People-Centredness

Recognising human capital as the 'DNA' of the Group, Sembcorp Marine sought to harness the talents of its people as well as create a supportive and motivating work environment for employees to realise their full potential.

Human Capital Strategy
Sembcorp Marine’s human resource (HR) strategy is aligned to the Group’s business objectives and strategic goals. Apart from focusing on three HR dimensions to further strengthen the full potential of its human capital, the Group also leverages six levers in formulating its plans. The strategic HR framework is illustrated in the diagram below.

HR AS KEY BUSINESS LEVERS

Employee Profile
The Group employed a total of 9,335 staff as at end December 2010, 1.7 per cent more than 2009. The table and accompanying graphs present a detailed staff profile of the Group for the year.

<table>
<thead>
<tr>
<th>Category</th>
<th>2010</th>
<th>%</th>
<th>2009</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>3076</td>
<td>33.0</td>
<td>3083</td>
<td>33.6</td>
</tr>
<tr>
<td>Non-management staff</td>
<td>729</td>
<td>7.8</td>
<td>727</td>
<td>7.9</td>
</tr>
<tr>
<td>Workers</td>
<td>5530</td>
<td>59.2</td>
<td>5370</td>
<td>58.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9335</strong></td>
<td><strong>100</strong></td>
<td><strong>9180</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
People-Centredness

The Group recruited new employees through a number of channels, to ensure the shipyards were well-staffed for their needs. A total of 11 career fairs and talks were held at major tertiary and vocational institutions in Singapore during the year.

Sembcorp Marine and its yards continued to offer scholarships to bright young individuals with excellent academic and co-curricular track records. The Group offered 32 scholarships in 2010, compared to 23 scholarships in 2009. There were also 22 scholars who returned in the year to pursue their careers in the Group’s subsidiaries.

Industrial attachments were also another avenue to attract students to the marine and offshore industry. The Group’s yards saw 92 students attached to various projects and work functions in the year. To showcase the exciting career opportunities and the growth potential of the Group, yard tours were further organised for 554 students and visitors last year.

Since 2005, Jurong Shipyard, Sembawang Shipyard and PPL Shipyard have been actively promoting the Super V series of programmes to attract recruits with non-marine qualifications. The programme is aimed at identifying and grooming local workers for supervisory positions within the marine and offshore industry. Under the scheme, suitable recruits underwent structured skills training leading to National Institute of Technical Education Certificate (NITEC) qualifications. Between 2005 and 2010, the Group had successfully recruited a total of 332 Super V and V2 trainee supervisors.
Manpower Development

Sembcorp Marine continued to develop employees and equip them with essential knowledge and skills to perform to their best ability. This was achieved through competency-based training, training programmes in collaboration with academic institutions, management development programmes, overseas attachments, mentoring and coaching as well as job rotation.

One of the highlights in 2010 was the signing of a Memorandum of Understanding between Sembcorp Marine and Institute of Technical Education (ITE) on 23 July to set up the Marine Engineering and Quality Centre at ITE College Central. In this five-year collaboration, both parties would combine their expertise to provide a platform for the mutual sharing of best practices in marine and offshore technology and pedagogy, to train the Institute’s students in the field of marine and offshore engineering as well as to strengthen the competencies and skills of the Group’s workforce.

Sembcorp Marine also collaborated with other tertiary institutions on several fronts. Notably, the Group partnered the Singapore Institute of Technology in 2010 in the area of marine and offshore curriculum development. At the same time, the Group’s employees could also leverage this partnership to upgrade themselves with a range of specialised degree courses.

Apart from skills-based courses, employees also attended personal enrichment and development programmes on a wide range of topics such as customer service excellence, positive relationship building, change management and time management.

During the year, Sembcorp Marine also rolled out the second wave of the Mentoring Programme, following its successful launch in 2009, to promote knowledge sharing and skills transfer among employees. To facilitate the mentoring process, a series of briefings and meetings were organised to foster closer ties between the mentors and mentees.

Another area of focus in the year was on productivity and continuous improvement. Using the Value Stream Analysis approach, teams from across the five yards learnt how to do work better, faster and more cost-effectively through an internal friendly competition.

Manpower Retention

At Sembcorp Marine, a robust performance management system combined with an effective reward and recognition framework helped to retain talented employees. The Group uses an objective appraisal system to ensure all employees are appraised on measurable key performance indicators and desirable behavioural traits required for effective performance in their jobs.

Apart from offering competitive salary packages which commensurate with work experience and industry benchmarks, high-performance employees were rewarded and recognised through salary increments and promotion opportunities. In addition, employees who showed exemplary contribution – such as proactive participation in innovation, safety, quality and teamwork – were recognised through special awards.
As a further incentive, annual Long Service Awards were presented to recognise long-serving staff. In 2010, the Awards honoured 421 loyal employees, including 190 who had served more than 30 years with the Group.

**Organisation Development**

Sembcorp Marine also sought to ensure that various internal systems were in place to allow its people to maximise organisational effectiveness. Aligned to the Group’s vision and business strategies, these structures and processes were aimed at motivating employees to take ownership over organisational outcomes.

One of the key initiatives rolled out in the year was the launch of Sembcorp Marine’s first group-wide employee satisfaction survey. A total of 2,242 employees, or about 73 per cent of the target group, responded to the survey. Overall, 86.5 per cent of the employees who responded were satisfied with their jobs and the company. The survey findings, which were disseminated to the staff, would also help Sembcorp Marine review and refine its policies and programmes to improve employee engagement.

Information technology was also harnessed to reach out and engage employees across the Group. In early September 2010, the Employee Stock Option System was launched and made available via intranet for staff to view their allotted shares and transactions. During the year, Jurong Shipyard also upgraded its ‘J-Link’ intranet portal into a convenient gateway for employees to obtain various documentations and forms as well as information on the latest news, policies and procedures applicable at the workplace.

**Organisation Culture & Working Environment**

Sembcorp Marine continued to build a supportive and engaging work environment, with strong family-like bonds. In addition to caring for employees’ welfare in the areas of work-life harmony and workplace health, the Group organised festive celebrations and community outreach activities to foster interaction and build camaraderie.

Strengthening ties with the Unions was also an important part of creating a harmonious work environment. To further reinforce tripartite synergy and union-management cohesiveness, several events were organised by the Group together with its yards and their Unions during the year, including a National Day Observance Ceremony at Jurong Shipyard and Sembawang Shipyard’s ‘Run for the Union, Run for the Nation’ event.