



By Diaan-Yi Lin

Working in the digital age: A look ahead for Singapore

Keeping up to speed on automation, the new gig economy as well as new technologies and organizational models will be the way forward.

Working-age people in Singapore can count themselves lucky. Sluggish growth has caused unemployment to rise in many countries, but Singapore has jobless rates of just 2 to 3 per cent for citizens and residents - better than any Organization for Economic Co-operation and Development (OECD) nation. The Ministry of Manpower's second-quarter report did show that the weak global economy could be taking a toll on Singapore with the first quarter in four years showing unemployed people outnumbered job openings. Overall though, Singapore's labor market has been more resilient than that of many other developed countries.

This resilience is also apparent in how the market for talent is evolving. The National Trades Union Congress held its first job fair for freelancers in September, offering talks by experienced freelancers and introductions to digital platforms where freelance workers can offer their services to prospective employers.

The Ministry of Manpower has announced it will overhaul and relaunch its online marketplace for jobs with an emphasis on technology-focused positions - and eventually use data from the site to forecast changes in the labor market. And between January and August this year, some 80,000 people used their SkillsFuture credit to pay for training programs.

Developments like these are happening in part because of two major technology trends that should greatly alter the nature of work here and elsewhere. The first of these trends is automation: the use of artificial intelligence and robotics to perform work that only humans can do today. When my colleagues at the McKinsey Global Institute (MGI) studied the US workforce, they estimated that 45 per cent of the activities that people are paid to do could be automated using currently demonstrated technologies.

This doesn't mean that technology will cause 45 per cent of jobs to disappear. Fewer than 5 per cent of occupations can be fully automated with today's technology, according to MGI's analysis. But a majority of occupations, 60 per cent, could have 30 per cent or more of their activities automated. Even high-wage jobs could be automated to a significant degree: work that takes up 20 per cent or more of a CEO's time could be automated, allowing more time for other activities.

The trend towards workplace automation coincides with a second important trend, which is the growth of independent work. Whether you call it the human cloud, the on-demand economy, or the gig economy, the phenomenon is the same: an expanding pool of workers who have a high degree of autonomy, are paid by task or assignment, and provide services to their employers on a short-term basis. In Europe and the US, roughly 20 to 30 per cent of working-age people do some independent work, according to a recent MGI report.

As automation and independent work become more prevalent, the nature of work is sure to change too. Technology will be an important factor in the changes ahead, but the evolving habits and norms of workers will matter greatly as well. In recognition of these changes, forward-thinking employers in Singapore and elsewhere are creating environments with the fluidity and flexibility that today's workers are seeking: less hierarchy, more adaptable definitions of jobs and responsibilities, unconventional work spaces, and more blending of work and private life.

Co-working spaces are one type of arrangement that some companies are using to spur innovation and creativity. In a co-working space, large companies invite startups or business partners to work alongside their employees, which fosters collaboration and the sharing of ideas on a continuous basis. Social tools are having a similar effect on collaboration, whether it is collaboration among people in the same organizations or among people at different organizations, such as service providers and their clients. A recent McKinsey survey found that the most beneficial features of social tools are that they enable real-time interaction and collaboration with specific groups and that they can be accessed from multiple platforms (PCs, handheld devices, tablets, even wearables).

Other technologies, such as artificial intelligence and virtual reality, are helping organizations become more efficient and to improve their products and services. Singapore's workers should be optimistic about these changes, for the country is well-positioned to thrive in the digital age. MGI's research shows that corporate profits around the world are shifting away from labor- and capital-intensive sectors and towards asset-light, idea-intensive ones, where Singapore is healthy.

Statistics from the Ministry of Manpower show that service sectors produced nearly 70 per cent of Singapore's GDP in 2015, including 15 per cent from business services and 12 per cent from finance and insurance.

Singapore also ranks as one of the world's most globally connected economies. This matters because countries with more connections in global flows of goods, services, finance, and people have higher rates of GDP growth than less connected countries, according to MGI's research.

In this context, the main challenge for workers, at the individual level, is to keep up with new technologies. This is especially true for the algorithms and machines that will automate a portion of the activities that make up many jobs. It also extends to the social tools that more and more teams are using to carry out projects.

Workers can benefit as well from learning the technologies and practices that are integral to independent work: MGI's research in the US and Europe found that people who choose to earn most of their income from independent work report higher levels of satisfaction than those who have chosen traditional jobs. New technology platforms let independent workers market their expertise and skills to potential employers, who in turn use them to post assignments, solicit bids, and select freelancers.

Of course, talent-related technology platforms aren't just for independent workers. Employers can also use them to match people with traditional jobs and to manage their workforces more effectively, from assessing candidates and bringing them on board, forming teams to work on projects, and delivering a wider range of training and development opportunities.

As automation and the gig economy reshapes the market for talent, new technologies and organizational models are transforming Singapore's workplaces and working life in general. It is now up to workers and companies alike to stay abreast of these changes and make the most of the opportunities they will create.

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