

## **Why S'pore needs to honour innovation, excellence and outwardness**

**To ensure the country's continuing survival and success, Singaporeans need to be a people who embrace innovation and excellence and be prepared to go out of their comfort zones, said former top civil servant Lim Siong Guan on Tuesday (Nov 14). This would help create "a new economic ascent", added Mr Lim, who was previously head of the civil service and Group President of GIC, in delivering the third and final IPS-Nathan lecture. Below is an excerpt of the Mr Lim's lecture, where he also cited examples of how Singapore could learn from other countries such as Finland and Israel in encouraging innovation and cultivating soft skills.**

***Lim Siong Guan***

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I had mentioned in my first lecture my belief that Singapore had survived and succeeded in its first 50 years of independence for two reasons: First, for being a people and a government who honour our word: we are trustworthy, reliable and dependable.

Government policy development is consistent and even predictable. We deliver on our promises, observe the rule of law, and uphold intellectual property rights. We are prepared to learn fast and work hard. Trust is the defining characteristic.

Secondly, we honour each other as citizens and as human beings. We recognise and appreciate our differences, and make space for each other with respect to race, language, culture and religion.

Diversity is the defining characteristic and being a gracious society would be an enhanced aspect of this.

But I believe these two aspects of honour, honouring our word and honouring each other, will not be good enough to assure our continuing survival and success.

I would like to suggest a third essential aspect of honour for creating a new economic ascent, and that is that we need to be a people who honour innovation, excellence and outwardness. In this aspect of honour, opportunity is the defining characteristic. It has to do with the way we create opportunity, the way we identify opportunity, the way we develop opportunity and the way we identify opportunity.

So let me explain these three aspects of innovation, excellence and outwardness.

By innovation, I mean any creation, invention, or improvement that has practical value. We need to welcome new ideas and new ways of doing things.

We need to continually think about incremental improvements and also step innovations. Someone has remarked: "If you can't explain how you are innovating, then you are not innovating."

I recognise that Singaporeans have been encouraged to innovate for years. But what does it really mean for the ordinary Singaporean when he or she is urged towards "innovation"?

Some might perceive it as a technical matter best left to the professionals; some may simply see it as a threat to their “Old Economy” jobs.

What I am talking about is a need for a culture of innovation. By culture, I mean the spirit of innovation to be an integral part of our character and personality as a nation and a society.

I do not think we are there now, nor do I think there has been a deliberate, conscious, national effort to get to such a cultural transformation.

Let me give you an illustration. Some months back, I visited Block 71 at Ayer Rajah. The Economist magazine has referred to Block 71 as the heart of Singapore’s technology start-up ecosystem and the world’s most tightly-packed entrepreneurial ecosystem. It is an exciting place of youthful energy and enthusiasm.

During my visit, I asked one of the very excited members of one of the start-ups what is the greatest problem the person faced, expecting some technical or business issue they have confronted.

Instead, the simple answer I got from the person was, “my mother”.

The person had done well in university and could easily have got a well-paying job; the mother simply cannot understand why the person is in a start-up — the rewards are uncertain; even the lifespan of the start-up is uncertain.

Parents naturally want their children to be safe and secure.

When I was in Israel recently, I asked, “what do Israeli mothers wish of their children?”

The answer I got was, “20 years ago, Israeli mothers wished their children to be doctors or lawyers. Now, they wish their children to be CEOs of start-ups.”

Start-ups and innovation have become an integral part of Israeli culture. We can say the same of Finland and Estonia. Singapore has to get there and be exceptional in our own way.

This is a cultural change and a mindset change, and not simply a case of encouraging innovation.

As just one example of how we need to change our natural frame of mind, let me refer to the matter of focusing on high grades and awards.

In Singapore, we are inclined to pile accolades on people who have achieved top grades or got gold medals, and leave others unnoticed and unmentioned.

But if we want people to be innovative, which requires them to try more and to learn from failure, we have to recognise people for their effort and not only for their success — have they tried their best in exercising their talents and abilities is the critical question, and not whether they got the gold medal.

I remember asking a friend whose son had taken part in the Rio Olympics but who did not win any medals there, as to what his son was thinking now.

He said his son was seriously thinking whether he wanted to spend another four years training and sacrificing other things he could spend his time on.

What would weigh heavily on his son's mind was whether he would be recognised for trying, rather than recognised only if he won a medal. Would society think him stupid, or praise his conviction and his tenacity?

This is a severe cultural challenge for changing values in society, to value best efforts, as opposed to disproportionately rewarding the super As and gold medals. Nor do we want to simply give everyone a medal for participating.

There can never be enough airtime and public recognition to go around for every individual. At the same time, there needs to be far more awareness in society on how to notice and nurture the best efforts of others around us.

## ATTITUDES MATTER

Next, let me give you some remarks on "excellence". To me there is only one definition of excellence, which is to be the best we can be.

Excellence is not just the next standard in a grading from satisfactory to good to very good and so on. To me, after "very good" should come "outstanding", rather than "excellent".

Excellence, to me, is a measure of performance against potential. We have to move away from what appears to be a prevailing attitude on the part of many workers in Singapore, an attitude of "satisficing", which means "aiming to achieve only satisfactory results because the satisfactory position is familiar, hassle-free, and secure, whereas aiming for the best-achievable result would call for costs, effort, and incurring of risks".

When we avoid "trying our best", but simply do what is good enough, we are in fact cheating ourselves of what is possible given our individual talents and abilities.

This is not just something for government to do, but something which depends very much on the attitude of the individual Singaporean towards work and life.

The call often heard for work-life balance is understandable, but regrettable if it is a call to be allowed to not be excellent, to not be the best possible and to not do the best possible.

The Government can provide incentive schemes and the infrastructure, but it cannot supply the passion and conviction.

I was speaking to someone who said he had heard so much about the start-up environment in Singapore, so he decided to go for a drive around Block 71 on a Saturday night — he found the whole place dark, something he would never find in Ho Chi Minh City in Vietnam.

I quote this not to fault the Singaporeans, but for Singaporeans to realise others are not like us.

And finally, some comments about "outwardness". Some years back, I was in Shanghai and decided to take the opportunity to speak with CEOs of Singapore companies which had substantial operations in China.

One of them was planning to expand his network of stores in China. I said that would be a wonderful opportunity for Singapore students to get internship opportunities for exposure in

China. He said he would be prepared to take many such students, but, “you know,” he added, “they tell me ‘Beijing ok, Shanghai ok, Xi’an not ok’”.

In other words, Singaporeans want to go where things are familiar and predictable. They are not adventurous to try new things and work with the unfamiliar and the uncomfortable.

They are not curious to confront what they do not know and to learn from every situation.

This is a serious problem. Often, when I am asked what is my best advice for young people looking for their first job, I say, “chase the opportunities, don’t chase the money”.

Money is what you get for what you already know and what you already can do.

Opportunities are what allow you to build your future with expanded knowledge and experience.

“Don’t chase the money; let the money chase you.”

Another point about outwardness. No foreign investor brought to Singapore by the Economic Development Board is in Singapore for the Singapore economy.

They are all here to use Singapore as the base to reach out into the region or globally. Singapore companies which want to grow and expand should similarly position themselves well to go into the region and the world.

By all means use Singapore as the test bed for new ideas, but the end goal cannot be Singapore.

The world’s largest economies by 2050 are likely to be China, India, the United States, and ASEAN, in descending order.

In other words, three of the four largest economies will be in Asia, with Singapore geographically more or less at the centre of them.

It would be silly of us not to recognise the opportunity this represents, especially as we also note our major racial composition to be Chinese, Malay and Indian.

But this opportunity can only yield value if Singaporeans are outwardly oriented and not inwardly focused.

I quote you yet another example.

There was someone who had worked with me in the civil service many years ago who one day decided to leave for another career, which involved working in a variety of other countries.

After 10 years, the officer decided to return to Singapore, found a job with a well-established firm, but wondered why the firm needed to have so many expats in senior positions.

After a year, the officer remarked that “all the expats are required”. If the firm had a new business opportunity in an unfamiliar part of the world, the expat was more than likely to say, “when do you want me to go?”

The Singaporean, on the other hand, is more likely to say, “let me consult my wife”, who, after consulting Google Search, is more than likely to say, “too dangerous — don’t go”.

Please do not get me wrong. It is good to be consulting our spouses and to think about the needs of our family, always.

There is nothing wrong with the Singaporean’s decision to not go, and to prefer instead the security and comfort of Singapore, but the Singaporean must then also be prepared to accept that his economic value to the firm is not as high as the expat’s.

## TRUST, DIVERSITY AND OPPORTUNITY

My formula for Singapore to be able to start a new age of pioneers and make a new economic ascent that breaks away from the past is to go beyond “honour our word” and “honour each other” to “honour innovation, excellence and outwardness”; I can summarise these three legs of honour simply as Honour Trust, Honour Diversity, and Honour Opportunity.

But to get value out of this, we have to understand it as a matter of culture — of the way we think and act and live as Singapore and Singaporeans.

And because culture takes time to shape or reshape, it is an intergenerational challenge which needs leadership and consistency of effort and behaviour, and action now.

Professor Rosabeth Moss Kanter of Harvard Business School has pointed out that financial results are a “lagging indicator” of a company’s health.

“They tell you what you’ve just done. They don’t predict the future. Culture is a leading indicator. Culture predicts the future.”

She adds that culture is “more important in some ways than strategy”, and that “if you’re not thinking about building your culture for survivability and sustainability, then you’re not leading”.

These are tough words, but nonetheless words of wisdom.

I believe that what Prof Kanter says of business applies just as much to nations. Gross Domestic Product and employment figures are a lagging indicator. National culture predicts the course of progress and development of countries.

A culture of innovation, excellence and outwardness is what Singapore needs to build up.

One might say that culture needs to evolve on its own, but I am afraid we don’t have the time because technology and the world move too fast.

Modern Singapore was never a product of pure chance or “natural evolution”. And we are not alone.

Finland, for example, has recently carried out a total revamp of its education system to build it around a firm belief in entrepreneurship as the future for Finland.

Students are taught skills for entrepreneurship.

These skills are not just “hard technical skills” — which tends to be the way skills are often narrowly understood in Singapore — but rather these skills include a heavy dose of “soft skills”, which include skills in leadership, in project management, and in working as a team.

I am told that a project for students equivalent to what would be Primary Six in Singapore could be to set up a bank!

Finland today has the highest number per capita of what I refer to as unicorns — start-ups worth more than US\$1 billion (S\$1.36 billion) each.

Despite having a population slightly smaller than Singapore’s, it has its sights on producing four Nokias, the hugely successful cellphone company that had unfortunately missed the turning on smartphones but is seeing a resurrection of its fortunes with new technological developments.

Finland is also the home of the very popular mobile game “Angry Birds”. These successes have allowed the Finns to look at the target of four Nokias as believably achievable.

Singapore must find our own way to promote a culture of innovation so that it is life for us; what we are, and not just something we do.

I had the opportunity recently to hear Professor Muhammad Yunus, the Bangladeshi social entrepreneur, banker, economist, and civil society leader who was awarded the Nobel Peace Prize in 2006 for founding the Grameen Bank and pioneering the concepts of microcredit and microfinance.

He said every human being has two parts, the selfish part and the selfless part. The world tends to keep feeding the selfish part.

The fundamental reason Grameen Bank has succeeded when the great majority of institutions who have tried microcredit and microfinance have failed is that the philosophical foundation of Grameen Bank is feeding the selfless part of the human being. And when you feed the selfless part of the human being, they honour things like returning the loan so that other people may benefit.

Professor Yunus shared that the great majority of Grameen Bank loans had gone to women, and that a critical way in which those who had succeeded through the Grameen Bank loans had spent their new-found income was to provide their children a good education.

He then heard that a good number of these children, after completing their formal education, had lamented that they could not find jobs.

On hearing this, he told them to stop complaining about not having jobs, but instead to set up their own businesses. The children responded that they did not know how to do so. He told them “go home and ask your mother”.

This is entrepreneurship in real living, people who have to do things for themselves and imagining possibilities for themselves, rather than waiting for somebody to create the jobs for you.

Let me quote another example of how critical values and soft skills are. I have a friend in Israel who is now retired. When I met him recently, he told me he was going around schools in Israel to set up robotics clubs.

I know many schools in Singapore too have robotics clubs. I asked him what they did in his clubs.

He said all the members first had to go through lessons in social responsibility. I would never have expected such a need for members of robotics clubs.

He explained that robots have to benefit society, so members of robotics clubs have to be trained to think about benefits to society. He added that another lesson members of robotics clubs had to learn was how to cope with failure.

He explained that the robotics club members were all targeting at taking part in international robotics competitions; most of them would never win, so it is essential that the students learn how to cope with failure.

Singapore needs to do likewise in emphasising values and soft skills in our schools, in higher education and continuous learning, and in society at large, if we hope to be a nation of enterprise and innovation.

But we need to recognise that values and soft skills cannot be taught the same way as hard skills - they have to be demonstrated, practised, and absorbed in daily life, not just by children and students, but by community leaders, public servants, employers, parents, adults, everyone.

Academic results are simply not good enough. Being trustworthy and being willing to think, try, learn, lead and serve are possibly even more important.

To deal with a future which is uncertain while quickly changing, we need to realise that the relevance of particular hard skills may well be limited to a few years, while that of most soft skills are likely to be beneficial for a generation, at least.

I have now spoken over three lectures on the theme "Can Singapore Fall?" Of course Singapore can fall.

But we can choose to organise ourselves so that we have little reason to fall.

I once met a Swiss professor who is familiar with our universities in Singapore. I asked him what we can do better.

He responded: "That is the problem with you Singaporeans. You are very capable in many fields. But you don't know it or do not accept it; you don't build upon what you already are capable of to produce new ideas and try new ways."

I take the professor's words to heart. If we think we can, we can.

The geographical limitations we face will always be with us, and climate change will no doubt pose new challenges.

But if we choose to confront these adversities directly, take confidence in what we already have and know, learn from everywhere but think for ourselves, refuse to be put down by others or to put ourselves down, choose action over talking, and move with purpose and urgency, I am confident that we will surprise even ourselves.