Clearly, managing reserves will become even more important should charities embark on social investing.

Three, ensure that your charity has a robust business case to present to potential investors. As investors become more sophisticated and thus more selective, they are looking for charities which are able to provide the highest return-on-investment (ROI) in the form of social impact. As such, it is critical that SSAs are able to present a robust business plan to investors to convince them to invest in your SSA. Also, as part of the business plan, charities will need to have a detailed understanding of their operating model to determine their competitive advantage, what makes them unique and what the investment capital will be used for.

Only charities which are able to provide satisfactory answers to the above three points should begin to operationalise their social investment plans.

• Social bond, social equity, social revenue

Social investment comprises two elements. The first element is social capital, which includes social bonds, social equity, and social revenue (Figure 3).

FIGURE 3 RELATIONSHIP OF SOCIAL INVESTMENT AND ITS PRODUCTS (SOCIAL INVESTMENT LEADS TO SOCIAL RETURNS WHICH CAN BE EVALUATED BASED ON SOCIAL METRICS AND STORYTELLING)

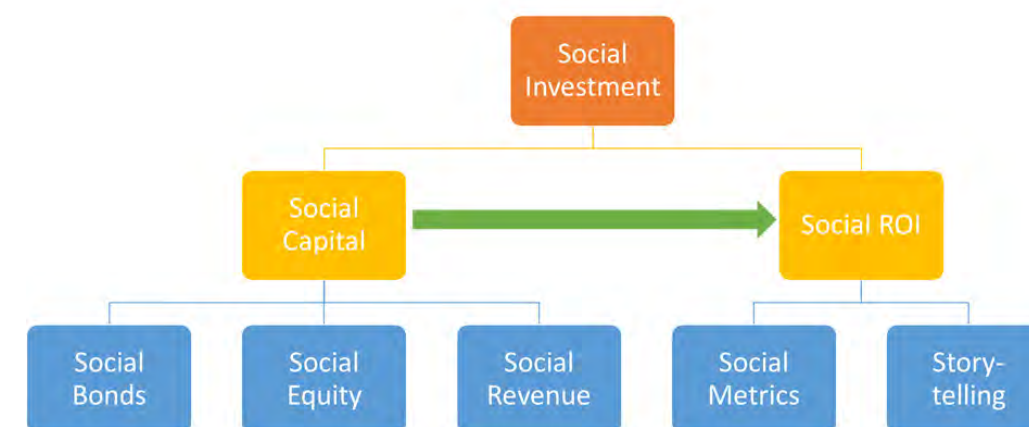


FIGURE 1 3 KEY SOCIAL INNOVATIONS IN POSITIVE FEEDBACK LOOP



As investors become more sophisticated and thus more selective, they are looking for charities which are able to provide the highest return-on-investment in the form of social impact.

The second refers to the ROI for investors, also known as social ROI. Social bonds are investment products where the investors provide capital to the charity organisations that would be required to return the original investment sum with interest to the investors at the end of the agreement. Social equity is a concept where the investors buy shares from charities and thus own a certain percentage of the charity. Social revenue refers to the goods and services that the government and private sector outsource to charities. Social revenue also refers to services that your SSA charges to those that can afford to pay to subsidise the programme for those who are unable to pay. As indicated previously, social ROI refers to the outcome of the investment, which could be capital or other social impacts.

• Social ROI

As developing social ROI can be a daunting task, I have provided a framework that has been contextualised for the People sector (Figure 4).

In Step 1, map the stakeholder needs and sort them according to priority so as to determine the critical needs that must be addressed. In Step 2, determine the outcome for stakeholders, specifically the tangible and intangible outcomes. In Step 3, develop the social measurements which include the formulation of social metrics. In Step 4, establish the baseline standards, which would require stakeholder surveys. In Step 5, measure social impact by comparing the state of things before and after your intervention. You should also investigate the opportunity cost of your intervention.

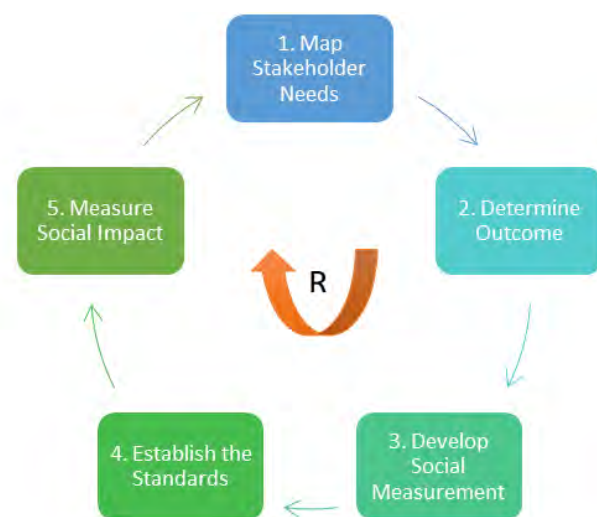
This recommended process would enable SSAs to quantify the tangible social impacts of their programmes and allow them to properly report to their investors. The intangible social impacts are more complex as there are no fixed measures that SSAs can use to report the findings. Instead, to report on this aspect, SSAs should use storytelling, detailing the changes and intangible impact they have made. Also, a crucial part of this recommended process is to continuously update and improve the social ROI process through feedback generated from the resultant social impact report.

Social excellence

To improve the sector's productivity, People sector organisations will need to pay attention to operational excellence. There are three ways which operational excellence can be achieved, namely value creation, productivity, and technology.

First, for value creation, the People sector will need to adopt process reengineering. An example of process reengineering is redesigning the roles of volunteers. For People sector organisations which regularly recruit, engage with and rely on volunteers, there are more efficient ways to utilise their skilled volunteer base. As charities tend to have limited headcount, it would be difficult to fully rely on staff to complete every single task within the organisation. Instead, non-profits could reevaluate the current tasks that volunteers are doing and determine how they can leverage on the skills of volunteers to help achieve more. Additionally, this development would be aligned to the volunteers' expectation of purposeful volunteering, thereby creating

FIGURE 4 5 GUIDING STATEMENTS TO QUANTIFY SOCIAL ROI (IT WILL BE CONTINUOUSLY IMPROVED UPON)



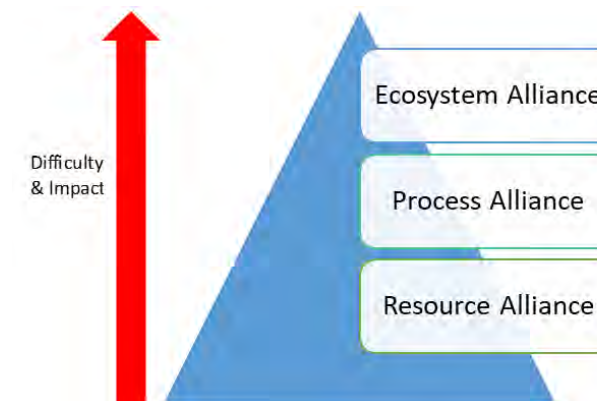
a mutually beneficial scheme for both volunteers and charities. For example, volunteers can be put in charge of tasks such as volunteer management, which allows them to take ownership of their volunteering journey. This would free up the staff to do higher-value work.

However, there may be issues when relying on skilled volunteers as they may serve on an ad hoc basis, leading to discrepancies in the consistency of vital corporate services. A potential solution to address this issue is for charities to get a group of skilled volunteers to perform these tasks. The skilled volunteers could then arrange among themselves and schedule "shift duties" for volunteers involved in the project. This system allows for a smoother service delivery, empowers the volunteers to take ownership of the project and converts your ad hoc skilled workers into a permanent service provider unit.

Second, to improve productivity, SSAs will need to "do more with less", that is, deal with the higher expectations from our stakeholders while working with a lower supply of resources. One solution is to incorporate lean management, which requires redesigning the job scope of the staff. To maintain a lean but highly productive team, each individual staff would need to be upskilled to handle more complex and difficult projects, including through collaboration with other SSAs.

Third, wherever possible, leverage on technology, such as automating or digitalising tasks. For instance, instead of manually documenting volunteer records, SSAs could utilise Excel spreadsheets. This would be more environmentally friendly, records can be shared more efficiently, and it takes less time to sort and store the records and data. Technology can also be used in more complex ways, such as using artificial intelligence to craft customised donation appeals within minutes, with the right prompts. Another use of technology would be in digital marketing where digital platforms are used for outreach activities aimed at the public. Charities can also subscribe to corporate software service packages, such as for accounting, customer service management, volunteer management, and human resource management. As more routine tasks become automated, staff are freed from lower-value duties and can take on more critical decision-making responsibilities. For charities which can implement more complex technology, data analytics should be incorporated into the organisation's decision-making process as it gives non-profits the ability to make quicker and well-informed decisions.

FIGURE 5 INCREASING DIFFICULTY AND IMPACT OF CREATING ALLIANCES



Social alliance

To enhance the sector's collaboration capabilities, People sector organisations will need to form alliances with each other for the purpose of increasing collaborations and to leverage on each other.

There are three main types of social alliances (Figure 5), comprising resource, process, and ecosystem alliances. Among them, resource alliance is the easiest and least impactful while ecosystem alliance is the hardest and most impactful.

The first type of social alliance is resource alliance, such as joint funding and shared volunteers. As multiple small SSAs may work on similar causes, it is likely that one's campaign may cannibalise the work of other similar SSAs. Furthermore, with a small team, the outreach each individual SSA has would be limited. Thus, for outreach initiatives to connect with more donors and volunteers, SSAs could pool their resources together and form a single large-scale marketing campaign to raise awareness of the SSAs with similar causes. This would create a much greater awareness impact than having multiple small-scale and disjointed campaigns.

Another trend among today's donors is the rise of "giant" donors, usually philanthropists or foundations, that generously give away large sums of money in service to the community. These donors are more sophisticated and place heavy emphasis on generating great social impact for society. By forming resource alliances and sharing resources, charities would be able to organise more large-scale donor events, such as

benefit concerts and galas, which are regularly attended by “giant” donors, potentially attracting more funds than through small-scale events.

The second type of social alliance is process alliance, which includes shared services. I often say, “Do what you do best and outsource the rest.” As SSAs have limited headcount, it may be more costly to have inhouse corporate services such as facilities management, human resources, and finance. It would be more efficient for SSAs with similar needs to come together and produce shared services that all partnering organisations can tap into when required.

The last type of social alliance is the most difficult type of alliance, also known as ecosystem alliance. Ecosystem alliances refer to alliances of charities that exist within the same value chain. For instance, one such value chain would be the medical value chain which not only consists of the hospitals and community clinics, but also SSAs which follow up with discharged patients. Within this cluster of SSAs, there are many different charities which fulfil separate functions. For example, patients with chronic illnesses who have been discharged from hospital would require external assistance to monitor and manage their physical health, mental health, and financial situation. Often, these services are provided by different SSAs which may not be coordinated. It would be more efficient for SSAs in the same value chain to form alliances, to bring greater convenience to beneficiaries. Such alliances would allow for easier information sharing, greater transparency, and lower turnover time.

With the Healthier SG movement that requires us to move up the value chain from curing to prevention, the ecosystem alliances will become even more critical.

SOCIAL ENTREPRENEURSHIP

To achieve the aforementioned shifts, new knowhow and skills would be required as the sector may not have the necessary skills to properly implement all aspects of impact investment. To address this skills gap, based on the business excellence model and SkillsFuture’s

critical core skills, I have developed a theory of success called Social Entrepreneurship.

Known as the “7 Elements of Social Entrepreneurship” (Figure 6), this model comprises seven different elements – leadership, strategy, process, people, knowledge, beneficiary, and results – all of which work in tandem to ensure organisational success. For more details about each element, please refer to my social entrepreneurship article, “Social Entrepreneurship: Building The Next Generation Of The People Sector”¹, published in the December 2022 issue of this journal.

For the strategies to be successfully implemented, the most crucial element of social entrepreneurship that needs to be developed is leadership. This is because leaders make things happen. There has been a shift from leadership to stewardship, and moving forward, the shift would be from stewardship to collective leadership. Traditionally, leaders have been viewed via the one-man leadership lens, where only one person directs the whole organisation. Currently, the leadership model has shifted to stewardship, where leaders of today think beyond their own organisation and look to find opportunities for collaboration. Collective leadership elevates this thinking, where “thinking for others” is a concept that is embedded into the organisation’s overall leadership strategy, allowing for smoother collaborations.

Having collective leadership would also instil resilience into your board and upper management as everyone, coming from diverse backgrounds, would have his or her unique experiences which, when combined, produces the collective wisdom to deal with almost all issues that SSAs of today and tomorrow will face. Hence, having diverse collective leadership is crucial as this leadership style allows organisations to achieve alignment, action, and speed through the process of shared vision, action, and experience.

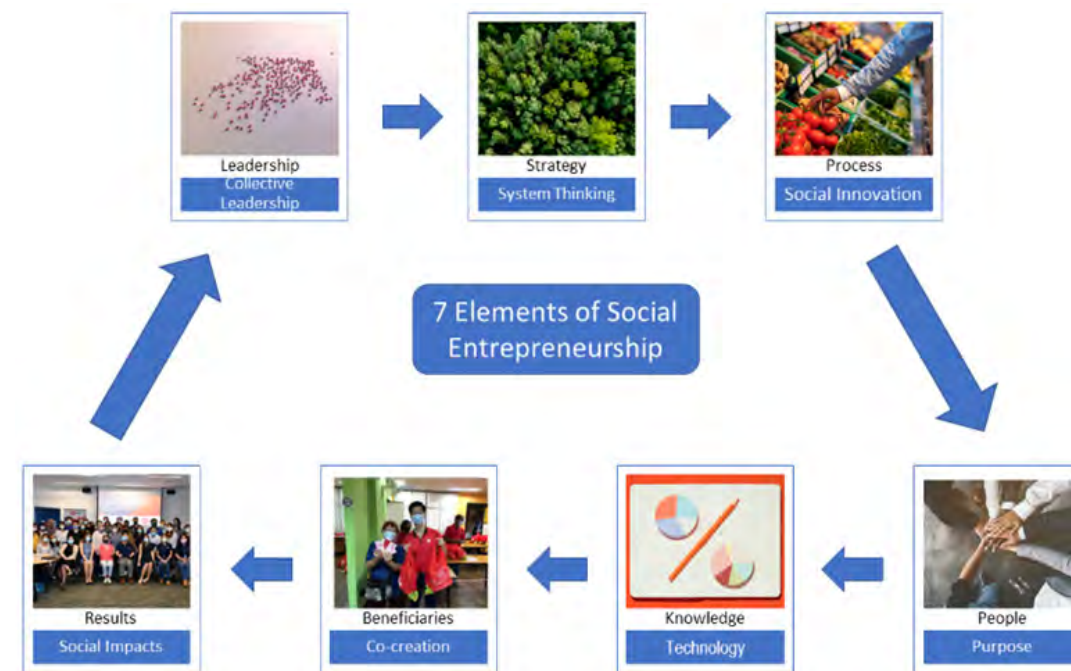
CALL TO ACTION

To remain relevant to our stakeholders and to ensure that our stakeholders continue to



... having diverse collective leadership is crucial as this leadership style allows organisations to achieve alignment, action, and speed through the process of shared vision, action, and experience.

FIGURE 6 7 ELEMENTS OF SOCIAL ENTREPRENEURSHIP



enjoy high levels of service, the sector needs to answer to three calls to action.

First, there will be a need for new policies, new regulations, and new tools for the People sector. For instance, to implement social bonds, social equity and social revenue, new governance policies about social investing with the non-profit sector is required. Without the appropriate regulations, it would be incredibly difficult to gain the trust of the potential donors, and many are unlikely to fully comprehend the concept from the get-go. Thus, successful implementation of this would require governmental support and recognition. Training would need to be modified as new skills and complex skills would be required to operationalise sophisticated impact investment. New best practices and knowhow will need to be developed for other charities to learn from.

Second, no theory is as good as actual experience. While I may have proposed some

frameworks for social innovation, to ensure that they are contextualised to Singapore’s People sector, the best way is to run a pilot with an established SSA which is willing and able to manage the risks. The lessons we learn from the pilot run will provide salient feedback for best practices and templates, and allow us to scale up the programme to the rest of the People sector.

Third, if you are keen to conduct research to co-develop best practices for Singapore’s People sector, and to see your research’s impact on Singapore’s social policies, please reach out to me via ISCA or the Centre of Excellence for Social Good (CESG). It is only through working together that we can achieve the new social compact. ISCA

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¹ <https://journal.isca.org.sg/2022/12/16/social-entrepreneurship/pugplg-index.html>

Business Not As Usual

Companies Stepping Up In Crisis

TAKE
AWAYS

- Disaster preparedness is essential to business continuity. Being prepared takes commitment, and it should have a place in the organisational infrastructure.
- While offering monetary and in-kind donations can make a difference post-disaster, the private sector can make an even greater impact on response and recovery when companies leverage their core capabilities and ready themselves well before a disaster.
- Preparing for and supporting humanitarian relief operations allows the company to build adaptiveness and agility and, in turn, improve supply chain resilience, which is aligned with the goal of business continuity.

IN FEBRUARY 2023, two devastating earthquakes claimed more than 55,000 lives and affected over 10 million people in Türkiye and Syria. Responding to this massive humanitarian crisis is everyone’s business, including private companies. Indeed, after the Türkiye-Syria earthquakes, semiconductor technology company ASML matched employee donations made to Turkish NGO Ahbap, and IKEA donated funds through its

IKEA Foundation, among other acts of generosity by corporate donors¹.

Such post-disaster responses by the private sector have been observed all over the world. After Hurricane Harvey, the Coca-Cola Company donated water, milk and energy drinks, while Johnson & Johnson sent hygiene kits to the region. But while offering monetary and in-kind donations makes a difference, the private sector can make an even greater impact on response and recovery when companies leverage their core capabilities and ready themselves well before a disaster. This requires commitment and preparedness.



¹ <https://pac.org/impact/private-sector-steps-disaster-response>
² https://www.independent.org/pdf/tir/tir_13_04_3_horwitz.pdf



A DISRUPTED COMMUNITY IS A DISRUPTION TO BUSINESS

In the wake of a disaster, companies may be directly or indirectly affected, be it their employees, physical stores, products or the economic situation in general. This is why disaster preparedness is not merely a humanitarian imperative, but also essential to business continuity.

Walmart’s response to Hurricane Katrina² is a good example of alignment between business continuity and disaster preparedness for humanitarian reasons. The company was praised for its efficient response. In fact, Walmart reached the affected region even before the United States Federal Emergency Management Agency (FEMA) did, and distributed supplies such as food and water to the community. It even transformed its stores and parking lots into community hubs where people could get supplies and do their laundry.

Such response was possible because Walmart was ready when Hurricane Katrina hit; the company constantly monitors supply chain risks, including natural disasters. It had put in place contingency plans to minimise disruption to the supply chain and reopen stores as soon as possible. Once it managed to restore its supply chain, it could then contribute to humanitarian relief by facilitating aid delivery.

Clearly, a well-prepared company can recover faster (if affected) and even extend timely help to those in need. From the perspective of business operations, preparing for and supporting humanitarian relief operations allows the company to build adaptiveness and agility and, in turn, improve supply chain resilience, which is aligned with the goal of business continuity.

BEYOND DONATIONS: LEVERAGING CORE CAPABILITIES AND STRATEGIC PARTNERSHIPS

Walmart’s response shows what a company can do by leveraging its core business capabilities and resources in retail logistics. Similarly, after the Türkiye and Syria earthquakes, online shopping websites such as Trendyol, Hepsiburada and Yemeksepeti set up systems to enable donors to purchase in-kind aid to be delivered from the companies’ warehouses to the affected



In times of humanitarian disasters, the private sector must step up. Businesses can hardly be functional when society comes to a halt.

populations by the main coordinating body known as the Disaster and Emergency Management Presidency (AFAD). Logistics companies such as MNG Kargo allowed individuals to deposit solicited in-kind donations such as blankets and clothes at their stores all over the country, which were sent to the affected regions at no cost.

But beyond logistics, companies may have other core competencies, depending on their sector, size, infrastructure, network, risk management tools and procedures put in place. For instance, health, nutrition and bioscience company Royal DSM is creating fortified, nutritious food solutions and improving food affordability and availability through its partnership³ with the United Nations World Food Programme (WFP).

Partnering with a humanitarian organisation is another way to get involved, which should ideally start from the preparedness stage, through to the response and recovery phases. For example, Amazon has established Disaster Relief Hubs with prepositioned inventory from which partners such as Save the Children⁴ can tap on during a disaster response.

Alternatively, a company can collaborate with competing firms⁵ to support a relief operation. An example is the Logistics Emergency Team (LET)⁶. It consists of four major logistics companies including Agility, UPS, A.P. Moller – Maersk and DP World to support the United Nations Logistics Cluster, when called upon by WFP, the cluster lead.

The coalition effectively increases transportation capacity and makes services such as customs clearance, warehousing and information management more accessible. In response to the Türkiye and Syria earthquakes, LET evaluated the local logistics and storage capacity, supported operations through airlifts and published flight routing data to help identify available air cargo space for humanitarian operations⁷. Beyond emergency response, LET contributes to preparedness by conducting logistics capacity assessments in high-risk areas that inform WFP.

Understandably, when companies compete in the for-profit space but collaborate in support of a humanitarian cause, it could give rise to unexpected dynamics. But while companies may



be wary of collaborating with their competitors, such “coopetition” structure can result in synergies and more efficient processes⁸. Moreover, it can offer co-learning opportunities for companies to build adaptability and agility, while increasing employee and customer satisfaction.

PREPARING FOR THE CHALLENGES OF HUMANITARIAN RELIEF

First and foremost, companies that decide to be actively involved in humanitarian relief need to be committed and prepared to manage potential risks. In the case of Walmart⁹, it set up a Global Emergency Management department that constantly collects and analyses data to identify, assess and respond to events such as natural disasters, disease outbreaks and other crises. The team uses data from external sources such as governmental agencies, weather reports and disease outbreak data to perform independent risk and demand assessments. The department

also trains associates on preparedness and business continuity after disasters. An important feature of its organisational structure is its flexibility in times of emergency. The department, which is normally staffed by six to 10 employees, can expand to 50 people, with involvement from senior managers in different functions where necessary. More importantly, Walmart gives a great degree of autonomy to district and store managers, allowing them to make swift decisions without the hindrances of bureaucracy. This is in stark contrast to AFAD, which was harshly criticised for its top-heavy structure that led to its slow response in the recent earthquakes. In the case of partnerships, companies that are already operating in intense contexts due to the massive devastation and human suffering are further challenged by diverse stakeholder priorities. To overcome these challenges, the companies involved should set a clear purpose

and commitment towards a common goal and establish partnership rules and operating guidelines from the start. For example, LET, the pro bono coalition, is activated upon the request of WFP (or the Logistics Cluster led by WFP) to support humanitarian response to disasters that impact more than 500,000 people. LET is typically active for three to six weeks post-disaster, with the option of reactivation if necessary. This unique partnership has been studied for years¹⁰ by the INSEAD Humanitarian Research Group. Once all stakeholders are on board, it is essential to work towards a structured and detailed approach of what will be done, as well as when and how. These plans for operations, coordination of human resources and assets, timeframe, locations and exit strategy contribute towards standard operating procedures that can be readily deployed. To develop and improve these plans, a steering committee can provide the global-level partnership governance structure.

A ROUTE TOWARDS WIN-WIN: RECOVERING TOGETHER

When communication is disrupted, infrastructure is destroyed and the lives of customers, employees and their families are put on hold – nothing is usual, and neither is business. Business continuity after a disaster cannot be viewed separately from humanitarian response and recovery. Donations are invaluable, but private companies can do more with their core capabilities. Supporting humanitarian relief at every phase of the disaster – preparation, response, recovery – individually or through partnerships not only helps the affected populations, it builds a company’s supply chain resilience, as well as its standing as a socially responsible organisation. Swift business recovery can only happen with expeditious recovery of the community it serves. This is best achieved by working and preparing together. ISCA

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³ <https://www.dsm.com/corporate/news/news-archive/2022/dsm-and-wfp-partner-to-improve-nutrition-around-the-world.html>
⁴ <https://www.savethechildren.org/us/about-us/become-a-partner/corporations/amazon>
⁵ <https://publishing.insead.edu/case/logistics-emergency-teams-pioneering-a-new-partnership-model>
⁶ <https://logcluster.org/logistics-emergency-team>
⁷ <https://sway.office.com/HKnm5ufvDcAc0lp0?&HKnM5ufvDcAc0lp0?&>
⁸ <https://journals.sagepub.com/doi/full/10.1177/0170840615622066>
⁹ <https://corporate.walmart.com/esgreport/social/disaster-preparedness-response>
¹⁰ <https://www.insead.edu/centres/humanitarian-research-group>

PHOTO: SHUTTERSTOCK

Speak Out To Reduce Workplace Harassment

Don't Be A Bystander



- Bystanders play an important role when it comes to stopping workplace harassment or bullying. They often have the power to stand up to perpetrators, or report such instances to management.
- Organisations can do more to encourage bystander intervention, including ensuring that employees are familiar with the workplace harassment policy, sending them for anti-harassment training programmes, designating role models to champion the right behaviour, and fostering a culture of openness and accountability.



While employers have a duty of establishing an environment of safety and respect, everyone in the workplace, including bystanders, has a role to play too.



¹ https://www.tal.sg/tafep/-/media/TAL/Tafep/Employment-Practices/Files/Workplace_Harassment_Prevention_Policy_Sample_2019.pdf
² https://www.tal.sg/tafep/-/media/TAL/Tafep/Employment-Practices/Files/Tripartite-Advisory-on-Managing-Workplace-Harassment_2015.pdf

WE ALL KNOW THAT FEELING OF DISCOMFORT.

It could be at the office pantry or over a Zoom meeting, and someone makes a casual racist comment or a joke filled with sexual innuendo.

We hope someone intervenes to say something, anything, to stand up to the disrespectful comment or behaviour. But we do not, because of a phenomenon called the “bystander effect”.

Studies suggest that when a victim needs help, the more people there are looking on, the lower the chances of someone stepping in. This is due to a diffusion of responsibility – everyone assumes someone else in the group will act, but no one does.

It is unfortunate because bystanders play an important role when it comes to stopping workplace harassment or bullying. They often have the power to stand up to perpetrators or report such instances to management. But more often than not, these onlookers remain silent. As a result, the perpetrator could end up getting away with his/her actions, while harassment becomes normalised at the workplace.

WHY DON'T MORE BYSTANDERS INTERVENE AT THE WORKPLACE?

There are several reasons for this reluctance to step in.

A key reason is, the bystanders might be afraid of the potential consequences of speaking up. These could include reprisal, retaliation, becoming a target themselves or losing their job. Temporary workers, in particular, could feel especially insecure about their employment.

Another factor is a lack of confidence in the management’s ability to take real action against the perpetrator, particularly when the person is a senior member or manager in the firm. Bystanders could also simply be unaware of what exactly counts as harassment, and what they should do in response.

HOW CAN ORGANISATIONS ENLIST BYSTANDERS IN THE FIGHT AGAINST HARASSMENT?

Employers can do their part to encourage

bystander intervention. Here are some actions they can consider taking:

- Ensure that all employees, including new hires, understand what constitutes workplace harassment. Staff should also be made aware of the appropriate channels and processes when it comes to making a report against a perpetrator. This can be communicated to them via a workplace harassment policy¹. The policy should make clear that the firm tolerates neither harassment nor retaliation against those who speak up. It could give examples of harassment, outline possible disciplinary measures, and direct staff to avenues where they can report such behaviour with the option of anonymity. There should also be processes for whistleblowing when the perpetrator is part of the management team.
- Include bystander training in the organisation’s anti-harassment training programmes. This will make staff more aware of the bystander effect and give them practical tips they can use to intervene safely and effectively. Bosses can send supervisors, line managers and HR personnel for mandatory hands-on courses on how to manage workplace harassment, including how to protect bystanders and victims. This will help assure complainants that their reports will be taken seriously, and that the workplace harassment policy will be applied consistently.
- Designate certain employees as “role models” who can champion the right behaviour, offer tips on bystander intervention and encourage others to speak up. They could be given additional training to better support their colleagues.
- Foster a culture of openness and accountability. One way to do this is for leaders to have an “open-door” policy, solicit feedback from staff, and behave as role models who take action against bad behaviour. They can also consider rewarding staff who take action against workplace harassment. All this would give employees a greater sense of psychological safety and make them feel more inclined to act.



LEARNING POINTS FOR EMPLOYERS

- It is beneficial for companies to implement a proper grievance-handling policy, which clearly outlines the manner of escalation, to ensure an employee's grievance is heard by the relevant parties.
- The policy should also state the process and timeline following the lodging of a report or grievance, for employees to know what to expect.
- All grievances should be looked into, treated with respect and not be taken lightly.

While employers have a duty of establishing an environment of safety and respect, everyone in the workplace, including bystanders, has a role to play too. Normalising the act of calling out harassment will go a long way in encouraging more people to stop being mere bystanders and stand up to those who behave badly.

To learn more about workplace harassment and how to manage and prevent harassment at work, refer to the Tripartite Advisory on Managing Workplace Harassment² or visit [tafep.sg](https://www.tafep.sg)³.

CASE STORY

Proper grievance handling is crucial for a company to address any unhappiness among staff.

This case study is based on an actual case handled by TAFEP. The names and identifying details in this case have been changed to protect the privacy of individuals.

Background

Tripartite Alliance for Dispute Management (TADM) received a case of mass resignations, where 20 employees resigned concurrently, citing the reason as micro-management by their new Operations Director (OD).

The constant surveillance and lack of trust caused them undue stress and adversely affected their health.

In their distressed plight and not knowing their rights and obligations, they sought advice from TADM on whether there were any legal consequences for them resigning as a group.

TAFEP and TADM's involvement

The TADM advisory officer assisted these employees and educated them on their rights and obligations. In the course of engaging the employees, it appeared that there were unacceptable employment practices going on in the company. Hence, TAFEP was brought in

to conduct investigations on the grounds of alleged workplace bullying.

TAFEP understood from the ex-employees that "James", their newly appointed OD, was overbearing in his leadership style, and had a strong tendency to micro-manage staff, such as unreasonably scrutinising the amount of time they took to get work done. He further demoralised staff by often making disparaging remarks about their lack of efficiency, through the use of negative comparisons with his former staff.

Beyond that, James also had a conflicting working style with "Theresa", the Operations Manager (OM). One of the issues they were unable to agree on, was how James was bent on freezing the headcount to cut costs, while Theresa hoped to expand the team to cope with the rising volume of orders. As their differences continued to escalate, Theresa eventually quit. Theresa's departure triggered a series of resignations among her staff, most of whom had left as a show of support and loyalty to her.

To corroborate the accounts, TAFEP spoke with the company representative – General Manager (GM) "Ms Goh" – who expressed that the company was deeply disappointed with the situation, as the staff who resigned were employees who had served the company for more than five years. Their resignations happened shortly after James had come on board four months ago.

Outcome

Seeing that the employer was keen for Theresa and other staff to withdraw their resignations, TAFEP advised Ms Goh to transfer James to another business unit. The company issued James a warning and enrolled him for training courses on effective leadership styles. Ms Goh also cautioned him that the company would not hesitate to discipline him if he was unrepentant.

This move was well received by the staff who had resigned. Most of them agreed to Ms Goh's request to void their resignations and return to work, while a few chose to move on to their new jobs.

TAFEP continued to follow up with the company to assist them in putting in place a formal grievance-handling procedure, and properly communicate it to their employees so they are aware of who to go to and what to do when grievances arise. More importantly, TAFEP reminded Ms Goh to keep James under extended probation to closely observe his work behaviour upon his transfer, and conduct regular check-ins with his new staff. [ISCA](https://www.tafep.sg)

This article was first published by the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP). Reproduced with permission.



PHOTO SHUTTERSTOCK



³ <https://www.tal.sg/tafep/employment-practices/workplace-harassment>

"OKAY" Together

Normalising Mental Illness



TAKE
AWAYS

- The increasing attention on mental health has heightened awareness and led to a better understanding of mental well-being.
- Certain professions and groups such as accountants are more vulnerable than others to mental health conditions.
- Reaching out for help, whether from family and friends or professionals, is one of the best ways of preserving one's mental well-being, according to the Health Promotion Board.

MENTAL HEALTH CONDITIONS CAN AFFECT ANYBODY.

The 2016 Singapore Mental Health Study suggests that one out of seven people in Singapore will develop such a condition in their lifetime¹. Statistics from the Ministry of Health² show that the most common mental health conditions seen in our country's public hospitals are schizophrenia, depression, anxiety, bipolar disorder and substance abuse.

While no one is immune from mental health conditions, certain groups are more vulnerable to them than others. Various studies show that certain factors, like high levels of stress and a lack of social support, can increase one's likelihood of developing a mental health condition. That can certainly be the case for accountants and auditors, who often face demanding and stressful work situations.

Half the accountants and auditors who responded to a 2021 Canadian survey admitted to experiencing a mental health issue³ at some point in their lives. This may be exacerbated by a lack of social support in the

profession; a study reported in America's *CPA Practice Advisor* found that these professionals were among the least comfortable discussing their mental health with supervisors. "It's not something we are encouraged to do," says Noel (not his real name), a former auditor from Singapore who recently left the profession after seven years. "The check-ins we have with our managers are very task-oriented. We don't get a chance to talk about how burnt out we feel. It's not that they don't care; it's just that they don't have the time or the headspace to care." Also, for many people, the stigma surrounding mental illness may deter those suffering from it from admitting to having it.

MAKING A CHANGE

Noel recalls that during the audit season, he would sacrifice his physical health, work-life balance and social relationships in order to get the work done. "There would be late nights, lots of junk food and long commutes between the office and home. I didn't get any exercise or

personal time in, and this would repeat itself at every audit cycle," he recalls. "It eventually got to a point where I was diagnosed with depression. The stresses of COVID-19 also exacerbated the situation."



Pro Tip: Beat The Stigma

Employers who de-stigmatise mental health issues in the workplace can create a supportive and inclusive work environment, which can do wonders for staff morale. Educating staff on mental health issues and having leaders openly discuss mental health can normalise mental health conversations in an organisation.

PHOTO SHUTTERSTOCK



Indeed, COVID-19, which brought the stress of a new normal along with reduced social interactions, took its toll on the mental health of many Singaporeans. This was reflected in a year-long study conducted by the Institute of Mental Health (IMH) between May 2020 and June 2021, which suggested that there had been an increase in anxiety and depression because of the pandemic⁴. Depression, meanwhile, is the most common mental illness in Singapore, according to HPB⁵, with one out of 16 Singaporeans having exhibited depression symptoms at least once in their lifetime. Such symptoms include a loss of interest in activities, sleep disturbances, appetite changes and suicidal thoughts.

Plagued by these symptoms, Noel decided to quit his job and

Physical and mental health are interconnected. Physical conditions such as chronic illnesses, pain, or disabilities can impact mental well-being.

seek treatment. For mental health conditions, treatment options include medication, counselling and psychological treatment. The method selected depends on several factors,



¹ <https://www.aic.sg/body-mind/about-mental-health-conditions>

² <https://www.moh.gov.sg/news-highlights/details/what-are-the-demographics-of-patients-receiving-psychiatric-treatment-and-mental-health-support>

³ <https://www.cpacanada.ca/en/news/accounting/the-profession/mental-health-study>

⁴ <https://www.straitstimes.com/singapore/health/imh-study-points-to-likely-increase-in-mental-health-issues-in-singapore-amid-covid-19>

⁵ <https://www.healthhub.sg/live-healthy/1179/helping-youth-fight-depression>

including the nature of the condition and the profile of the patient. "I was put on medication and gradually tapered off it after a few months," says Noel. "I felt ready to start afresh and get on with my life."

Reflecting on those stressful periods, Noel says that he wished he had reached out to his managers and team for support. "They were good people and would have gladly helped, either by cutting me some slack or just being a source of support. But because I associated reaching out with weakness, I just shouldered the burden, to my own detriment."



MAKE IT A POINT TO BE OKAY

Sustaining mental well-being is not a one-off effort. It requires time and effort, the same way one would work to improve one's physical health through exercise. HPB recommends the OKAY tips as a way of safeguarding one's mental well-being⁹.

- **Observe** your emotions: Pause and reflect on how you are feeling. Think about why you are feeling this way and if a recent event has sparked a change in mood.
- **Keep** a healthy lifestyle through the basics of adequate rest, balanced diet and regular exercise.
- **Adopt** coping skills like time management, positive thinking and relaxation techniques. These help you handle the stresses of daily life.
- **You** can reach out for support. It is not a sign of weakness. Options include staying connected with your support network or reaching out to mental health professionals and resources.

Source: Health Promotion Board

TAKING CHARGE

Indeed, reaching out for help is one of the best ways of preserving one's mental well-being. In 2021, HPB launched "It's OKAY to Reach Out", its first-ever national mental well-being campaign⁶. At its launch, Dr Janil Puthuchear, Senior Minister of State (Health) and Chair of the Interagency Taskforce on Mental Health and Well-being, sounded the clarion call for the importance of strong community links like these. "We need to raise the awareness and understanding of mental well-being, and further our efforts to strengthen mental health resilience in our population. Mental health is an important part of our overall health, just like physical health," he declared. "With the launch of HPB's mental well-being campaign to encourage Singaporeans to reach out, we also want to highlight the importance of support networks."

Dr Puthuchear added that when there is an inclusive and supportive environment, individuals can feel

encouraged to reach out for support when they feel overwhelmed, or to offer support to those in need. "When we come together, we can play a part in developing a stronger mental health ecosystem in Singapore," he said. Reaching out does not only mean

calling friends and family, it could also mean turning to professionals and support groups. Those facing a mental health crisis can call IMH's Mental Health Helpline (6389-2222) to speak to counsellors who can provide immediate assistance and advice.

General practitioners and polyclinics can also point you towards suitable resources. These could be accessed through corporate medical plans, which are increasingly including mental health benefits in them⁷. This trend is growing in Singapore,

suggesting that mental health is being taken more seriously here. Forging a positive mental health ecosystem requires a collective and community effort. For its part, ISCA has stepped up its support for members⁸ – since 2021, it has run six different mental health workshops covering various topics spanning stress management and coping with anxiety, mindful eating and mental wellness at the workplace. Beyond encouraging teammates to attend such programmes, leaders can also encourage greater transparency about mental health issues. According to *Harvard Business Review*, leaders who are honest about their own mental health struggles make employees feel more comfortable about opening up about their mental health challenges. While Noel no longer works in the accountancy profession, his experience has inspired him to watch out for the mental wellness of his present team. "It's heartening to see society being more open about mental well-being," he shares. "At least now, we have the vocabulary to talk about such issues sensitively. I think we are moving in the right direction." ISCA



KNOW THE DIFFERENCE

Many people confuse "mental illnesses" and "mental well-being" and may use the terms interchangeably. However, they are two different concepts, according to HPB. It likens mental wellness to a scale. Those who are well and coping are generally thought to be healthy, while those who are clinically diagnosed with mental illnesses are unwell and in need of treatment.



PHOTO SHUTTERSTOCK



Scan this QR code to try the Singapore Mental Well-being Scale. This is a set of 16 questions for those aged 18 and above to assess their state of mental well-being. Do note that it is not a medical diagnosis.



⁶ <https://hpb.gov.sg/newsroom/article/national-mental-well-being-campaign-it-s-okay-to-reach-out-launched-to-raise-awareness-on-the-importance-of-mental-well-being>
⁷ <https://www.straitstimes.com/singapore/more-companies-now-include-mental-health-benefits-in-corporate-insurance-coverage>
⁸ <https://isca.org.sg/member-support/mental-wellness>
⁹ <https://www.healthhub.sg/programmes/186/mindsg/about-mental-well-being>



WARNING SIGNS

Some factors that may heighten the risk of mental health conditions include:

Stress: High levels of stress – whether related to work, relationships, finances or other life circumstances – can significantly impact mental well-being. Persistent or chronic stress can lead to anxiety, depression and other mental health disorders.

Work-life balance: An imbalance between work and personal life can take a toll on mental well-being. Long working hours, excessive workload and the inability to disconnect from work can lead to stress, burnout and reduced overall satisfaction.

Social relationships: The quality of social relationships, including family, friends, and romantic partners, can greatly affect mental well-being. Supportive and positive relationships provide a sense of belonging, emotional support, and resilience, while strained or toxic relationships can lead to stress, loneliness and poor mental health.

Physical health: Physical and mental health are interconnected. Physical conditions such as chronic illnesses, pain, or disabilities can impact mental well-being. Conversely, poor mental health can contribute to physical symptoms and worsen overall health outcomes.

Traumatic experiences: Individuals who have experienced trauma, such as abuse, violence, or accidents, may be at higher risk of mental health issues. Traumatic experiences can lead to conditions like post-traumatic stress disorder (PTSD), anxiety and depression.

Genetics and biology: Some individuals may be predisposed to certain mental health conditions due to genetic factors. Additionally, imbalances in brain chemicals (neurotransmitters) or hormonal imbalances can contribute to mental health disorders.

Substance abuse: Substance abuse, including alcohol and drug misuse, can have a detrimental impact on mental well-being. Substance abuse can worsen existing mental health conditions or lead to the development of new ones.



Woon Wee Min

Stemming The Tide Of Quiet Quitting

Improve Employee Engagement And Well-being



- In Asia, Singapore employees are among the least engaged and, when compared to the global average, are more likely to be quiet quitters.
- Compensation can only go so far to motivate employees; employee engagement and well-being are the levers tied to quiet quitting.
- To stem the tide of quiet quitting, the right leadership behaviours are important to motivate employees and improve employee engagement and well-being.
- Gen Zs and millennials, too, need to be part of the conversation.

IT HAS BEEN REPORTED THAT EMPLOYEES IN SINGAPORE ARE AMONG THE LEAST ENGAGED IN WORK IN ASIA¹. This is of little surprise and is consistent with reports that Singapore has more quiet quitters compared to the global average².

That more disengaged, demotivated and discontented employees in Singapore are quiet quitting and no longer putting in discretionary effort to “go the extra mile” for employers, is sobering news indeed. This has sparked lively debate among netizens, with those speaking up in defence of quiet quitting insisting that it is perfectly justified. “It’s called acting your wage,” they insist³.

This article attempts to explore some of the considerations when it comes to improving employee engagement and well-being to stem the tide of quiet quitting, and why addressing these issues could pay dividends.

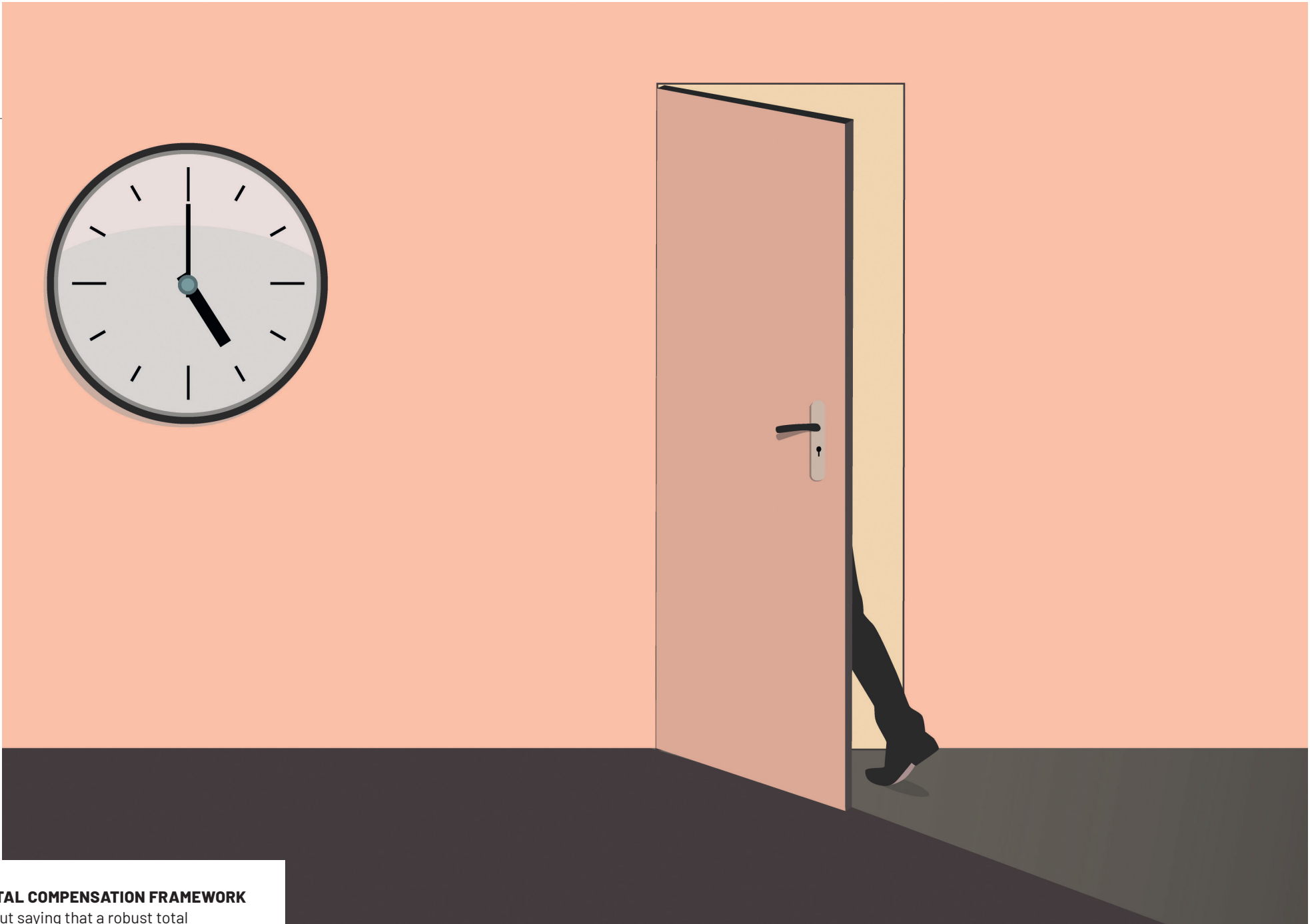
ROBUST TOTAL COMPENSATION FRAMEWORK

It goes without saying that a robust total compensation package is paramount in incentivising the right behaviours when it comes to rewarding good work performance and employee motivation. Crafting a robust total compensation package entails the usual formula of carrying out job sizing and salary benchmarking to ensure salaries are market-competitive and there is internal pay parity. Appropriate short-term incentives and share-based long-term incentive plans, such as share appreciation rights with calibrated vesting



¹ <https://sbr.com.sg/economy/news/singapore-employees-amongst-least-engaged-in-asia>
² <https://www.straitstimes.com/singapore/what-is-the-point-singapore-has-more-quiet-quitters-than-global-average-survey-shows>
³ <https://www.straitstimes.com/singapore/it-s-called-acting-your-wage-news-article-sparks-debate-on-quiet-quitting>

PHOTO SHUTTERSTOCK



schedules, are additional compensation tools that can be used to reward and motivate employees in lieu of, say, outright promotions.

A fit-for-purpose suite of HR rewards and benefits aligned with employees’ needs can further complement the total compensation package. Leveraging digital transformation, the HR team could perform total rewards optimisation through gap analysis, and use data analytics to deep-dive into employees’ needs and preferences to identify

an efficient frontier of rewards and benefits. This would entail holistic and effective rewards strategies that balance costs with employee needs and preferences. Not only will it help in the design of needs-driven and impactful HR rewards and benefits to incentivise and motivate employees, it will also achieve better alignment of rewards strategies with business goals and, consequently, the delivery of superior long-term value to both companies and employees.



Leveraging digital transformation, the HR team could perform total rewards optimisation through gap analysis, and use data analytics to deep-dive into employees' needs and preferences to identify an efficient frontier of rewards and benefits.

foster stronger ways of working with and building high-performance teams that can deliver results, especially in today's hybrid work environment that straddles work-from-home with back-to-office while juggling client demands and ever tighter work schedules. To appreciate just how important this is, consider the tragic death of a young audit and assurance specialist at accountancy giant Ernst and Young in Sydney in August 2022⁵. In the aftermath of the incident, the soul-searching which followed revealed that staff felt stressed out and overworked but were too afraid to report it or give voice to their concerns about their well-being for fear of harming their future career prospects⁶. The empathy and psychological safety simply were not there.

FINDING PURPOSE IN WORK

For the younger generation of employees, especially Gen Z and millennials, there is the added complexity of the unique challenges that their generation is facing, such as sustainability; climate change; and diversity, equity and inclusion. For example, it has been reported that 80% of young adults in Singapore experience quarter-life crisis⁷, whereby they are stressed and anxious about adulthood, and about finding the ideal job with the perfect fit which they are passionate about, where they can leverage their strengths, and allows them to pursue meaning, purpose and fulfilment as well as make a difference to society, instead of simply working to earn a living. Hence, consideration must also be given for the aspirations of the younger generation. A Deloitte study in 2022⁸ lends credence to this: it reveals that for this younger generation, there is a direct correlation between job loyalty and the level of satisfaction that they have with the company's commitment to such issues as societal impact, diversity and inclusion as well as sustainability.

to C-level executives. These desired leadership behaviours and interactions to drive employee engagement and well-being include acknowledging and recognising employees for their efforts and hard work, even if the work is quotidian but nonetheless important, such as taking the minutes at meetings or cleaning up Powerpoint presentations. Another desired leadership behaviour is providing employees with regular feedback, to support them in their career and professional development, without either micromanaging or undermanaging them. Doing so will give employees the safe space and opportunity to elucidate their concerns and career aspirations with authenticity, without feeling pressured or intimidated.

EMPATHY AND PSYCHOLOGICAL SAFETY

Perhaps the most important of these desired leadership traits to drive employee engagement and well-being are empathy and psychological safety. These are essential to build trust and



⁴ <https://www2.deloitte.com/us/en/insights/topics/talent/employee-wellbeing.html>
⁵ <https://www.smh.com.au/business/the-economy/not-the-australian-way-ey-review-reveals-racism-bullying-and-overwork-at-consulting-firm-20230727-p5drs4.html>
⁶ <https://www.afr.com/companies/professional-services/in-their-own-words-what-staff-say-about-ey-20230726-p5drjd>
⁷ "4 in 5 young adults experience quarter-life crisis, says study", *The Straits Times*, 17 May 2018.
⁸ <https://www2.deloitte.com/content/dam/Deloitte/at/Documents/human-capital/at-gen-z-millennial-survey-2022.pdf>

EMPLOYEE ENGAGEMENT AND WELL-BEING

For the Singapore economy, the cost of well-being impairment has been estimated to be S\$16 billion. This will have a negative impact in terms of workplace absenteeism, presenteeism and productivity loss. Understandably, the issues of employee engagement and well-being have become increasingly important in conversations about talent attraction and retention. Efforts have been made. For instance, it was reported that significant resources

averaging US\$11 million a year⁴ have been invested to drive improvements in employee engagement and well-being. Despite this, the desired result of more engaged employees has been elusive and difficult to achieve. What could be the reason for this disconnect?

THE RIGHT LEADERSHIP BEHAVIOURS

Thought leaders suggest that bridging this gap requires the right leadership behaviours and interactions at all levels from supervisors



There is a blurring of lines between work time and personal time, so employees may feel like they are always working

PHOTOSHUTTERSTOCK



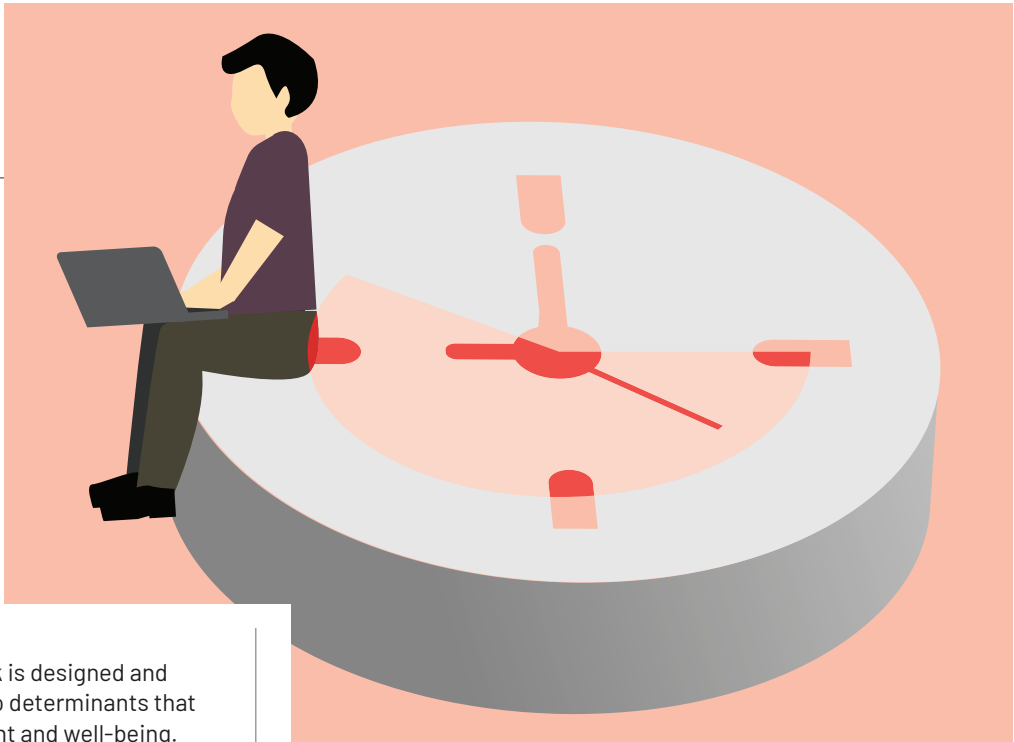
⁹ <https://www.theatlantic.com/newsletters/archive/2022/04/triple-peak-day-work-from-home/629457/>

THE DESIGN OF WORK

Last but not least, how work is designed and how work gets done are also determinants that affect employee engagement and well-being. For example, research shows that employees are now 3.5 times⁹ more bogged down by meetings than during the pre-pandemic period, and many of the meetings tend to be of low value. Employees are also locked into roles that are highly prescriptive and mechanical, with little leeway for upskilling and professional growth and development.

With the multitude of remote working apps and collaborative tools surreptitiously connecting employees round the clock and disrupting their schedules, there is a blurring of lines between work time and personal time. As such, employees may feel like they are always working. Fatigue can set in, leading to burnout, anxiety, and distraction. Here, again, the right leadership behaviours, from supervisors to C-level executives, are paramount, to set the right tone and expectations. Work can be designed to be less prescriptive, for instance, with room for professional growth, mentoring and continuous learning; skill sets and interests can be matched with roles and projects for better alignment.

Where meetings are concerned, boundaries and limits can be set, including how long a meeting should last, and setting and sticking to clear meeting agendas. Crafting robust workday strategies can also help to lessen work stress. For example, do not stack too many meetings on the same day, and avoid pairing intense meetings with other intense tasks.



More than anything, the leadership team can be instrumental in driving home the correct mindset and corporate culture: that it is all right to switch off from work, that employees are empowered to take ownership of their individual self-care, and that it should never be a case of “if you could be working, then you should be working”.

AWAKENING THE APATHETIC WORKPLACE: A DAMASCENE CONVERSION

In the final audit, the job market is displaying signs of employee discontentment amid the ever-present competition for top talent. For Singapore to remain a magnet for leading international talent while concurrently grooming a strong pool of local talent, it behoves companies to take concrete actions now to invest in employee engagement and well-being, to intentionally embrace a Damascene conversion and awaken the apathetic workplace to arrest the tide of quiet quitting. In doing so, companies may discover that they are able to increase productivity and innovation, accelerate growth, better recruit and retain employees, and strengthen brand equity and value. ISCA

Woon Wee Min is a Chartered Accountant of Singapore and earned his Chartered Financial Analyst qualification in 2003.

PHOTOSHUTTERSTOCK

The journal will be transforming into an all-new content hub with new features.



Technical Highlights

AUDITING AND ASSURANCE

IAASB Webinars On Exposure Draft: Proposed ISSA 5000 General Requirements For Sustainability Assurance Engagements
Enhance your understanding of ISSA 5000 through dedicated IAASB webinars. Videos have been uploaded to the IAASB website.

For more information, please visit
<https://www.iaasb.org/focus-areas/understanding-international-standard-sustainability-assurance-5000>

FINANCIAL REPORTING

IASB Issues Amendments To IAS 21 The Effects Of Changes In Foreign Exchange Rates

The amendments will require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide. The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with early application permitted.

For more information, please visit
<https://www.ifrs.org/news-and-events/news/2023/08/iasb-sets-out-accounting-requirements-for-when-currency-not-exchangeable/>

IASB Completes Technical Work On Two New IFRS Accounting Standards

IASB has concluded its decision-making on two projects – its final steps before drafting and balloting two new IFRS Accounting Standards. The first of these forthcoming Accounting Standards is designed to clarify and enhance information companies provide about their financial performance. The other will simplify the financial statements prepared by subsidiaries of listed groups. IASB expects to issue the new Accounting Standards in the first half of 2024.

For more information, please visit
<https://www.ifrs.org/news-and-events/news/2023/07/iasb-completes-technical-work-on-two-new-ifrs-accounting-standards/>

August 2023 Supplementary IASB Update Available

This Update highlights IASB’s discussion on the feedback received in response to Amendments to the IFRS for SMEs Accounting Standard – International Tax Reform – Pillar Two Model Rules, and the decision to issue the amendments in September 2023.

For more information, please visit
<https://www.ifrs.org/news-and-events/updates/iasb/2023/supplementary-iasb-update-august-2023/#1>

September 2023 IFRS Interpretations Committee Agenda And Meeting Papers Available

For the IFRS Interpretations Committee meeting held on 12 September 2023, topics discussed include Payments Contingent on Continued Employment during Handover Periods (IFRS 3), Premiums Receivable from an Intermediary (IFRS 9 and IFRS 17) and Guarantee over a Derivative Contract (IFRS 9).

For more information, please visit
<https://www.ifrs.org/news-and-events/calendar/2023/september/ifrs-interpretations-committee/>

SUSTAINABILITY & CLIMATE CHANGE

Webcast On Connections Between Accounting And Sustainability Disclosures

The Vice-Chairs of IASB and ISSB discuss progress made in facilitating connections between financial statements and sustainability-related financial disclosures, and in the work of the two boards.

For more information, please visit
<https://www.ifrs.org/news-and-events/news/2023/07/watch-webcast-on-connections-between-accounting-and-sustainability-disclosures/>

PHOTO SHUTTERSTOCK

Stone Forest

Outsourcing vs Managed Services

Understanding the differences will save you a lot of headaches, time and money with trial and error.

Role

Key Focus

Coverage

Scan and check out the full article



Outsourced IT Vendor

TRANSACTIONAL

We work FOR you

IT Technician

Reactive – Provide quick solutions to immediate problems

- ✓ Maintain status quo
- ✓ "Not broken, don't fix"

One-off delegation of ad-hoc or planned tasks to an IT vendor:

- ✓ Basic IT support
- ✓ Break-fix services
- ✓ Project basis



Managed IT Partner

MID-TERM PARTNERSHIP

We work WITH you

IT Technical Manager

Proactive – Provide preventive measures for future problems

- ✓ Day-to-day duties of IT Technical Manager
- ✓ Prevent downtime of critical IT systems

Modular management of IT domains by IT specialists:

- ✓ Daily IT administration and support
- ✓ Preventive maintenance
- ✓ Continuous monitoring



Value-added Managed IT Partner

LIFE-TIME PARTNERSHIP

We GROW with you

IT Management with Advisory

Future-proofing – Simplify, standardise and digitalise IT workflows with continuous security, governance and compliance

- ✓ Technology as a business enabler
- ✓ Technology and cost optimisation with partner ecosystem, industry expertise and proven track record

Holistic IT management with best practices and advisory by Technology consultants:

- ✓ Full ecosystem support from applications, infrastructure, cybersecurity and data protection
- ✓ IT strategic planning with business goals alignment

➤ Email us for a quick consult





Felix Wong



Joseph Tan

Tapping Into The Enterprise Innovation Scheme

Engaging In R&D, Innovation And Capability Development Activities



- TAKE AWAYS**
- Businesses may claim enhanced deductions on the fees relating to qualifying R&D expenditure payable to R&D organisations that undertake qualifying R&D activities in Singapore on their behalf.
 - The amount of qualifying IPR acquisition costs and qualifying IPR licensing expenditure eligible for the enhanced WDA and enhanced deduction is subject to a combined cap of \$400,000 for each YA.
 - For the purpose of the EIS, qualifying courses refer to courses that are eligible for SkillsFuture Singapore (SSG) funding and aligned with the Skills Framework.

THE ENTERPRISE INNOVATION SCHEME

(EIS) was introduced in Budget 2023 to encourage businesses to engage in research and development (R&D), innovation and capability development activities. Under the EIS, enhanced or new tax deductions and/or allowances (collectively referred to as “enhanced deductions”) are granted on qualifying expenditure incurred on five qualifying activities in the innovation value chain.

Where the qualifying expenditure is subsidised, fully or partially, by a grant or subsidy from the government¹, only the amount of expenditure that is net of the grant or subsidy is eligible for an enhanced deduction or a cash payout under the EIS.

The EIS is available from year of assessment (YA) 2024 to YA 2028.

1. LOCAL R&D PROJECTS

With small and medium-sized enterprises (SMEs) making up the majority of R&D claims in Singapore, the EIS is expected to benefit many local SMEs embarking on their R&D journey.

Currently, businesses may claim a total of

250% tax deduction on qualifying R&D expenditure incurred on qualifying R&D activities undertaken in Singapore under Section 14C (100% base deduction) and Section 14D (150% additional deduction) of the Income Tax Act 1947 (ITA).

The EIS will grant a further 150% enhanced deduction on the first \$400,000 of qualifying R&D expenditure (that is, staff costs excluding directors’ fees, and consumables) incurred on qualifying R&D activities undertaken in Singapore.

Can a business claim enhanced deductions under the EIS if it contracts with an R&D organisation to undertake qualifying R&D activities in Singapore on its behalf?

Yes, the business may claim enhanced deductions on up to 60% of all fees payable to the R&D organisation that undertakes qualifying R&D activities in Singapore on its behalf. Where more than 60% of the fees relate to qualifying R&D expenditure, the business may claim enhanced deductions based on such qualifying R&D expenditure incurred to the extent that it is able to substantiate the claim.

PHOTO: SHUTTERSTOCK



¹Includes any statutory board



2. REGISTRATION OF IPs

Intellectual property (IP) registration plays a crucial role in the innovation value chain by ensuring that innovations and creations are protected. Currently, Section 14A of the ITA grants a tax deduction (100% base deduction) on qualifying IP registration costs incurred by any person carrying on a trade or business in registering patents, trademarks, designs and plant varieties (collectively referred to as “qualifying IPRs”) for the purposes of that trade or business. An additional 100% tax deduction (100% enhanced deduction) is allowable on up to \$100,000 of qualifying IP registration costs incurred).

Under the EIS, the tax deduction under Section 14A of the ITA will be increased to 400% (comprising 100% base deduction and 300%

enhanced deduction) for the first \$400,000 of qualifying IP registration costs from YA 2024 to YA 2028. Any qualifying IP registration costs in excess of \$400,000 will continue to enjoy the 100% base deduction.

Businesses would be glad to note that the 300% enhanced deduction under the EIS is granted regardless of the outcome of the application of the registration of qualifying IPR. In other words, the qualifying IP registration costs incurred would still be eligible for the enhanced deduction even if the application for registration is subsequently rejected.

To avoid the clawback of deductions, businesses must own the related IPRs registered for a minimum period of one year.



The EIS was introduced in Budget 2023 to encourage businesses to engage in R&D, innovation and capability development activities.



economically owned by a company or partnership in Singapore in order to qualify for the base WDA and enhanced WDA. Qualifying IPR acquisition costs exceeding \$400,000 will continue to enjoy 100% base WDA.

A 300% enhanced deduction will also be granted on the first \$400,000 of qualifying IPR licensing expenditure incurred for each YA under Section 14U of the ITA. Together with the 100% base deduction allowed under Section 14 or 14C of the ITA, a total of 400% tax deduction will be available on the first \$400,000 of qualifying IPR licensing expenditure.

Businesses should note that the amount of qualifying IPR acquisition costs and qualifying IPR licensing expenditure eligible for the enhanced WDA and enhanced deduction is subject to a combined cap of \$400,000 for each YA. In addition, the 300% enhanced WDA and enhanced deduction are only available to businesses with annual revenue of less than \$500 million in the basis period for the relevant YA.

Similar to the registration of IPs, businesses claiming enhanced deductions for the acquisition of IPRs must also own the qualifying IPRs for at least one year, failing which, clawback provisions apply. Clawback provisions also apply if any of the events specified under Section 19B(4) of the ITA occurs.

4. TRAINING

To further reinforce existing measures to encourage employers to invest in enterprise training and capabilities of their employees, businesses will be granted a 400% tax deduction (comprising 100% base deduction and 300% enhanced deduction) on the first \$400,000 of qualifying training expenditure incurred on qualifying courses attended by their employees for each YA.

For the purpose of the EIS, qualifying courses refer to courses that are eligible for SkillsFuture Singapore (SSG) funding and aligned with the Skills Framework, while qualifying training expenditure refers to course fees, assessment fees and certification fees paid to training providers which are registered with the SSG.

All training expenditure, including qualifying training expenditure exceeding \$400,000, incurred during the basis period, will continue to enjoy 100% base deduction, subject to general income tax deduction rules under Sections 14 and 15 of the ITA.

3. ACQUISITION AND LICENSING OF IPRs

At present, a 100% writing-down allowance (WDA) is granted on capital expenditure incurred by a company or partnership for the acquisition of qualifying IPRs under Section 19B of the ITA, and a 100% tax deduction on the first \$100,000 of expenditure incurred by a business on the licensing of qualifying IPRs is allowed under Section 14U of the ITA.

To encourage more firms to engage in IP-related activities and use innovations to improve firm productivity and outcomes, the WDA under Section 19B and the tax deduction under Section 14U will be enhanced under the EIS.

A 400% WDA (comprising 100% base WDA and 300% enhanced WDA) will be granted on the first \$400,000 of qualifying IPR acquisition costs for each YA. The qualifying IPRs must be legally and

The cash payout, which is capped at \$20,000 per YA, is not taxable and may be used for any purpose.



carried out with partner institutions. The relevant partner institution will validate the project as a qualifying innovation project and issue the innovation project invoice.

CASH PAYOUT OPTION

To help small, growing businesses defray the costs of their innovation activities, eligible businesses have the flexibility to convert up to \$100,000 of their total qualifying expenditure (across all five qualifying activities) for each YA to a cash payout (at a conversion rate of 20%) in lieu of tax deductions/allowances. The cash conversion cap of \$100,000 cannot be combined across YAs.

The cash payout, which is capped at \$20,000 per YA, is not taxable and may be used for any purpose. Once an amount of qualifying expenditure is converted into cash, the same amount is no longer available for tax deduction/allowance. The option to convert the qualifying expenditure into cash is irrevocable once exercised.

The government has taken the first steps to design and introduce a new scheme to encourage R&D, innovation and capability development activities. The ball is now in the businesses' court to take advantage of the scheme and embark on their innovation journey. ISCA

Felix Wong is Head of Tax, and Joseph Tan is Tax Manager, Singapore Chartered Tax Professionals.

PHOTO: SHUTTERSTOCK

Can my company claim EIS benefits on qualifying training expenditure incurred on individuals who are deployed under centralised hiring arrangements or secondment arrangements?

Yes, businesses may claim EIS benefits on qualifying training expenditure incurred on individuals who are deployed under centralised hiring arrangements or secondment arrangements. This is on the basis that the training of such individuals can also improve the productivity of the businesses where they are deployed.

5. COLLABORATING WITH PARTNER INSTITUTIONS FOR INNOVATION PROJECTS

The EIS also seeks to encourage businesses to kickstart their innovation journey by tapping on existing technical and innovation capabilities within partner institutions².

Under the EIS, a tax deduction of 400% will be granted on the first \$50,000 of qualifying innovation expenditure incurred by businesses for each YA on qualifying innovation projects



²List of partner institutions:
<https://www.gobusiness.gov.sg/enterprise-innovation-scheme>



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