

Long road ahead for a SkillsFuture future

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THE signs are clear: big hurdles still lie ahead in Singapore's quest to become a skills-based economy, and mindsets have yet to reach a tipping point.

An Institute of Policy Studies survey of some 1,500 parents of primary school children revealed a worrying trend. Published this week, the survey found that just 47 per cent of parents agreed that employers would prefer those with skills for the job rather than paper qualifications. So more than half (53 per cent) disagreed with the statement.

When asked which would result in better job opportunities: A full time degree alone or work experience plus a part time degree from the same university, 66 per cent thought a full time degree would come out tops.

Then, 63.5 per cent of respondents believed that there would be a significant difference in outcomes should one pursue work-ready skills instead of a degree. Presumably they meant that a degree would be better, given the answers to the other questions. You can see the [full study here](#).

That's not the only survey on attitudes towards skills, however.

Preliminary findings published from a National Youth Survey this month showed that 62 per cent of youth aged 15-34 considered skills development as an important life goal, although it did not make a distinction between work-related skills and other skills like hobbies.

The impact of undervaluing skills is severe: In 2017, 96 per cent of businesses in Singapore believe the skill shortage epidemic will impact their operations in the year ahead, according to global professional recruiting group Hays. The survey covered more than 3,000 employers across Japan, Hong Kong, China, Malaysia and Singapore.

The combination of the paper-chase and skills shortage is then exacerbated by the fact that Singaporean workers only spend 60 per cent of their time doing their primary work function, compared to a global average of 72 per cent. This is according to the global productivity study done by Unit4, a business providing enterprise systems to organisations.

Instead, Singapore workers spend some 40 per cent of their time doing repetitive, administrative tasks not directly related to their work skill-set. This would result in fewer opportunities to deepen skills on the job or, at the very least, make work skill acquisition inefficient compared to other workers around the globe.

This ultimately means that the pursuit of paper over skills is entrenched, problematic, and that change is still not on the cards. The newly-established SkillsFuture Singapore agency has its work cut out.

This is in spite of Minister for Higher Education Ong Ye Kung's call for a bigger focus on skills rather than a fixation on degrees, which drew criticism from the public, many of whom cited the G's own hiring and HR policies as proof of the primacy of paper qualifications.

That the G has merged diploma and degree progression tracks in the teaching and uniformed services, and abolished the civil service divisions which separated officers by education appears insufficient. While laudable and progressive, such structural changes are insufficient to supplant entrenched culture. So degree-discriminatory HR practices will simply become less formal, but nonetheless remain entrenched in the attitudes of employers, staff, students and parents.

A pro-paper culture that flourishes in spite of changing rules is far more difficult to change, and far more dangerous in the nimble new economy, than one that relies on official policy. Moves to shift mindsets need to be far more drastic than they are now. Incremental change will come too late for Singapore's economy.

What's the way towards a SkillsFuture future? For a start, employers (the G included) must make the job marketplace about skills first. Resources should be poured into on-the-job training, and employers should favour applied knowledge (like work experience, internships and practicums) over academic qualifications.

To push this hard, the G needs to shift the focus of its support for companies. Current measures largely ply companies, including those bereft of a skills-first mindset, with funding in the hopes that they eventually change. Feet-dragging employers will only change their minds when it negatively impacts their bottom line. Why keep throwing money at companies with problematic mindsets in the hopes that they will reform? Such support may help hit certain types of KPIs, such as training hours or uptake of schemes, but in fact delay a change in mindsets – the deserved destiny of a poorly-managed company is insolvency.

G support should extend beyond simply funding training, because nearly every large investment in private sector change has resulted in the birth of a micro-industry focused on exploiting the financial upside of these subsidies and grants rather than any clear commitment to the intended outcome of the G scheme.

One case in point has been the Productivity and Innovation Credits (PIC) scheme, which attracted abuse but has not yet had a significant impact on productivity. The loopholes prompted MP for Nee Soon GRC Louis Ng to raise questions in Parliament about some \$358 million in known PIC abuse from 2011 to 2014. Meanwhile, labour productivity growth has hovered around the zero mark since the scheme was introduced.

Going by the PIC abuse examples, the thinking process for many employers when it comes to training or skills grants will not be that "the G is giving out money for skills training – skills are very important!" But rather "the G is giving out money for skills training – how do I cash in on it?"

The risk of this strong push towards skills is that Singapore will see a period of economic decline, worse than the slowdown that we are already entering into. This could last for several years, perhaps even up to a decade, considering the cycle of education. Even changes in the education system to favour skills will not have a significant impact on the workforce for decades. Unemployment will be higher during this period, as less-skilled or technologically obsolete workers lose their jobs.

In addition to this, unpopular policies must be put in place, policies like keeping university cohort participation rates stable (and below parental demand) as Mr Ong said. This effect

could be enhanced by reducing subsidies for some full-time degree courses and enhancing subsidies, perhaps even to the point of being nearly free, for part-time courses or courses designed with deep, integrated industry partnerships.

Another idea: Most G scholars are put through full-time courses of study – is there some way to make the majority of local scholarships part-time, with work stints at MNCs and large local firms? Since the G believes in the primacy of skills and experience, this would be a ripe opportunity to create a new normal.

But with unemployment and unmet university aspirations will come unhappiness and political risk for the G of the day. How much of a cost will it be willing to pay for doing what it believes is right?