

DIVERSITY, EQUITY & INCLUSION

# The DE&I Landscape — Through the Lens of Employers in Singapore

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A joint research between the  
Singapore National Employers  
Federation and Kincentric

**KINCENTRIC** A Spencer Stuart Company

## Preface

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'Unprecedented change': while the phrase may seem overused, there is no better way to describe the world's collective experience over the course of the pandemic. COVID-19, as well as social unrest over increased inequalities, has indelibly changed the workplace forever, creating new challenges for organisational leaders who must navigate and deliver on business needs in the face of resource constraints, increased workloads, dwindling employee morale, concern around mental well-being, burnout and more.

In times of crisis, topics like Diversity, Equity and Inclusion (DE&I) become more important than ever as a critical differentiator in how organisations weather the storm. Research<sup>1</sup> has shown that diverse organisations are more likely to outperform their peers and excel in areas ranging from innovation and profitability to employee retention and customer satisfaction.

Organisations that invest to develop diverse, equitable and inclusive work cultures, create diverse leadership teams, and align job priorities across their businesses tend to perform fiscally better than others. As leaders strive to prepare for the future, creating a safe and inclusive space for employees of all backgrounds, experiences, expressions and perspectives will help to attract, sustain and retain the talent needed to drive business growth.

With this in mind, the Singapore National Employers Federation (SNEF) and Kincentric, a Spencer Stuart Company, collaborated to conduct a study to better understand the DE&I landscape in Singapore. We surveyed 186 Singapore-based organisations from various sectors and industries to determine:

- DE&I trends in the different sectors
- Challenges and barriers to overcome when driving a DE&I agenda
- Support mechanisms for organisations embarking on DE&I implementation

We are happy to share this report and hope organisations will find it helpful as they consider the state of DE&I within their workplace. We welcome comments about this research and would be happy to explore the findings in more detail upon request.

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<sup>1</sup> <https://news.mit.edu/2014/workplace-diversity-can-help-bottom-line-1007>

# Introduction

By now, most business leaders would fundamentally accept Diversity, Equity and Inclusion (DE&I) as an important ingredient in any forward-thinking organisation. Time has proved<sup>2</sup> that an emphasis on DE&I results in higher recruitment and retention, more sustainable profitability, and more robust innovation output. Compared to their peers who have yet to implement a strategic DE&I approach, these leaders are more poised to succeed in the current and future landscape of business and work.

During the highly volatile COVID-19 period, the importance of a resilient workforce became more apparent than ever, as leaders were tasked with navigating not just economic vagaries, but also major structural changes in the workplace. The pandemic created a host of challenges that besieged the physical, emotional and mental well-being of employees everywhere, and the expectation for employers to provide a safe, inclusive workplace became greater than ever. It is in situations such as this that DE&I implementation becomes even more crucial for both the organisation and its people.

Leaders must ensure that they are championing fair, actionable practices that take into account a broad representation of people from various backgrounds, experiences, expressions and perspectives if they want to attract, sustain and retain the right kind of talent.

Specifically in the wake of COVID-19, we wanted to understand how and why Singapore-based leaders viewed and experienced DE&I in their current capacities, and what they can do to fortify organisation health using DE&I strategies. Singapore National Employers Federation (SNEF) and Kincentric, a Spencer Stuart Company, organised a study from May 2021 to July 2021 to uncover the mindsets and behaviours that employers in Singapore have toward DE&I, as well as some of the roadblocks that prohibit this progression.

This report presents a survey that encompasses 186 HR, DE&I and business leaders, spread across 19 major industries. From there, we determined the majority representation that featured some form of DE&I implementation, which fell into three main sectors within the cohort.

### 20% Modern Services

(i.e., Professional services + Finance + ICT )

### 19% Manufacturing

(i.e., Electronics + Chemical + General Manufacturing + Maritime + Energy & Utilities + Metal & Precision Engineering)

### 19% Social & Community Services

We further splintered these three sectors individually to showcase each group’s percentage concerning active DE&I implementation:

#### PERCENTAGE WITH FORMAL APPROACH TO DE&I

##### Modern Services Firms



##### Manufacturing Firms



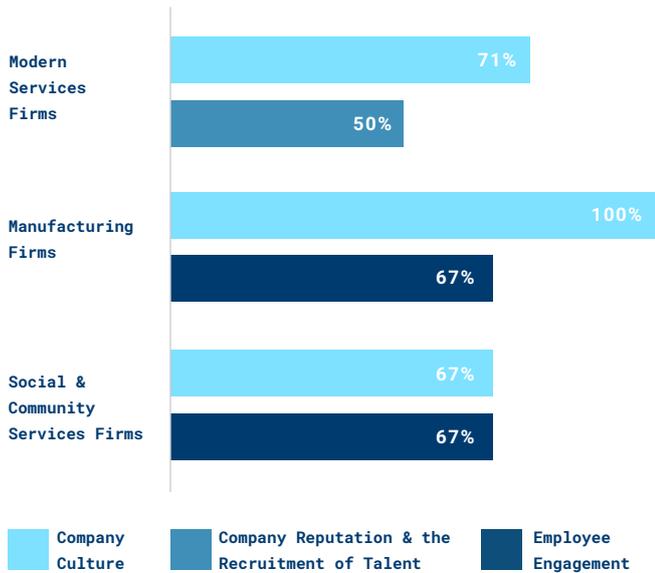
##### Social & Community Services Firms



<sup>2</sup> [https://joshbersin.com/wp-content/uploads/2021/04/202102-DEI-Report\\_Final\\_V2.pdf](https://joshbersin.com/wp-content/uploads/2021/04/202102-DEI-Report_Final_V2.pdf)

When it came to analysing the impact of DE&I on their organisation, the three sectors also showcased varying ratios of the perceived value that DE&I brought about:

**PERCEIVED VALUES THAT DE&I BROUGHT IN VARIOUS SECTORS**



- When it comes to the diversification of talent, gender and nationality diversity factors are lacking across the board
- Clear policies, fair remuneration and considerate work arrangements are important to female talent
- The formalisation of DE&I practices is a key strategy to reduce workplace discrimination and harassment

In the following pages, we will dive deeply into how these leaders perceive and undertake DE&I within their organisations, the challenges they encounter and what they can do to cultivate effective practices.

We summarised the main insights coming out of the research in the following nine points:

- DE&I is lagging in most Singapore-based organisations
- Larger organisations do not necessarily fare better in adopting DE&I practices
- HR policies and employee benefits are low-hanging fruit when implementing effective DE&I strategies; Culture needs to be an organisational tenet
- Resources and funding exist to assist organisations in initiating workplace integration efforts
- DE&I could be the secret sauce to building culture and driving employee engagement
- For DE&I to be sustainable, there is a greater need for more data, culture shifts and managerial effectiveness

## Insight 1: DE&I is lagging in most Singapore-based organisations

While the overarching outlook is that DE&I practices contribute positively to overall organisation and employee health (57% of those surveyed agreed), the findings also exposed that this optimistic percentage is a far cry from the actual adoption rates. The survey cited that employers believed in the positive impact that DE&I had, specifically on Culture (71%) and Employee Engagement (55%), yet only 30% of all respondents claimed to have a formalised approach to DE&I in their organisations.

Furthermore, a mere 24% of this minority indicated that they had actively incorporated DE&I in all their HR practices, as well as possessed the metrics by which to effectively measure these efforts.



This discrepancy between perception and reality could be attributed to the cognitive challenges that leaders face. While they may possess an understanding of how DE&I can be useful, leaders need to actively challenge more traditional mindsets and ways of running things. Driving this mindset shift from the top down is key in showcasing a leader's commitment to DE&I and setting the course for the rest of the employees.

### Only 30% of all respondents claimed to have a formalised approach to DE&I in their organisations.

The lack of accurate data and specificity about how DE&I drives organisation objectives can be a hindrance in nurturing change. If leaders do not have sufficient information on DE&I topics, such as age, gender and disability, it may be harder to make an informed judgment call to drive these changes.

Leaders first need to confront their own understanding of what DE&I is and why it is critical in any future organisation. Only then can they facilitate a proper waterfall effect down to their employees and create meaningful shifts that will carry strategic weight in their organisations.

Lastly, the existence of the Tripartite Guidelines for Fair & Progressive Employment Practices (TGFEP) is meant to provide organisations with a framework for fairness and compliance. The TGFEP were highlighted during Prime Minister Lee Hsien Loong's 2021 National Day Rally speech, in which he emphasised the government's continued dedication to ensure that these guidelines are reinforced by meting out penalties for organisations who repeatedly do not comply with the rules.<sup>3</sup>

<sup>3</sup> <https://www.pmo.gov.sg/Newsroom/National-Day-Rally-2021-English>

## Insight 2:

# Larger organisations do not necessarily fare better in adopting DE&I practices

While the assumption may be that DE&I practices might be more pertinent in larger organisations since they possess a bigger and hence more diverse workforce, the survey findings showed that this inclination is not necessarily true.

We split the organisations into three size categories: 50 or fewer, 51 to 200, and above 200 employees. The findings showed that 68% of organisations from the middle tier reported that they did not have a formalised approach to DE&I. This statistic was very similar to that of companies in the highest tier, with 67% of organisations with more than 200 employees reporting a lack of DE&I practices.

The adjacent similarity could be linked to the fact that smaller organisations have a greater motivation to implement DE&I practices to capture the right talent. As smaller firms require greater efforts to draw in certain top talent, it serves them positively to be more open to a diverse workforce.

Additionally, smaller firms, such as start-ups, benefit from being much more nimble, and hence face less complexity and a quicker turnaround rate when it comes to effecting change and diffusing it through their organisation ranks.

In comparison, larger organisations feature more structural layers that will take greater amounts of time and effort to permeate. On top of that, they may be more likely to have been around for longer periods of time, and might suffer from having historical leaders who are entrenched in a more traditional mindset.

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67% of organisations with more than 200 employees reported a lack of DE&I practices.

Larger organisations also face the challenge of generating legislation that will be appreciated and accepted by all in the firm. Possessing a significantly larger workforce means that there will be greater diversity amongst their ranks, in turn creating more factors that leaders would have to consider. Furthermore, having more employees also poses a logistical and cost concern when it comes to tracking the status of DE&I.

## Insight 3:

# HR policies and employee benefits are low-hanging fruit when implementing effective DE&I strategies; Culture needs to be an organisational tenet

Our findings have shown that a greater number of organisations have found the following aspects to be effective when initiating change around DE&I:

- Reshaping HR policies to promote inclusiveness
- Offering employee benefits to cater to the needs of various demographic groups
- Promoting a positive work culture that encourages respect for diversity of thought

As HR policies directly impact employee well-being, it is imperative that they emphasise the company's commitment to inclusion, and manage their talent pool based on these terms. DE&I practices need to be embedded into the entire talent management process. This often requires a multi-pronged approach:

- Leaders need to think beyond just hiring, but also about retention and development
- Develop a pipeline for the roles and levels that feed into senior positions
- Remove conscious and unconscious biases throughout all talent management processes, including acquisition, performance management, succession, etc.
- Support individual leaders' success

Similarly, offering distinct employee benefits for diverse groups also ranked highly as a key benefit of DE&I. Leaders need to take action to acknowledge the diverse needs of their employees, such as validating diverse employees who may need more support in workplace flexibility, or for financial or psychological aspects. This creates an environment of inclusion where the employee feels valued as part of the team, and is truly recognised as an individual with a voice.

Lastly, DE&I needs to be woven into the core of the organisation's cultural fabric. For example, while many organisations have initiated conversations to foster a more inclusive culture, there often exists an uncertainty about the specific actions one needs to take in order to be more inclusive. Leaders need to play a bigger part in role modelling the appropriate inclusive behaviours they desire, define and expect of their teams.

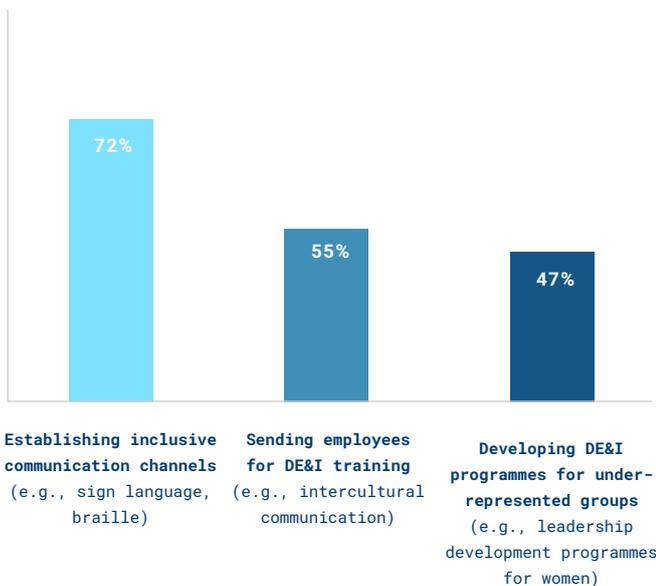
Increasingly, there is a moral, ethical and business imperative for leaders to invest in culture restructuring, as the organisation's culture dictates the daily, active interactions and behaviours of their employees.

While these three areas have appeared as the top priorities for DE&I emergence, leaders also need to consider their ancillary directives that need to be integrated into the employee experience. This includes establishing inclusive communication channels (e.g., sign language, braille, etc.), or exposing employees to more DE&I training, as well as developing leadership programmes for under-represented groups. The success of integration requires an organisation-wide transformation.

## Insight 4: Resources and funding exist to assist organisations in initiating workplace integration efforts

In order to create sustained change, leaders first need to embark on a journey of deeper self-education and awareness. Leaders need to saturate themselves to truly understand the lived experiences of their employees on a personal, cultural level, as well as separate themselves from any personal or professional biases. Adopting this empathetic mindset also gives leaders an opportunity to build psychological safety in the workplace, which is a key component of cultivating a sense of belonging amongst employees, and ultimately, an experience of inclusiveness.

From our survey, the largest deficiencies were reported to be as follows:



Leaders might feel overwhelmed when it comes to initiating a topic as large as DE&I, especially in larger organisations where the sheer size of the task might seem discouraging at first.

Leaders need to saturate themselves to truly understand the lived experiences of their employees on a personal, cultural level, as well as separate themselves from any personal or professional biases.

Knowing this, organisations like SNEF have supported initiatives to guide leaders through this process. The OneWorkplace.sg initiative supports employers' efforts to foster workplace integration. This allows organisations based in Singapore to tap on the Community Integration Fund (CIF), which provides co-funding of up to 80% of the cost of approved projects. SNEF also offers DE&I briefings, workshops and WSQ courses to enable organisations to better understand DE&I integration in the workplace.

## Insight 5: DE&I could be the secret sauce to building culture and driving employee engagement

This finding affirmed that DE&I has a positive impact on Company Culture and Employee Engagement, with 71% and 55% of employers noting the respective significance.

Fostering a strong organisational culture is by default dependent on the organisation's stance toward its people. By this expression, DE&I becomes a crucial and irreplaceable component of culture. Employees are the living manifestation of the company, and DE&I helps to create a conducive, growth-centric milieu for them to thrive in, by accepting all in their differences.

Mitigating bias and fostering a culture of inclusion helps employees show up as their true, authentic selves in the workplace. Research has pointed out that people who can be their authentic selves in their professional capacities are better able to realise their full potential, contribute their best and feel more fulfilled at work. The ability to capitalise on the benefits associated with workforce diversity, inclusion and equity is key when it comes to sustained culture and engagement.

### Mitigating bias and fostering a culture of inclusion helps employees show up as their true, authentic selves in the workplace.

Take an organisation that is attempting to transform. They want to shift their culture to become more flexible, collaborative and open to change, as well as evolve their mindsets to become more inclusive. To do this, their people need to see themselves as a part of the whole equation, where their individual actions and behaviours have weight and can affect the entire ecosystem. This helps to hold employees more accountable to the overall culture, the teams that they work in and the environment that they have a hand in creating.



Firms that only emphasise on DE&I within the hiring phase also fall short. Certainly, hiring is a key lever; however, talent management and engagement does not just stop once the candidate is through the front door. A company that fails to see this is akin to a colander, when the holes are unplugged and there's a constant stream of talent flowing quickly in and out. For the organisation, it can only result in a disintegration of trust from their people.

## Insight 6:

# For DE&I to be sustainable, there is a greater need for more data, culture shifts and managerial effectiveness

While we have emphasised the importance of implementing DE&I policies, we also recognise that the rollout can be tricky. Our findings have pointed out certain key barriers that hinder leaders in implementing these changes.

The main challenges noted were the following:

- **A lack of data:** Meagre amount of information on gender pay gap, inequality on career progression, barriers to work participation for people with disabilities or caring responsibilities, and performance according to age.
- **Culture:** Inability to embed DE&I into organisational values, integration of practices with people management and employee behaviour.
- **Compliance:** Ensuring compliance with existing diversity and employment guidelines (e.g., TGFEP)
- **Manager Effectiveness:** Establishing clear expectations and accountabilities, and developing Line Managers to manage their subsequent teams in an inclusive way.

To counter the above challenges, Kincentric has provided a framework for leaders to adopt.

### 1. When it comes to a lack of data, leaders should take the following actions:



Listen to employee perspectives. Employees, managers and leaders who personally are familiar with the effects of inequity have stories to tell from their own lived experiences.



Capture both qualitative and quantitative data. There are various kinds of data that provide profound insights into the DE&I wellness of a company. For instance, an analysis of the talent pipeline can reveal where pools of talent exist. Look at lagging indicators of the employee lifecycle over time: trends in hiring, promotions and terminations by level, function and performance analytics. An analysis of organisational culture, employee engagement and/or exit survey data can help to better understand leading indicators like engagement and retention.



Evaluate the organisation's talent systems, processes and HR policies to ensure fairness and equity. DE&I must be embedded into every talent process, enabling unbiased and equitable decisions around who to hire, promote and develop.

## 2. To be sustainable, diversity and inclusion must be ingrained in the company's culture by:



Connecting DE&I to a shared sense of purpose



Understanding how the current culture reinforces conformity



Articulating inclusivity as a company value and defining the behaviours that are expected of everyone



Including desired behaviours in performance management processes



Governing DE&I processes by rolling out frequent check-ins with employees to assess the sentiment on the ground.

## 3. Manager Effectiveness:



Envision and enact new ways of leading



Create active, intentional efforts with coaching, developmental journeys, tools and resources to improve one's ability to identify and mitigate unconscious bias



Value differences



Act as advocates and change agents



Bring out the best in each other to promote the full contribution and a sense of belonging of every employee, customer, partner and stakeholder



Unequivocally, DE&I is a leadership issue that requires great fortitude. When leaders role model inclusive behaviours every day, they cast a huge shadow that shapes the culture.

## Insight 7:

# When it comes to the diversification of talent, gender and nationality diversity factors are lacking across the board



We have talked a fair amount about the benefits of hiring across a diverse playing field. Now we will address some of the challenges that employers face when trying to diversify their talent pool.

The below findings highlight some of the key factors that emerged as challenging to employers when hiring across diverse backgrounds. The following three factors were flagged as recurring pain points across the processes of attracting, selecting and retaining talent.

**Age:** A common challenge faced by employers both in talent attraction and retention. The findings show that employers found it particularly difficult to engage mature employees in key projects within Industry 4.0, and hence would hire younger people to take on these leading positions. Conversely, they also faced challenges in attracting and retaining this pool of younger talents.

**Gender:** Gender-equality hiring proved to be a pain point within the realms of attracting and selecting talents. The lack of female candidates in technical industries, such as IT, has made it hard to intentionally raise the female quota. This issue is a systemic one, as insufficient female representation in the technical pipeline may be primarily due to a lack of women who have gone through that course of education.

**Nationality:** This was flagged as a point of contention when attracting and selecting talents. While job vacancies continue to exist on the employment market, there is a gap between these job openings and the demand and skill sets of local job seekers. Local job seekers could benefit greatly from retraining and upskilling themselves if they want to find a good career fit in their current capacity. Alternatively, they can also consider a career conversion, something that has helped many locals gain employment during this period.

The statistical breakdown of challenges across the three phases are as follows:

### Attracting Talents:

Age (20%), Nationality (19%) and Gender (15%)

### Selecting Talents:

Persons with disabilities (PWDs)<sup>4</sup> (23%), Nationality (18%) and Gender (10%)

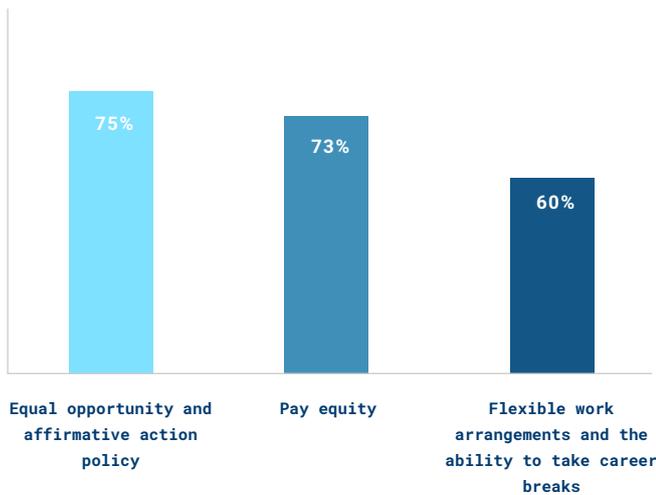
### Retaining Talents:

Age (29%) and Family responsibilities (16%)

<sup>4</sup> Employers may find selecting persons with disabilities challenging due to difficulties such as ensuring workplace accessibility and adequate job redesign to meet their needs.

## Insight 8: Clear policies, fair payment and considerate work arrangements are important to female talents

For female employees, our survey showed that there were three particular findings that were at the top of their professional considerations:



Leaders would do well to assess their hiring practices to eradicate any persistent stereotypes that might be embedded within their hiring culture. It is key to note that on the applicant’s end, women are already well aware of the age-old gender bias and may not even apply for certain roles because of the known perceptions. This perhaps can be mitigated by having a very clear and upfront global narrative that addresses this undisclosed fact.

In the case of female employees, there was also shown to be a significant lack of women in more technical sectors. This comes as no surprise, as traditionally there is already an underlying bias in the course of study that precedes their professional capacity. Perhaps by working in reverse and broadening the pipeline of female talents in technical roles could present more opportunities for women down the line. This might also influence the number of women embarking on educational paths to take on more technical roles in the future.

Pay equity may be a topic that has been around for a long time, but it remains a challenging one for female employees. Gender discrimination in relation to pay has been proven by longitudinal research to have a sustained effect on women over the course of their entire life. While there is no quick fix, leaders can improve by creating policies and practices that put women on par with men when it comes to pay scales.

Finally, flexible work arrangements allow women to be more confident in speaking up for a healthy work-life balance. Policies addressing this give women more control over when, where and how they work, in harmony with their duties outside their professional lives.

On a positive note, a majority of the companies (93%) are shown to be actively trying to hire female talent by ramping up on practices such as equal opportunity and affirmative action policies, pay equity, flexible work arrangements and focussed development and mentoring for female employees.



## Insight 9:

# The formalisation of DE&I practices is a key ingredient in reducing workplace discrimination and harassment

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Overwhelmingly, organisations with a formal approach to DE&I policies and practices found that it was beneficial in drastically reducing both workplace discrimination and harassment. Out of the 30% of organisations with current DE&I implementation, the vast majority indicated that it reduced discrimination and 91% voted on its impact on harassment.

Comparatively, organisations that don't currently employ DE&I reported high but significantly less sweeping statistics in regard to discrimination and harassment – 86% and 74%, respectively.

These vivid results cannot be ignored. It goes to show that a more formal approach to DE&I helps to confer employees with more structured protection against ambiguous workplace discrimination and harassment. Indeed, this has to be an ongoing dialogue to continuously understand and uncover the nuances of discrimination, but one thing is certain: formalising these measures provides a much more protective cloak over all employees.

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## Closing Thoughts

We have shown that there is a deep chasm between the perception versus the reality of DE&I. What this means for organisations is that DE&I is a conversation that has to start now, if it hasn't yet already. As it is a multidimensional topic, it should be seen as an ongoing process as opposed to an immediate, distinct outcome. Its complexity requires leaders to dig deeper in order to better understand and empathise with their employees. The long-term payoffs provide a clear value not just to employees, but also to leaders, and the overall health of the organisation.

Importantly, there should be a distinct, undeniable connection made between DE&I policies and the overall performance of the organisation. Effective DE&I policies are both good for an organisation's people and performance. There has been repeated evidence that DE&I strongly supports the business agenda. Leaders have to focus intentionally on carving out workplace policies that in turn lead to a strategic advantage for their organisation.

All of this requires a strong commitment from leaders to make positive changes in their DE&I practices. However, sustainable change in DE&I requires a transformation of behaviours and mindsets across the entire organisation. The Kincentric change management model provides strong guidance on the stages of individual change that people need to be led through.



**Understanding:**

Do you understand the changes?



**Emotion:**

Are you emotionally ready for the changes? Do you feel good about the benefits to you, your colleagues and your company?



**Ability:**

Do you have the skills, knowledge and ability to support the changes?



**Intent:**

Do you intend to embrace the changes in the future?

The above framework gives companies an approach of how to lead people through DE&I changes in their workplace. However, organisations that intend to have sustained success need to adopt a posture of even more deliberate change.

This exercise should be followed by a formalised audit of their current practices, in order to determine the strategic measures to follow. These are the crucial first steps in uncovering how ready they are for change, what their organisation is lacking in, what their people need and what strategies they should prioritise.

To help leaders achieve sustainable, systemic culture change, Kincentric has further defined a roadmap to implementing DE&I:



It is clear that while DE&I has been an organisational practice for some time, the methodology remains fairly novel in the Singapore landscape. For Singapore-based leaders, the time is now to excavate traditional mindsets and behaviours that might be holding the organisation back, lest they fall too far behind in the competitive landscape.

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## Special Thanks

Chua Zihao, Senior Consultant at Kincentric for his contributions to the development of this research.

**Contact us** to talk about how we can help.

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## About Kincentric

Kincentric, a Spencer Stuart company, helps organizations unlock the power of people and teams to ignite change and drive better business results. With decades of experience and specialist expertise in areas such as culture, employee engagement, leadership assessment and development, HR and talent advisory, and diversity, equity and inclusion, we use data-driven insights to architect solutions that add value, enhance agility and increase organizational effectiveness. For more information, visit [kincentric.com](https://kincentric.com).

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