

SMU, JP Morgan suggest 3 tasks to ease Singapore's skills shortage

Innovation-driven growth requires better use of technology and even less reliance on foreign workers, they say

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SINGAPORE needs to do three things to tackle its skills shortage – cut its dependence on foreign workers by even more, ease the pace of change in industry policy and focus on soft and cross-job skills.

These three areas were identified by Singapore Management University and J P Morgan in a 155-page report titled “Managing Skills Challenges in Asean 5”. In the part of the report focusing on Singapore, the local university and the global financial services firm noted that the number of foreign workers in the Republic has continued rising although their inflow was tightened five years ago. This reliance on foreign workers and the low productivity achieved “signal a lack of strong indigenous production capacity”, they said.

The report suggested re-designing jobs to harness technology and tapping into the work experience of displaced mature professionals, managers, executives and technicians, retirees and homemakers; it says this will raise productivity and reduce the dependence on foreign workers.

It also suggested to the government that, in picking new growth in-



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dustries to promote, it must not be swayed only by what these industries can do for the GDP; it should also consider whether there are enough workers for the jobs and whether they can be trained quickly.

The report also recommended that the government go easy with the pace of change in industry policy. Targeted industries need more time to mature, gain scale and depth and sharpen their global competitive

edge. Slowing down the change will also give workers time to keep up with the changing demand for skills.

The report recommended that more attention be given to building soft skills and adaptability if Singapore is to pursue innovation-driven growth. This deficiency is quite glaring in the SkillsFuture programmes, it said.

SMU president Arnoud De Meyer says: “With an educated and skilled workforce, Singapore needs to continuously innovate, make better use of technology to increase productivity and reduce reliance on low-skilled workers. Its education system could also place greater emphasis on curiosity, creativity and adaptability and risk-taking, to encourage the right mindset for an innovation-driven economy.”

The report said such an economy requires the right technical skill sets, and also the right mindset – “one that is at once curious, creative, collaborative and willing to be adaptable to take risks”.

The report lists the information and communications technology (ICT), electronics and electrical engineering, manufacturing and finance and insurance industries as those most in need of skilled workers.

The skills gaps are caused mainly by “rapid changes in the country’s key growth industries, which are partly encouraged by the frequent changes in the government’s industrial policy”, it said.

And this has extended the need for foreign workers to make up for the shortage of new skills that are in demand, it added.