

Steps to ensure economy continues humming

A wide range of productivity and workforce measures has been taken or mooted for Singapore to adequately address the complex challenges it faces.

Helping more to join the workforce, and remain for longer

Several measures are already in place or set to kick in, with the overarching goal of spurring more Singapore workers to join the workforce and stay in it for longer. These include:

RAISING THE RETIREMENT AGE

Singapore has been raising the limits as it moves the nation towards a retirement age of 65 and a re-employment age of 70 by 2030. The shift, which was first announced in 2019, will be done in stages.

The retirement age is currently 63, and the re-employment age 68, after the first increase in July 2022. The next jump, to ages 64 and 69 is set for July 2026.

Population expert Jean Yeung said a higher retirement age will add to numbers in the resident labour force, compensating for the decline in residents aged 20 to 64 in the labour force.

The need for a larger nest egg with longer life expectancies, the health benefits of working as an older adult, and the value of those aged 60 to 65 in the labour market provide further impetus to raise the retirement age, she added.

Revised Central Provident Fund (CPF) contribution rates and various bonuses under the Majulah Package and the SkillsFuture Level-Up Programme, with SkillsFuture Credit top-ups and a training allowance for select upskilling programmes, are among support measures that have been introduced for mid-career and older workers.

One senior worker who intends to continue working, even ahead of the upcoming changes, is Mr Chua Bee Kim, 71.

He currently works on prototypes of automation solutions for UOB as a gig worker through the bank's Gig+U initiative.

Mr Chua worked full-time at UOB as a credit approver from age 50 to 69, before retiring in June 2022, and subsequently took up his current gig in January 2023.

He said: "The good thing is it allows me to stay connected to UOB, and allows me to further improve my Excel (spreadsheet) skills because there's always something new that comes up."

His five decades of work experience have given him a front-seat view of Singapore's productivity growth from its days as a fledgling nation.

In the most recent example, he noted that over his full-time employment with UOB from 2004 to 2022, the approval time of complex loans has at least halved as applicant checks became increasingly automated.

FLEXIBLE WORKING ARRANGEMENTS

Flexible work arrangements are another key move to improve labour participation by tapping those in under-represented segments who might otherwise not be able to join the labour force, such as caregivers.

This is one main aim of the Tripartite Guidelines on Flexible Work Arrangement Requests that the work group behind it highlighted in April.

Under the guidelines, all employers here must fairly consider formal requests by employees for these arrangements.

The work group, which consists of government, employer and labour movement representatives, hopes that the guidelines will increase the share of employers that provide at least one flexi-work arrangement from the 68 per cent recorded in 2023.

This comes as the Ministry of Manpower's (MOM) labour force survey data indicated that housework and caregiving remained common reasons for being outside the labour force, making up 23.8 per cent of this group in 2023.

PLATFORM WORK

Platform work is another option that could well improve labour force participation, with a model of work beyond regular employment that could appeal to various groups of people.

Official data points at a general rise in the number of resident regular platform workers, from 56,000 in 2016 to 70,500 in 2023, though the share of total resident employment they accounted for in 2023 was similar to the pre-Covid-19 years of 2016 to 2019.

Those who prefer platform work to their previous occupation, and those who are committed to such work as a good source of income are among two distinct groups of platform workers the Digital Platform Industry Association (DPIA) identified in an August 2023 survey.

The association, which counts major operators Deliveroo, foodpanda and Grab as its members, was set up in 2022 to shape industry practices.

DPIA said: "Depending on how platform workers themselves seek to fit platform work into their lives, it is for them to decide if platform work is a form of interim or longer-term employment."

It added that its member operators support the aspirations platform workers have, and help is tailored to workers' preferences.

For instance, those who wish to develop their skills in the hope of moving on to full-time employment can take up educational and upskilling programmes.

However, Associate Professor Walter Theseira of the Singapore University of Social Sciences said the effect of platform work on the

labour force and productivity – and hence economic growth potential – is mixed.

"Platform work can increase labour force participation and options for workers, but can also reduce the quality of jobs."

Prof Theseira, a transport and labour economist, added: "The concern is that platform work, especially for younger workers at the start of their career, as well as mid-career workers who are re-trenched, can trap workers."

"Specifically, platform work is easy to enter, and (can offer) relatively good take-home pay due to not having benefits or CPF deductions."

CPF payments will be made mandatory for platform workers who are aged below 30 from late 2024.

But in 2023, only 7.2 per cent of resident regular primary platform workers – those for whom platform work was their main source of livelihood – were aged below 30.

Employers could also reduce their full-time workforce in favour of gig workers to cut costs, reducing the number of available full-time jobs with solid career progression, Prof Theseira said.

The cost to productivity due to workers who could have taken up higher-skilled jobs with more progression being diverted to platform work may outweigh the benefits of any increased labour force participation platform work enables, he added.

"It is good to encourage people whom the traditional employment model doesn't always fit – like caregivers, retirees, persons with disabilities – to work on platforms, but it's not good if these jobs are taken up instead of regular employment, especially if the worker would prefer regular employment," he said.

In 2023, more than 89 per cent of resident regular primary platform workers MOM polled indicated they were platform workers by choice.

Mr Muhammad Ariff, 42, has been a platform deliveryman since 2019, and the gig has been his main livelihood since 2020.

Previously a full-time lift engineer, Mr Ariff, who requested that only his first name be used, decided to become a full-time platform worker after his maid left for her home country during the pandemic. This enabled him to care for his three children, aged six to 18.

"I was on standby 24 hours a day for my previous work, and there'd be emergency calls for me to resolve things when I was out with my family... it didn't give me satisfaction because I want to see my kids grow up," he added.

However, as much as the arrangement works for him, he is worried about those fresh out of school or national service committing to full-time platform work for the long haul.

"People of our age have already... built up (our) CPF from past employment, probably secured housing, and most things are settled down."

Mr Ariff also said he is considering taking up a data analytics course to prepare for a potential return to full-time work, as such digital skills are applicable to and desirable for a wide range of jobs.



HOBBY, JOB COME TOGETHER

I feel it is a real privilege to get to do something that I love for work.



MR MUHAMMAD SHAMIL ABU BAKAR, 43, who had been a drone hobbyist for three years before he was sent for training in 2022 to become a certified drone pilot for building inspections.

Mr Muhammad Shamil Abu Bakar is one of nine technicians in utilities provider SP Group's facilities management team who were sent to be trained as certified drone pilots for building inspections. PHOTO: SP GROUP

OVERSEAS EXPOSURE

The Government is equally committed to helping Singaporeans achieve their career aspirations and potential, the ministries said.

"For local talent, we are looking at how we can develop and nurture more Singaporeans for corporate leadership roles, especially in companies that leverage Singapore as a regional or global business hub."

These companies must have the ability to select and appoint their top leaders based on merit to stay competitive globally, they added.

The ministries said: "Based on our engagements with businesses, employers that operate in multiple regions value employees with regional or global experience who can navigate overseas markets effectively, manage culturally diverse teams across countries, and support business expansion abroad."

"These skills and knowledge cannot be acquired through training alone but must be honed through actual overseas postings."

That is why the ministries hope to empower more Singaporeans to compete globally for top jobs that drive Singapore's next wave of innovation and growth through equipping them with relevant overseas work experience.

But they added: "Even as we encourage more Singaporeans to venture on these overseas postings for their careers, they must be self-motivated to take on these challenges, be it in their 20s when they are likely to have fewer familial responsibilities, or in their 30s or 40s when they may have settled down and started families."

3 Job redesign

Another part of Singapore's push lies in job redesign.

Job redesign broadly means altering work processes and job tasks to unlock higher-skilled jobs with more room for wage and productivity growth that existing workers can be trained for.

Jobs may also be redesigned to better accommodate flexi-work, which in turn increases the likelihood that those outside of the labour force can take up these jobs.

Mr Aslam Sardar, chief executive of the Institute for Human Resource Professionals, said that new skills employees learn for these jobs help them stay relevant.

"There is often a misconception that job redesign is a targeted move to reduce headcount, or tends to apply only to lower-skilled workers, or both," he said, adding that firms may not know how to redesign jobs.

However, he noted that support is available for companies keen to redesign jobs, such as the Support for Job Redesign under Productivity Solutions Grant administered by the Singapore National Employers Federation.

Mr Sardar also said roles that involve repetitive or manual tasks are particularly suited to be redesigned at relatively low cost. These include administrative, customer service and production roles.

One company that has successfully redesigned jobs in a way that saves costs, upskills workers and improves efficiency is SP Group.

Mr Muhammad Shamil Abu Ba-

kar, 43, is one of nine technicians in the utilities provider's facilities management team who were sent to be trained as certified drone pilots for building inspections.

Previously, building inspections had to be conducted with the help of contractors.

It was a process that could take three to four days, involving both heavy equipment like boom lifts and trained rope access workers.

Now, weather permitting, an industrial drone is used for inspections and the job can be completed in a day. The drone also gives a better view of hard-to-reach areas.

Mr Shamil, who had already been a drone hobbyist for three years before he took up training in 2022, said: "I feel it is a real privilege to get to do something that I love for work."

4 Training moves

Even as Singapore positions itself to grow its workforce and productivity at once, concerns inevitably emerge about who is left behind.

One way the Republic has sought to ensure that lower-wage workers can also benefit from growth is through the Progressive Wage Model. The model is a wage ladder with pay rises pegged to training and productivity, and it is already in place for seven sectors and two occupations.

The labour movement has also stepped in, most notably through advocating the formation of company training committees.

Employers form these committees with unions to map out the skills workers need given business and industry prospects, guided by the National Trades Union Congress.

There are now more than 2,100 of them, according to the latest update by NTUC chief Ng Chee Meng during May Day festivities on May 1.

Industry experts say looking further ahead, artificial intelligence (AI) has the potential to shake up the labour market.

Some commentators have called for a tax on AI usage in the light of potential job displacement.

But Assistant Professor Vincent Ooi of the Singapore Management University said that any tax on AI usage should only be used to slow down the rate of job displacement, to enable employees to undergo training and to give the economy time to find new roles for them.

The tax expert, however, added that Singapore already has strong, sufficiently funded systems in place to support displaced workers and retrain them, and that attempts to tax AI usage may make the Republic less attractive as a place to do business.

Likewise, Associate Professor Terence Ho of the Lee Kuan Yew School of Public Policy said that given Singapore's slowing workforce growth and significant manpower needs as the population ages, AI could be seen as a boon to help alleviate manpower shortage, rather than a threat to employment level.

"The key is to anticipate and address the risks of job displacement in particular sectors and occupations, and to improve the overall matching of skills with jobs."

Tay Hong Yi



STAYING CONNECTED

The good thing is it allows me to stay connected to UOB, and allows me to further improve my Excel (spreadsheet) skills because there's always something new that comes up.



MR CHUA BEE KIM, 71, on his gig with UOB after retirement.

Mr Chua Bee Kim receiving a long-service award in 2016 from Ms Chia Siew Cheng, UOB's credit head, personal financial services. Mr Chua worked full-time at the bank as a credit approver from 2004 to 2022. He took up his current gig in UOB in January 2023. PHOTO: UOB

2 A workforce of local globals and global locals

Apart from increasing the options available for workers to ensure greater participation in the resident labour force, Singapore is seeking to create a more complementary foreign workforce that can speed up productivity growth through their talent, all while increasing the size of the overall labour force.

The push to provide overseas exposure opportunities to groom Singaporeans for global roles based back here at home is intensifying as well.

FOREIGN WORKFORCE MEASURES

Labour economist Kelvin Seah said foreign workers may contribute to growth in different ways, depending on their skill levels.

For instance, higher-skilled foreigners, like Employment Pass holders, may contribute to growth by bringing innovation.

Meanwhile, lower-skilled foreigners, like work permit holders, could contribute by augmenting resident labour in short supply in sectors such as construction.

Dr Seah, who is a senior lecturer with the National University of Singapore, said it is possible for easy access to a foreign workforce to undercut the effectiveness or uptake

of policies to improve resident workforce participation and productivity.

He added that displacement of resident labour as a result of foreign labour can be measured, with sufficient public data.

Jointly responding to Insight's queries, MOM and the Ministry of Trade and Industry said that building a strong economy requires a world-class talent pool in Singapore.

"This means building a complementary local-foreign workforce that can work together to enlarge the economic pie," they said.

"As a small country, we are selective about the quality of foreign professionals that we take in."

However, on measuring how the presence of foreign professionals has benefited the local workforce via skills transfer, the ministries said the process of skills transfer is complex, non-linear and therefore impractical to measure.

"Skills transfer can take place through structured training, mentorship, exposure to different industries and markets, or overseas attachments and postings."

However, they added that the Government also facilitates skills transfer through programmes such as Workforce Singapore's Capability Transfer Programme, which has benefited more than 140 companies and more than 1,000 Singaporeans.