OCCASIONAL PAPER ON OVERQUALIFICATION IN SINGAPORE 2025

Overqualification – where a worker's qualifications exceed job requirements – is one aspect of underemployment that has attracted attention as educational attainment rises in high-income countries. Using a new indicator developed with the International Labour Organization (ILO), the Manpower Research and Statistics Department (MRSD) examines not only the incidence of overqualification, but also its underlying drivers, allowing for a more nuanced assessment beyond viewing it purely as a labour market mismatch.

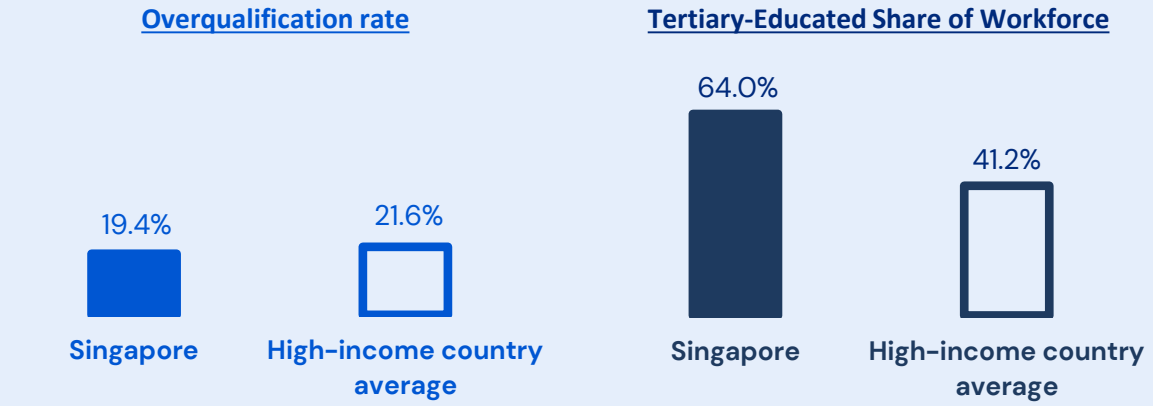
Findings on overqualification are based on data from MRSD's Comprehensive Labour Force Survey, a representative survey covering 33,000 households in Singapore annually.



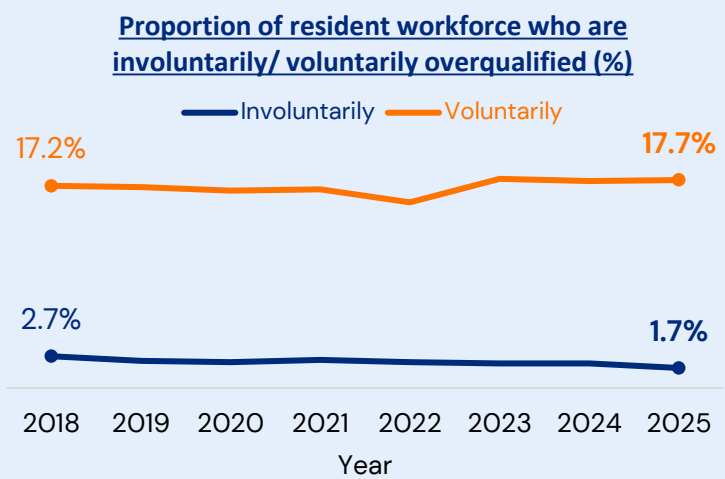
Overqualification occurs when a person possesses a qualification that is higher than what is required for the job. For example, a degree holder working in an Associate Professional role, which is typically mapped to a diploma-level requirement, would be classified as overqualified. On the other hand, a degree holder working in a Professional role, or a diploma holder working as an Associate Professional or Technician, would be considered well-matched and not overqualified.

Importantly, overqualification reflects how qualifications compare to job requirements — not job quality. Some roles that workers are overqualified for offer good earnings, flexibility, or autonomy, and are deliberately chosen by workers to suit their preferences or life stage. Examples include sales-related roles with commission-based pay (e.g. financial or insurance sales), or freelance jobs that offer flexible working arrangements.

Finding 1 | Overqualification is common in high-income economies – Singapore remains below the average



Finding 2 | Most overqualification is voluntary Involuntary overqualification remains low and stable



For **voluntary overqualification**, workers may choose to undertake jobs that are below their qualifications for reasons such as better work-life balance, personal interests or purpose in the chosen jobs.

For **involuntary overqualification**, workers may have taken on such jobs because they could not find better jobs for reasons such as informational gaps in the labour market and skills obsolescence.

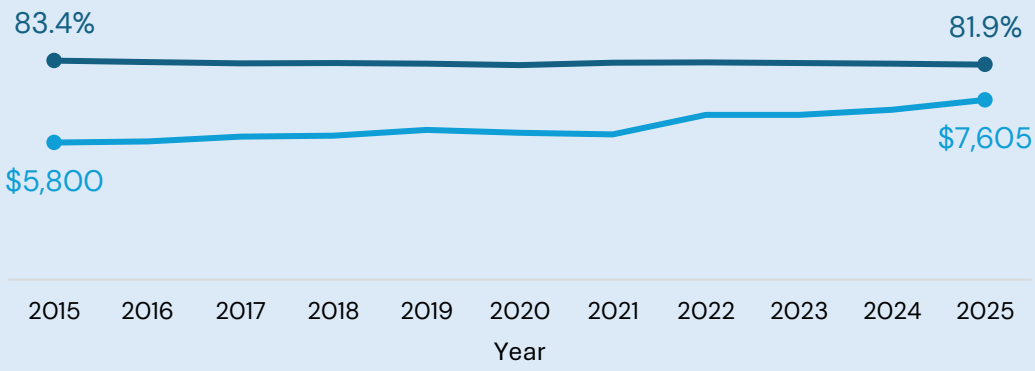
KEY FINDINGS ON OCCASIONAL PAPER ON OVERQUALIFICATION IN SINGAPORE 2025



Finding 3 | Graduate outcomes remain strong

Tertiary graduates continue to see favourable employment outcomes

Employment Rate of Tertiary Graduates (%) and Median Gross Monthly Income of Full-Time Employed Tertiary Graduates ($)



Finding 4 | As employers prioritise skills over formal academic qualifications, skills alignment is priority

Signalling skills, portfolios, relevant experience matter more than academic qualifications

Top-Ranked Hiring Factors

01 Relevant Experience

02 Skills and abilities

03 Attitudes

04 Academic qualifications

24% of employers reported skill gaps in their workforce, resulting in

- Increased staff workload
- Difficulty in meeting quality standards
- Missed business opportunities

Sources:
Finding 1: Singapore - Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM; Other countries – ILOSTAT database
Findings 2 & 3: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM
Finding 4: Job Vacancy Survey & Employer Supported Training Survey, Manpower Research & Statistics Department, MOM