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## People at Work 2022: A Global Workforce View

*Spotlight on Singapore:*  
Building skills in a world of change



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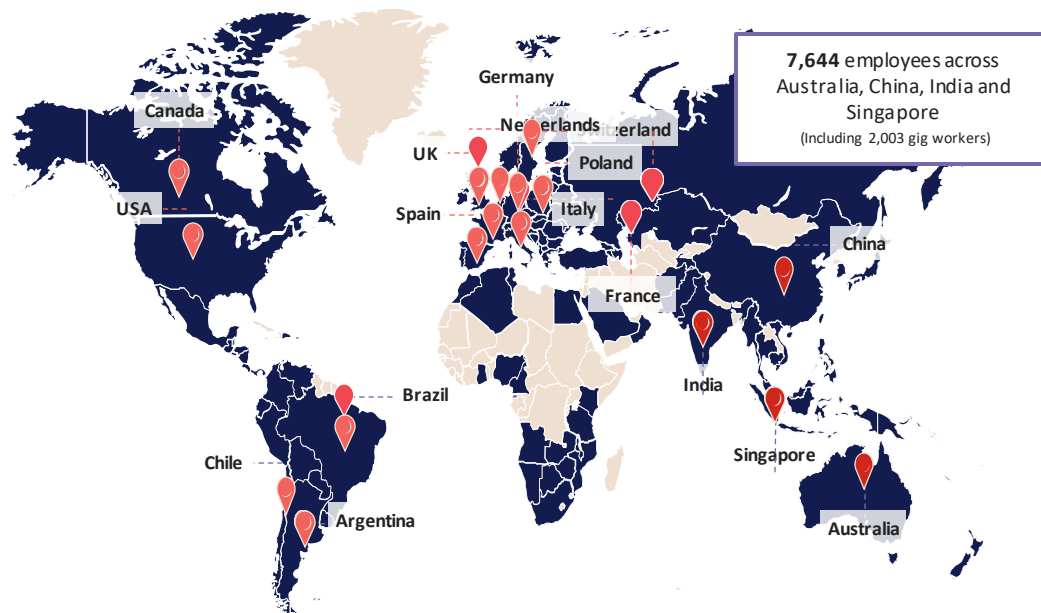
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## Methodology

*People at Work 2022: A Global Workforce View* explores employees' attitudes towards the current world of work and what they expect and hope for from the workplace of the future.

ADP Research Institute® surveyed 32,924 workers in 17 countries around the world between 1 November and 24 November 2021 including over 8,685 working exclusively in the gig economy. In Singapore, 1,907 workers were surveyed across a range of industries and regions.



## Executive summary

Many sectors in Singapore are experiencing significant skills and talent shortages. Singaporean workers are concerned that their skills are becoming outdated and only 12% believe that their job or industry is future-proof.

There is significant demand for skills training with almost four in five workers wanting to improve their skills. Two-thirds have personally invested in improving their development. However, only half report having discussed their skills and training requirements and career progression with their employer.

A large gap exists between the training employees expect their employer to provide and what is actually delivered. This gap is widest for older workers – 72% of those aged over 45 expect their employer to provide skills training, but only 43% feel like their employer invests in their skills.

Both employers and government have a role to play. There are substantial benefits for employers in developing skills training programs. Employer-designed programs ensure that employees develop skills that are relevant to the future of the industry, provide opportunities to use newly acquired skills in practice, and reduce employee fears over job security.



## Introduction

With the exception of 2020, Singapore has consistently experienced sustained economic growth for the past twenty years. It is well positioned as a global trading hub with economic and cultural links across the Asia-Pacific region.

The government has invested heavily in attracting technology, finance and advanced manufacturing companies to locate in the city, creating volumes of high-skilled jobs.

Unfortunately, the development of human capital has not kept pace with the speed of economic transformation and technological change.

With more workers leaving the workforce than ever before, we need to rethink our approach to the Singaporean workforce.

## Singapore needs a new set of skills

Despite a variety of government schemes, the skills of many workers are often misaligned with those needed in today's modern economy.<sup>1</sup> Data from the Singapore Ministry of Manpower data from September 2022 shows there were 108,000 open positions, a vacancy of 5 percent. This is more than double the long-run pre-pandemic average.<sup>2</sup>

Today, there are significant talent shortages across a number of sectors including financial services, IT, construction and the public sector.

Labor market disruption driven by technological change is not unique to Singapore. Technologies such as AI and robotics are making it possible to automate ever more complex tasks. As a technologically advanced, global economy, Singapore is at the forefront of these changes. Yet many workers fear that their skills are rapidly becoming out of date and fear for their job security.

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<sup>1</sup> [Singapore Budget 2022 statement by Finance Minister Lawrence Wong](#) [Video], The Straits Times, YouTube, 18 Feb 2022

<sup>2</sup> [Statistical Table: Job Vacancy](#), Ministry of Manpower, 15 Dec 2022

## Technology is changing the workplace

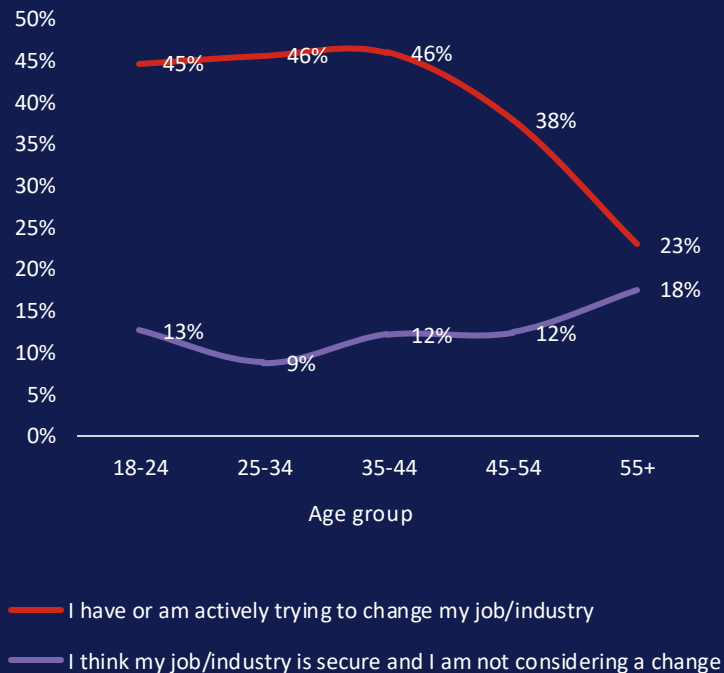
Fear that robots and automation will eliminate the need for workers is overblown — humans are needed to design, build, run and maintain systems — but it is true that technology is driving sustained changes across the labor market. The impact of technological change on jobs is a very real concern for many Singaporean workers.

The younger half of the workforce, those aged 18-44, increasingly expect their jobs to be negatively impacted by technology over the coming years.

The percentage who feel their job is secure hovers at around just 10% for these age groups (figure 1).

In contrast, around two-fifths of workers put significant value on job security. This mismatch has the potential to create stress and anxiety for workers. It also increases the number of people actively looking to change jobs or even more industries entirely.

Figure 1: How future-proof is your job or industry?



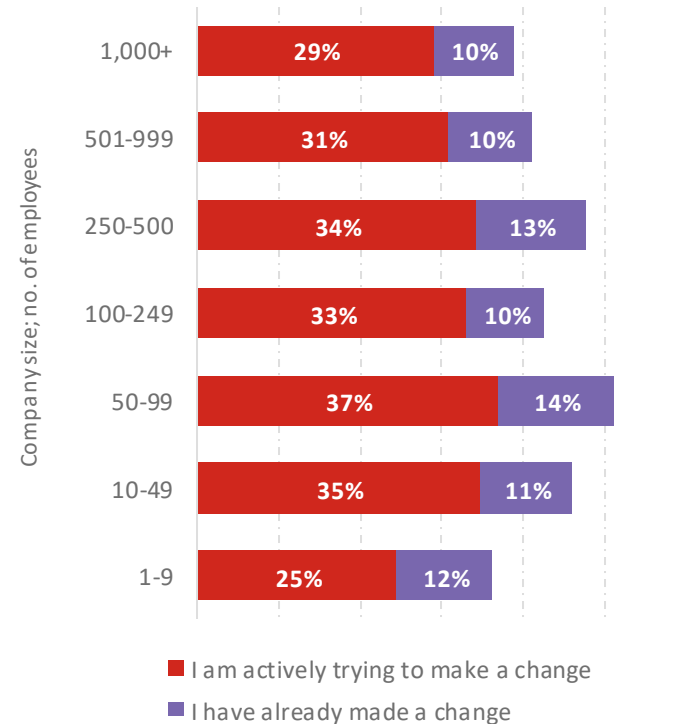
One of the key drivers of this anxiety is the feeling amongst many workers that their skills are not future-proof. Almost four in five Singaporean workers believe they need to improve their skills.

Companies that want to avoid heightened attrition risk, need to actively seek ways to address concerns about future job security in order to retain talent. One in 10 workers have already made a change and a third are actively looking for new opportunities. Both SMEs and MNCs face similar challenges (figure 2), but employees of smaller firms tend to be more concerned about future employment prospects.

There are many actions that companies looking to address these concerns can take, beginning with a credible assessment of the likely impact of technological change on their workforce over the medium term.

The information can then be used to design training programs and career pathways that help retain institutional knowledge during digital transformation. Not taking steps to help workers adapt and acquire new skills carries the risk of losing valuable know-how of key individuals.

**Figure 2: Changing jobs by company size**



## Employee expectations unmet

Employees have high expectations of their employers regarding training and talking about career progression and skills. Yet they're often not met.

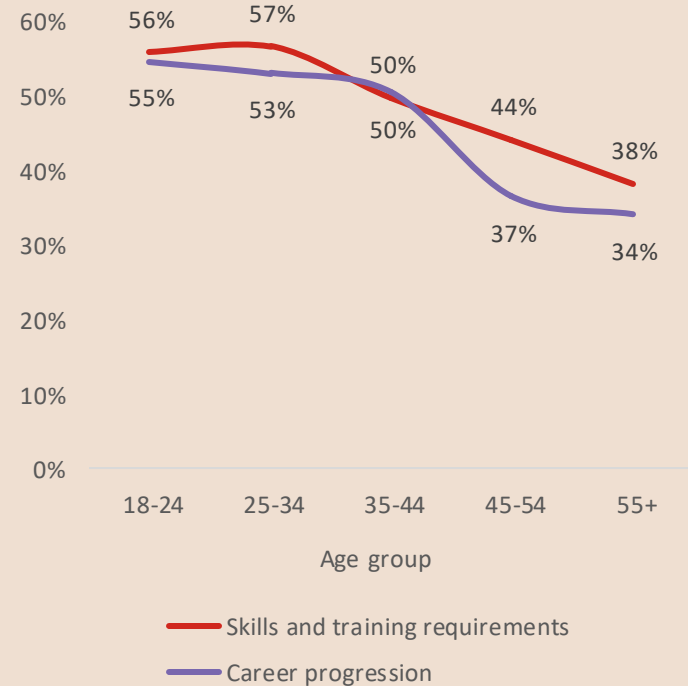
The percentage of employees reporting that they discuss skills and training with their employer declines significantly with age – from a peak of 57% for those aged between 25-34 years to less than 40% of those aged over 55.

An even more extreme pattern is visible when looking at career progression. Half of 35-44 year-old workers report discussing career progression with their employer, but this percentage falls to just a third for those aged 45-54.

There is much skill level variation across different industries.\* Industries with higher average skill levels such as Finance, Media and Information, and IT are all rated relatively high (63%). Comparatively, just 45% of workers in lower skill industries discuss training and development needs, and only two in five talk about career progression.

\* Based on the Standard Occupational Classification System. In this report we refer to high, medium and low skill industries.

Figure 3: My employer and I discuss my...







Larger companies tend to be better at engaging employees in conversations about the future. Companies with between 500 and 1000 employees are the most likely to discuss training and skills (66%). Small and micro-businesses are the least likely (42%).

### **There are lessons here for companies in all sectors and of all sizes.**

If we look at the labor market as a whole, only half of workers are having conversations about their future. We know that employees want those conversations by their responses to a range of questions, including whether they feel secure in their jobs, or believe they have skills needed for the future workplace.

Discussions about training, skills and career progression need to be appropriate to an individual's career stage. A person in their mid-40s likely has at least another 20 years in the workforce. Having pragmatic conversations about how the industry is changing, the skills that they may need to develop as the nature of work evolves, and opportunities to grow should be a key part of any company's talent retention program.

## Major career changes

One of the most startling findings in the year's *People at Work 2022: A Workforce View* Singapore survey results is the sharp increase in the number of Singaporean workers considering a major career change.

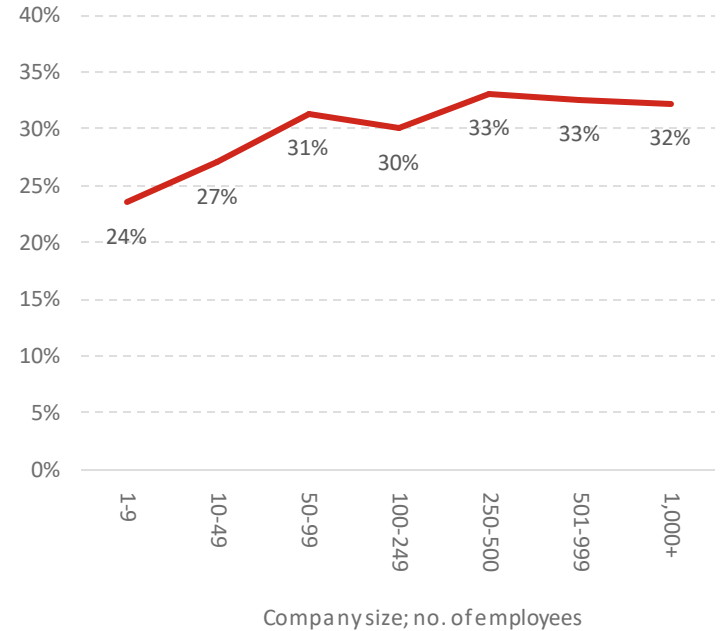
Almost a third of workers (31%) have actively considered changing to a new industry in the past 12 months. The highest percentages in media and information (39%) and leisure and hospitality (36%).

This compares to just a quarter of those working in the education and healthcare sectors.

There is also a clear relationship between company size and the number of workers considering a major career change.

Numbers rise from less than a quarter of those working in companies with less than 10 employees to a third of workers in companies with more than 250 employees. This is likely a reflection of the higher rates of engagement at larger firms.

**Figure 4:** I have considered changing industries in the past 12 months.





## **Age is a strong predictor of whether someone has considered a major career change.**

Millennials, who roughly align to those in the 25-44 age group are the most likely to have considered a major career change (35%). Arguably unsurprising.

Older workers seem more comfortable that their jobs will exist in a similar form for the next 10 years. Those with 20-40 years left in the workforce are more likely to see the potential for technological change to impact them directly.

Workers with low expectations of job security feeling threatened by technological change are more likely to experience low morale and higher stress. This is driving many to contemplate pre-emptive career moves to prevent stagnation.

Companies need to engage their employees in honest discussions about the changes impacting the industry and the skills that are needed now and in the future. The benefits of doing this include reducing employee churn, retention of institutional knowledge and a more satisfied, engaged workforce.

## Investing in the skills of tomorrow

### Who is responsible for providing skills training?

In the context of economic transformation and technological change, employers, government and individuals all have a role to play in ensuring that workers are equipped with the skills they need to thrive in the modern, globalized economy.



## Employees are well aware of the need to upgrade their skills.

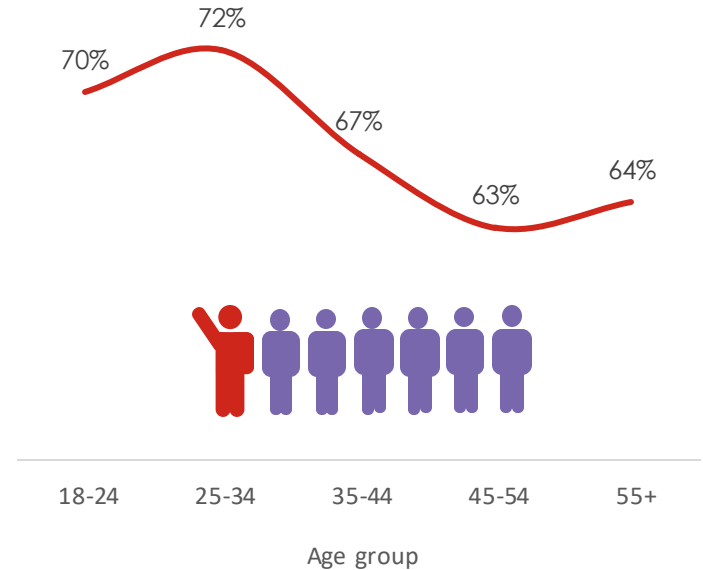
However, there is substantial variation across different groups in terms of who they believe is responsible for providing skills training.

The most striking differences are between younger and older workers.

Younger workers are significantly more likely to place the onus on the individual – 72% of those aged 25-34 have personally invested in improving their own skills — compared to 63% of those aged between 45 and 54. This pattern mirrors the share who have used the internet to self-learn workplace skills.

Workers in higher-skilled industries are more likely (72%) to have invested in developing skills than those in lower-skilled sectors (65%).

**Figure 5:** I have personally invested in improving my skills



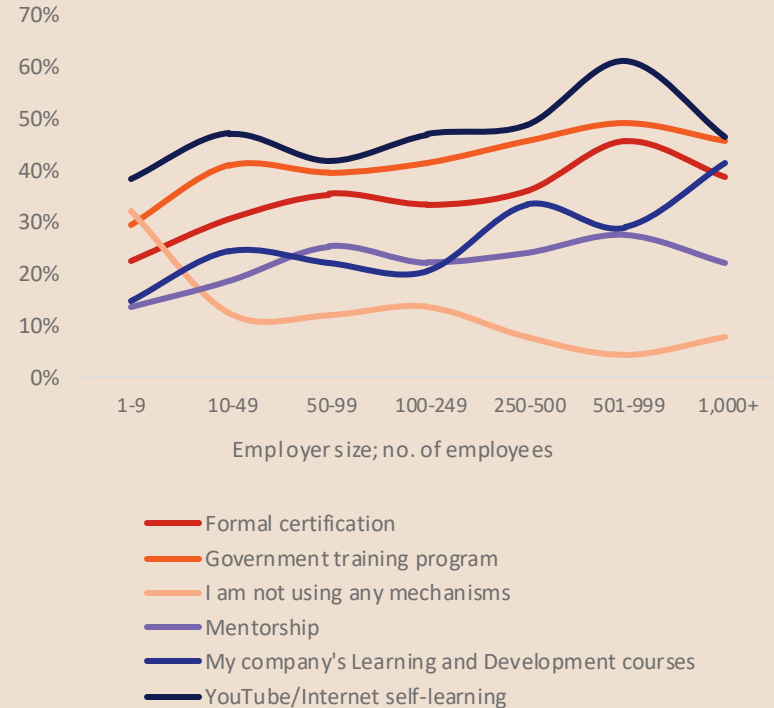
Online learning, YouTube or online courses, offer a low-cost, efficient way to acquire hard skills. However, younger digitally-native workers have different learning preferences to older, less technologically proficient workers who may find it difficult or uncomfortable to learn online.

Independent online learning works best for developing technical skills. For example, how to use a piece of software. It is less effective at helping workers develop the soft skills such as problem solving, analytical thinking and communication — skills needed to maximize the value of software applied in the workplace.

Online training has an important role to play in the development of career-stage relevant training programs. However, companies need to be cognizant of its limitations and support workers who may be less familiar with the resources available online in gaining access to relevant programs.

When 60% of workers have invested in developing personal skills, it could be easy for employers to justify not investing in training and skills development — most workers will do it for themselves. However, the fact that workers are learning new skills does not necessarily mean they are acquiring the specific skills needed for their current role.

**Figure 6:** What mechanisms are you using to facilitate your training and develop your skills?



## Employer training schemes: A missed opportunity

With more people leaving the workforce than entering, the next generation does not have enough new entrants joining the workforce to offset the trend.

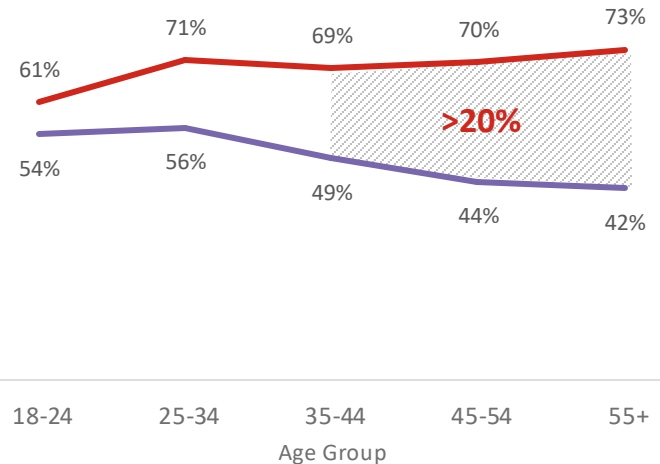
This is *not* a one-time event. Every year from now on, there will be fewer workers available than there are today.

Companies need to reassess their populations and take greater steps to provide continued development pathways for experienced and older workers.

All age groups expect their employer to provide skills training. However, figure 7 shows a large gap between what employees expect from their employer and what they say they receive.



Figure 7: Missed expectations (by age)



- I expect my employer to provide skills training
- My employer invests in developing my skills

## The gap between expectations and reality exists for all ages, industries and size of company.

The gap is widest for older workers — 72% aged over 45 expect their employer to provide skills training, but only 43% feel their employer actually invests in their skills.

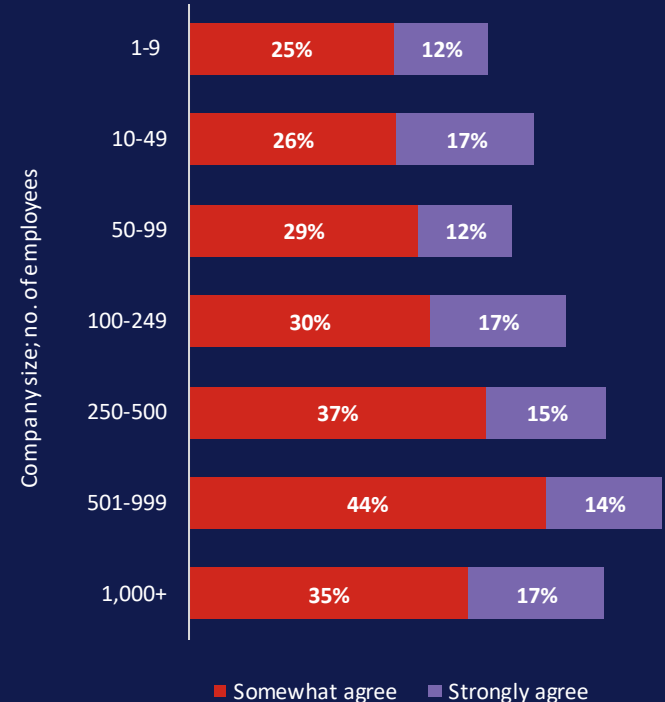
Interestingly, workers in higher-skill industries had slightly lower expectations of their employers, but a large proportion responded that their employers invested in their skills.

In contrast, those in lower-skill industries had higher expectations, which were less likely to be met. The average gap was 15 percentage points for higher-skill industries and 25 percentage points for lower-skill industries.

Alarming, the percentage of workers who strongly agree that their employer invests in developing their skills is just 14%.

Only 16% believe they receive training tailored to career life stage. The figure is highest for Gen Z (aged 18-24) as many companies have structured training programs for new entrants. For those aged over 45, only 10% strongly agree. Larger employers typically offer more training opportunities than SMEs.

**Figure 8:** My employer provides career stage relevant training







## **For employers, investing in building skills development programs have several benefits.**

Companies understand the challenges facing their sector and the skills they will need to survive and thrive, as well as the areas in which they have skills shortages. Currently, less than 30% of workers are actively participating in a company-sponsored learning and development program.

By designing training programs to meet these challenges, employers can ensure that they have access to the skills they need and that the training meets certain quality standards. This does not necessarily require significant financial investments. Smaller employers work with employees to find relevant online or government-accredited resources.

Employers are in a unique position to complement the acquisition of hard skills with opportunities to utilize those skills in practice. On average, roughly 70% of learning is done on the job, an employee who completes an online course without the opportunity to use those skills in practice regularly will quickly lose them.

## The role of government support

The need to upskill and reskill Singapore's workforce is well established. The country has invested substantial sums in developing government-accredited training programs under the SkillsFuture program. This is designed to give Singaporean workers the skills they need to compete in the global economy.<sup>3</sup>

Just under two-thirds of Singaporeans expect the government to provide skills training. Take-up is reasonably high with 43% of those surveyed have taken a government-accredited course.

It is the most common way in which those aged over 35 are developing their skills.

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<sup>3</sup>[SkillsFuture Singapore \(SSG\) Funding](#), 21 Nov 2022



## One area in which government programs have an important role to play is in supporting SMEs in providing appropriate training opportunities.

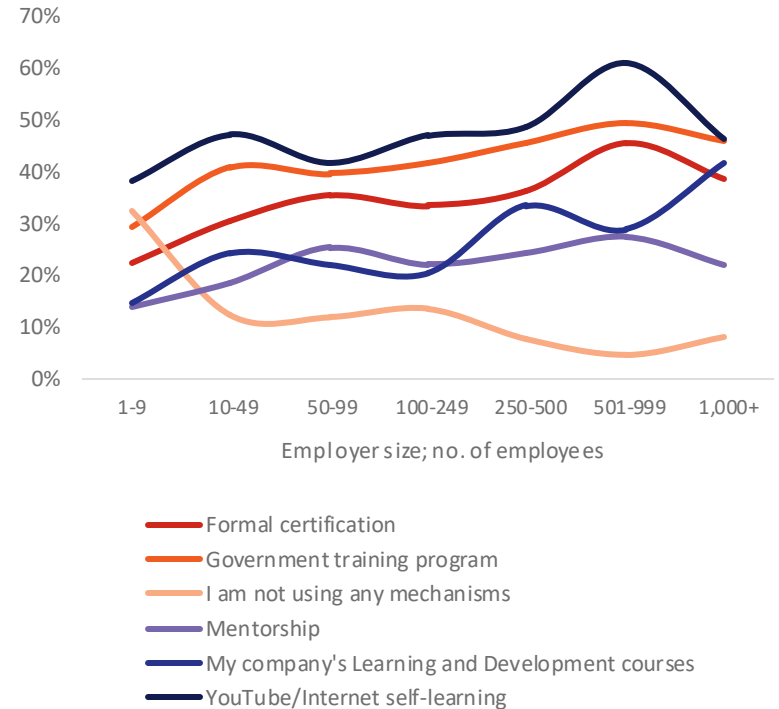
There is a significant disparity in the opportunities available for employees of large organizations compared to smaller ones. They are less likely to invest in providing skills training, provide opportunities for career growth or take active steps to plan career progression.

70% of Singapore's workforce work for SMEs. There is a risk that employees of these smaller companies fail to develop the skills they need to remain competitive. It is understandable that smaller companies do not have formal training programs in place, however, the lower uptake of government schemes is less easy to explain.

SMEs should consider initiatives such as providing dedicated training days to allow workers to take advantage of learning opportunities.

The benefits include a more competitive workforce, improved employee retention and increased employee engagement.

**Figure 9:** What mechanisms are you using to facilitate your training and develop your skills?





## Soft skills

Technological innovation is an ongoing, and continuous process. Hard skills quickly become out of date. However, skills such as creativity, resilience and entrepreneurialism are constant. Applying new technologies to existing problems is something that every successful business needs to do on an ongoing basis.

Soft skills are much harder to develop but should be a top priority. In many cases, perceived gaps in these areas are often related to organizational structures, processes and incentives rather than a lack of specific skills. Formal training programs may not be appropriate.

Mentorships are a training strategy that can provide substantial soft skill benefits. A good mentor provides the tools, guidance and support needed for an employee to grow in their career. This can include giving ‘permission’ to try something new, propose an idea or step out of their comfort zone. They can also help the company identify organizational issues preventing soft skills from being deployed effectively.

Mentorships are an under-utilized training strategy in Singapore with less than a quarter of workers report having a mentor relationship. The number falls with age.

## Conclusion

These results highlight that workers across the economy recognize the need to develop new skills in the face of economic transformation and technological change. Many workers are concerned that the jobs they currently hold will not exist in their current form in the years ahead. Indeed, a large minority of workers are actively planning to change industries.

However, despite the persistent reports of skills shortages, there is still a significant disconnect between employee expectations of employers in terms of training and skills development, and what employers actually provide.

Firms should be taking steps to determine the skills they will need in the coming years and creating flexible training programs to develop those technical skills. At the same time, they should be aiming to develop work environments that facilitate the development of soft skills.

Companies that get this right will benefit from a more competitive, agile, satisfied and engaged workforce and increased employee retention.





Full global report:  
<https://sg.adp.com/people-at-work>

