

IPS Closed-Door Discussion “Preparing for the Future Economy: Building a Sustainable Workforce”

Shanthini Selvarajan & Wilfred Lau
IPS Research Assistants

ON 31 March 2017, the Institute of Policy Studies’ Society and Identity cluster along with the Economics and Business cluster organised a closed-door discussion as a follow-up to the 2016 Action Plan series spearheaded by the Institute of Policy Studies (IPS). The guest speakers for this event included Singapore International Chamber of Commerce (SICC)’s Victor Mills, Association of Small and Medium Enterprises (ASME)’s Ang Yuit, Workforce Development Agency (WDA)’s Tan Choon Shian, and Ministry of Education (MOE)’s Ang Zhongren.



Highlights of the Views Expressed

- Employees must show the “right attitude” towards their chosen professions
- Formal education must offer students opportunities to apply theory to practice
- Singapore’s new graduates must not take short cuts in developing the attitude of wanting to learn from the bottom
- Businesses must align themselves to skills offered by employees
- There needs to be extended internships

- A relook at 'unfair' allocation of subsidised training courses is necessary
- It is timely to reassess credentials vis-à-vis practical skill sets



Panel Presentations

Victor Mills, Chief Executive, SICC

The session began with a panel presentation by the first speaker, Victor Mills. He first addressed the types of skills employees needed to remain relevant amidst the many kinds of economic disruptions that might occur. He called those as “core, transferrable skills” — skills that are irrelevant to firm size and sector-type. He also highlighted the importance of workers displaying the right attitude. This could be in the form of employees showing keen interest and playing a role in contributing to the success of the company. This could happen when there is greater non-hierarchical collaboration between employer and employee, the presence of an optimal organisational culture, the practice of self and inclusive leadership, and lastly, where employees can challenge the status quo.

In addition, he cited two examples of “the right attitude”: (1) an eagerness to learn; and (2) adaptability. An eagerness to learn could be seen in employees showing interest in attaining knowledge and skills — such as a good command of business language or the ability to work with multicultural groups. All these are relevant to developing customer-centric attitudes a desire to deliver high-quality service. Adaptability could be seen with regard to mobility, where employees show that they are open to the idea of travelling overseas to learn new skills.

Mr Mills said that formal education should inculcate in students these core life skills, so as to bridge the gaps between academia and industry. Specifically, he said that formal education must offer students opportunities to apply theory to practice. This could be in the form of extended and more meaningful internship programmes. He especially emphasised the need to delink academic credentials from skills, and for companies to practise competence-based

hiring so as to avoid “educational inflation”. To do so, we need to abandon the notion that a place in a good school equates to a successful future, he added. Responding to questions on ways of easing the continually tense relationship between the supply and demand of human capital, he suggested the possibility of creating a tripartite alliance involving representations from the government, academia and business.

Ang Yuit, Vice President, ASME

The second speaker, Ang Yuit, described the historical background of the perceived mismatch between skills and jobs. He said the last two decades have seen a shift of manpower resources into the finance sector due to the trend of chasing after short-term wealth. This led to new entrants to the labour market desiring managerial positions instead of engineering ones. The result is the rise of a generation lacking the proper skills and foundations to do well in industry. Mr Ang compared this with the situation in China, where the reverse is evident; most new graduates desired low-level engineering positions in contrast to managerial ones as they believed they were not competent enough to manage people. However, these young people do believe that they will eventually learn these skills as they climb the corporate ladder. Mr Ang advised the adoption of such a mindset. He lamented the fact that we often try to push students to take on “bigger, bolder, better” leadership positions too quickly. He revealed that it was this loss of engineering capability in the early 2000s that paved the way for many Chinese organisations to set up companies in Singapore.

He proceeded to discuss on the current situation — one that featured a “digital push” and a renewed focus on engineering. Instead of only grooming startups and young entrepreneurs, as the government is currently doing, he suggested channelling more funds into existing businesses as well. This is so that businesses will be able to realign themselves with the skills offered by employees, which will then prevent the creation of a gap. He reasoned that with dramatic shifts in skills, the costs of hiring talent would rise. Without intervention, such a phenomenon may fail to be accompanied by a rise in output or productivity. However, if the government were to step in and offer financial aid in return for evidence of proper planning, SMEs will be incentivised to do so. They will have to decipher how the money is to be spent. In addition, he observed that fresh graduates in China are able to display greater human resource sensitivity — something that should be nurtured in today’s workforce. Instead of being preoccupied with entrepreneurship, he suggested that having the younger generation start out in established firms and develop management skills would be time better spent. He added that most entrepreneurs were supportive of the SkillsFuture initiative, but believed it was moving too slowly. Many SMEs, he said, acknowledged the importance of aligning skills with current business practices and recognise the need to move away from a reliance on credentials. He also expressed worry at the potential displacement of PMEs in times of industry upheaval and workforce realignment.

Finally, Mr Ang proposed a utopian future, featuring the desired balance between knowledge-building and career ambition. He aspired after a scenario where Government-Linked Companies (GLCs) and SMEs would compete less, and for GLCs to instead nurture SMEs so that a vibrant business ecosystem can be developed. He stressed the importance of building a good foundation for the future and for reviewing innovative ways to reduce operating costs for SMEs so that they can focus on self-empowerment and nurturing their own workforce.

Tan Choon Shian, Chief Executive, WSG

As a representative of the WDA, Mr Tan is in a position that straddles both the employment and education sectors. This enables him to offer a unique perspective of the situation being discussed. He first highlighted the two primary stakeholders that the SkillsFuture initiative

has pledged to serve: (1) active job seekers; and (2) employers. He offered the hope that this initiative would grow to also serve job seekers who wish to switch careers or to seek jobs that they have a passion for.

He then differentiated the idea of “mismatch” from that of a “missed match”. A “mismatch” denotes wrongly matched skills to jobs. There are programmes currently in place to tackle this, such as the Skills Conversion Programme aimed at subsidising training for those embarking on career switches, especially when an employer agrees to take them on. To complement this scheme, a new initiative titled Career Support Programme was introduced a year ago where, during the transitional period (typically about six months), the salaries for newly hired mid-level employees are supplemented by the government once employers agree to hire them. After this transitional period, Mr Tan said he hoped to see employers agreeing to pay the employees higher wages if the said employees have proved their worth.

The other problem of a “missed-match” describes a situation where employees are perfect for the job scope offered by employers, but they somehow fail to “catch” each other. A potential solution to this could be to use technology to refine current HR practices as well as to encourage employers to be more inclusive in their hiring practices. The latter specifically targets groups such as older people, women with children, etc. From an employer’s point of view, Mr Tan asserted that it is imperative to analyse if employers can afford lengthened internships and training. Otherwise, a compromise of expectations may be necessary. Finally, he advised job seekers to constantly adapt and grow and to be unique where possible, especially in the area of resume-writing.

Ang Zhongren, Senior Deputy Director, MOE

The final speaker set the context by addressing the issues of changing pedagogies, ageing populations and increasing protectionism across the world. He emphasised that these are all issues that could potentially harm an open economy such as Singapore’s. In response to these developments, Mr Ang said we should establish stronger regional relations and a workforce willing to mobilise internationally. He added that, in tune with the SkillsFuture initiative, MOE is laying out goals of restructuring the education system so as to fulfil the hopes of both employees and employers. This is to be done by altering the way education is delivered to adults so that learning becomes a lifelong affair. In this context, MOE will ensure that education imparts skills by inculcating the idea of “learning by doing” in students. Some of the essential actions include building and laying critical structures of old and new academic organisations, and configuring educational policies, programmes, modes of assessment, etc. The main objective is to ensure that all these culminate into practices that will have wide and deep impact, he said.

Mr Ang also highlighted the importance of undertaking lifelong learning and mastery of skills as well as having diverse aspirations and achievements. To help achieve these, he revealed that MOE and the Ministry of Manpower (MOM) have been working together to synchronise their policies. Some of these policies include expanding post-secondary budgets to fund bite-sized modules; to provide greater access to lifelong learning by lowering costs for targeted segments of society; to make SkillsFuture more accessible to all; to offer working adults with study awards or fellowships; and to reduce barriers for individuals, especially working adults, so that it is easier for them to enrol in training programmes.

While acknowledging the importance of tailoring educational courses to fit industry needs and sustaining strong partnerships between industries and educational institutions, Mr Ang brought up a limitation that he sees in the proposal for extended internships. This is in the area of striking a balance between the need to attain technical skills and soft skills. He also addressed the need in providing new pathways for people who wish to switch sectors or re-enter mainstream education so as to attain other qualifications. For those lacking the

established entry qualifications, this can be done by possibly by recognising some of their previous learning and industry experiences and tailoring courses or programmes based on their needs.

According to him, education is also being made more flexible with work-study programmes that are introduced for students to learn better through application. To harness diverse aspirations and achievements, plans to implement “scaffolded”¹ curriculum, career counselling and improved course profiling are being discussed. In addition, Mr Ang highlighted that attitude-based admissions are on the rise, with the maximum attitude-based intake in schools currently being raised to 15% of total admissions. He concluded by re-emphasising the need for greater communications between academic institutions and industries. The onus is for the latter to step in to volunteer information and resources needed for the former to develop their course content, assessment modes and internship programmes. Mr Ang insisted that HR must alter their hiring practices so as to be more capability-based in focus. Only then will the employment market change, allowing for all of MOE’s messages relating to the theme of skills-versus-credentials to come through.



Discussion

One of the main issues that were discussed was that of the role of the Private Education Institutes (PEI) in Singapore. A participant said that in many ways, PEIs should serve as a complement to traditional educational pathways instead of rivals in the way both were made to offer similar products. The same participant also raised concerns relating to government funding in education, noting that the practice of selective government funding on courses and institutions has the potential of being non-inclusive. The example given is that when subsidies and funding (and by extension endorsement) are awarded to specific courses and institutions, entities that are excluded from these programmes lose their value. In addition,

¹ In the field of education, the term **scaffolding** refers to a process in which teachers model or demonstrate how to solve a problem, and then step back, offering support as needed.

as a fairly price-sensitive product, the presence of subsidies awarded to a specific course provider has the potential to be even more divisive to those in the same industry. More importantly, this may raise further problems because being reliant on subsidies (which may be taken away in the future) is not a viable and sustainable business model. The individual further noted that the current system seemed somewhat entrenched due to the abundance of available subsidies. As such, the challenge will be in weaning off these subsidies. In reiterating the point on the proliferation of subsidised courses offered especially by large educational institutes, the individual warned that this has the potential of crowding out specialised training institutes that offer similar coursework. While some amount of overlap is unavoidable, the individual said that it indicated a need for regulation in terms of which institutes should be able to provide what kinds of courses.



Another participant said that due to ample vacancies and training opportunities, unemployment in Singapore is actually quite low. About 60% of people who approach Workforce Singapore for assistance in seeking employment would find a position within a period of six months. However, among the total unemployed, only about 10% actually approached Workforce Singapore for help. Also, the difficulty lies in the dilemma faced by the job-seeker: Should he or she choose a broad or narrow specialisation? Each of these choices comes with its own challenges. While a broad specialisation opens up more opportunities and increases flexibility, it comes with the danger of the job being more replaceable. On the other hand, a narrow specialisation leads to the danger of the job being made obsolete by technological advances or paradigm shifts. The latter however does provide clearer career paths and job stability. In many ways, training institutes then suffer from the same dilemma in terms of kinds of courses they wish to offer.

However, the same participant insisted that the main problem still lies in structural unemployment. Currently, there exists a fairly large information asymmetry between the job-seeking population, the employers and the government with regard to what jobs are in demand. This results in an inefficient allocation of qualifications and the labour market's

needs not being met. This then leads to other problems such as unemployment, low job satisfaction and depressed wages.

Another participant added that the effects of these problems are very real, and that various parties are working to address these issues. However, another related point was raised regarding education and its duration: Because training courses can take years to complete (such as the ones at the tertiary level), government attempts to organise people into specific fields may backfire if the discipline suddenly becomes obsolete by the time the trainee graduates. Regardless, it should be agreed that the need for lifelong learning is here to stay, and with it, the necessity of training institutes. However, current employers should also step up their training programmes to upgrade their staff, instead of seeing it as a cost that a future employer will enjoy the fruits of (as a result of the staff leaving after acquiring their new credentials).

Human capital-related issues concerning SMEs were also highlighted. According to a participant, organisations belonging to this category generally suffer from manpower shortages due to both a lack of popularity among graduates as well as being unable to offer wages that match those offered by large companies or high-capital startups. Another point raised is of the need for better rubrics and processes to measure employee capability and suitability for a particular position. While such issues impact all companies, SMEs are particularly affected as they are frequently stretched in their resources and as a result, are not capable of engaging in specialised hiring processes. While this situation changes over time and the market refines its ability to gauge the relevance of certificates and training programmes, companies (SMEs in particular) will need access to better hiring tools.

The discussion also covered the importance of skills in the overall context of innovation. A participant pointed out that the ability to innovate, especially in areas that are sector-specific, requires deep expertise that can mostly be acquired through extended periods spent in training. The example of Nanyang Polytechnic's nursing programme was brought up: Of the three years of course work, fifteen months are spent on clinical attachments. This allows students to gain experience rotating around several areas of medical expertise. It also allows students time and opportunities to find something that appeals to them. As a result, the polytechnic's nursing programme has the highest retention rate school-wide. It points to the importance of constant engagement with industry, where the exposure to actual working conditions allows students to learn to adapt under varying circumstances. The participant added that Nanyang Polytechnic also has matching systems as part of its curriculum from the first year onwards. It stems from the belief in the importance of involving students with industry practices early in the curriculum, by introducing them to real-world industry issues. As lifelong learning will continue to be relevant, doing this can enhance the students' ability to learn. In turn, this cultivation of deep sector knowledge can also spur sector-specific innovation.

Along the lines of motivating students to develop deep expertise early on, a participant expressed interest in revisiting the idea of apprenticeships and how such a programme could act as a way for organisations to develop their own standard of professional and skills qualifications, which can then be recognised elsewhere. For industries to be inclusive, especially niche sectors, it is important that the best students be mentored through local systems and processes, so they can act professionally in conducting their jobs, going beyond the education that they received. However, on the other side of the equation, there also needs to be a shift in the mindsets of students and job-seekers. Currently, most industries have trouble hiring, as graduates choose to either join Multinational Companies (MNCs) or become involved with startups. There needs to be better incentives for the younger generation to choose their specific industry. Such incentives can include revising pay structures, recognising specific skills and early engagement with industry. Also

contained in the discussion is the current over-emphasis on paper qualifications in hiring processes despite companies increasingly placing more value on relevant skillsets.

Finally, a participant called for patience in policymaking vis-à-vis the expected outcomes. This is because a particular skill can take years to develop and even longer for results to become tangible. Therefore, some patience needs to be exercised in waiting for the results of these new programmes and schemes. Repeatedly introducing new schemes and programmes before outcomes of previous programmes are sufficiently analysed can dilute the good intentions behind the earlier programmes. Such moves can also result in a “herding” effect for certain sectors leading to an oversupply of expertise. This may be dangerous for the overall skill demography in Singapore.

[Shanthini Selvarajan](#) & [Wilfred Lau](#) are Research Assistants at IPS, under the Society and Identity research cluster and Economics and Business research cluster, respectively.

If you have comments or feedback, please email ips.eneews@nus.edu.sg



© Copyright 2017 National University of Singapore. All Rights Reserved.

You are welcome to reproduce this material for non-commercial purposes and please ensure you cite the source when doing so.