



ST PHOTO: NG SOR LUAN

Dispatch courier Thomas Tan, 63, makes his deliveries by train rather than on a motorcycle – an idea from his boss at Network Express Courier Services.

How SME rides out older worker worries



Francis Chan

The sun was barely up but dispatch courier Thomas Tan was already at work, sorting out his deliveries for the day.

Many others like him would also be on the move, dispatching documents or parcels as quickly as they can because in the courier business, time is money. But at 63, Mr Tan is not exactly Speedy Gonzalez: You will not find him zipping around town on a motorcycle.

A clever idea from his boss at Network Express Courier Services, however, has made it possible for old-timers like him to do the job just like his younger colleagues on wheels.

Mr Tan is “Train Rider”, a dispatch courier who makes deliveries by MRT train. The term was coined by the company’s founder V.S. Kumar, who had redesigned the job for older workers like Mr Tan.

With the push for higher productivity, initial thoughts were that firms, especially small and medium-sized enterprises (SMEs) like Network Express, would rather not bend over backwards to accommodate older workers.

In fact, when the Ministry of

Manpower (MOM) released in March new guidelines – which include hefty severance payouts – that will form the framework for a new re-employment law in 2012, one of the concerns was that SMEs would balk at hiring older folk.

There was also talk that those inching closer to retirement age would be let go prematurely so bosses can avoid making the Employment Assistance Payment (EAP) – payouts to workers they are unable to re-employ.

Were such concerns valid? No one knows, because references to such acts have largely been anecdotal. Unfortunately, redundancy figures also do not clearly differentiate between layoffs by multinational corporations and SMEs.

Labour experts agree that such data is hard, if not impossible, to come by. However, statistics do show a steady increase in the employment rate of older Singapore residents.

MOM figures show that as of June last year, 57.2 per cent of residents aged between 55 and 64 were still employed. In 1991, it was just 38.2 per cent.

Given that SMEs employ 62 per cent of the workforce today, bosses naturally rubbish claims that they were averse to hiring older workers.

SMEs – typically with tighter purse strings – always seem to be the hardest hit whenever reforms are introduced. For instance, most will burn a new hole in their pockets next month when new foreign worker levies kick in.

Come September, they will also need to fork out higher employee Central Provident Fund contributions – all this while grappling with the loss of wage subsidies under the Jobs Credit scheme that ends this month.

Needless to say, the new re-employment guidelines will hit SMEs further as they include making EAPs, which range from \$4,500 to \$10,000, among other things.

Associate Professor Tan Khee Giap from the Lee Kuan Yew School of Public Policy thinks that SMEs, by virtue of their smaller workforce, may also not always be a natural fit for older workers.

He pointed out that bosses at smaller firms would typically require staff to multitask and that may work against older, less flexible workers.

However, SME bosses argue that smaller operations give them more flexibility in how they deploy older workers. They say that in a tighter workforce, staff and employers develop closer ties, communicate better, while bosses are also more willing to accommodate older workers.

For instance, Mr Tony Seow, chief executive of boutique catering firm Purple Sage, said he is mindful when assigning jobs to his oldest driver, who is 67.

“We’ll give him the morning shift because older workers like him tend to wake up earlier,” he said.

Bosses also recognise the vast industry knowledge that older workers offer to their businesses.

One of them is Ms Lynn Ho, a director at Bodynits, one of the largest sportswear manufacturers here.

She said she has a few employees in their 50s who are very experienced, so she decided to re-engage them as office administrators and consultants.

Bosses also say older and mature workers bring stability to their day-to-day operations, because they are less prone to job-hopping.

These SME bosses have put in the extra effort to retain or hire older workers not just because it makes business sense, but also because they feel it is the right thing to do by workers, who can still play a part in their businesses despite their age.

Labour economist Randolph Tan from the UniSIM school of business thinks Singapore needs to face the fact that its workforce is ageing and more has to be done to prepare for that eventuality sooner, rather than later.

For its part, the Government has shown that it is prepared to offer assistance and incentives to help nudge employers in the right direction.

Employees, on the other hand, will need to plan for a longer career and do whatever it takes to help them go the distance.

As for employers, firms like Network Express, Purple Sage and Bodynits are proof that it not only pays to be inclusive, but embracing an older worker also does not always mean higher staff costs, slowing down operations or becoming less productive.