

Budget 2024

The future of work is training and learning

The focus of Budget 2024 is on investing in our people, says the writer. She stresses the importance of collectively strengthening and enhancing our workplaces and approaches to capacity-build and develop employees through skills training and inclusive employment.
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A slew of measures has been announced to support ITE graduates and mid-career workers' reskilling or upskilling. But individuals and employers need to work hand in hand to realise the benefits.

Intan Azura Mokhtar

We are in the midst of normalising transitions within and across careers.

The linear and traditional expectations of studying, getting an academic certificate, finding a job, and staying on in it until retirement are increasingly becoming untenable.

With a globalised economy and as market demands continue to evolve dynamically, there will be jobs that will soon become redundant or obsolete across various sectors and industries.

For their own development, workers across the board need to get comfortable with a non-linear, fluid study-work nexus where there are constant transitions between studying and working throughout one's professional life and career.

This nexus will be critical in helping Institute of Technical Education (ITE) graduates level up. Reports have shown the stark differences between the salaries of ITE and university graduates. The gap in starting salaries is also seen to be widening.

Parliamentarians have asked about additional measures to enhance the recognition of competencies and skills among non-university graduates, particularly those from ITE, and, in turn, reduce the inequalities that may exist between employees who are university graduates and those who are not. Another group of workers that

need support are those in the middle of their careers. These individuals have been challenged by a climate of job replacements and retrenchments in some sectors, and increasingly find themselves lacking the skills needed to progress or find alternative employment.

The slew of measures in Budget 2024 addressing these concerns is therefore a welcome move.

ENHANCING ITE GRADUATES' CAREER PROSPECTS

One of the announcements that stood out was the ITE Progression Award to empower ITE graduates to upskill to a diploma earlier in their careers. This is targeted at graduates aged 30 and below. They will get a total of \$15,000 in top-ups by the time they complete the diploma.

The award will help younger ITE graduates to upskill and identify opportunities for better job prospects and progression early on in their careers.

Experts have shared that the ultimate goal of upskilling is to be a more effective worker, stay relevant and competitive in your job and company, and position yourself for better job opportunities and salary raises down the road. Studies and data have shown that beyond academic qualifications, skills matter more in the future of work.

Having a diploma that is skills-based, directly relevant to the job and offers an apprentice-based model of learning will put an ITE graduate

on a par with other diploma and even university graduates.

The move to upskill ITE graduates with a skills-based and job-relevant diploma is not a recent move. ITE's work-study diploma (WSDip) programmes started in 2018, through four programmes and 100 trainees. As at 2022, WSDip has seen 2,400 trainees graduate from 36 programmes.

ITE's technical diplomas started even earlier, in 2008. To date, close to 1,000 trainees have earned their ITE technical diplomas, where they are trained in industry-recognised skills, training in partnership with renowned international institutions. The ITE colleges have a target of at least 10 per cent of graduates progressing towards these diplomas.

However, the success of the measures to incentivise ITE graduates to pursue diplomas depends on two key factors.

First, ITE graduates need to take advantage of this provision to upskill. They need to seize the opportunity to explore how they can leverage their ITE training, on-the-job skills and job prospects within their companies to map out their own career progression.

Second, support and commitment from employers is crucial. How ready are employers of ITE graduates to support these employees to pursue their diploma, while developing their skills on the job, and provide avenues for their growth within their companies?

The mindsets of employers would also need to evolve, with employees not expected to be the perfect hires who can do everything from day one of their employment.

Over time, employers and companies need to make substantial investments in their employees to develop skills and

competencies that would be relevant and needed in the company, as well as nurture them for growth within and with the company.

It is only with such mindset change that companies can flourish through the employees they hire.

MID-CAREER INDIVIDUALS

A significant proportion of the financial provisions under Budget 2024 is made for mid-career individuals aged 40 and above.

The very generous \$4,000 SkillsFuture credit to support mid-career reskilling, up to \$3,000 monthly SkillsFuture mid-career training allowance for up to 24 months and the mid-career enhanced subsidy for a publicly funded full-time diploma are strong signals to Singaporeans aged 40 and above that the Government is keen to support their professional development.

The aim is to boost their employability and career progression, even if they decide to change career paths and transition to a new sector or industry.

Why the focus on this group of Singaporeans? Just under 15 years ago, in 2010, our national median age was 37.4 years. In the last national census (June 2023), our median age was 43 years.

We are ageing rather rapidly as a nation. The reality is that a significant proportion of our labour workforce comprises individuals in their 40s and older.

In addition, studies have shown that among Organisation for Economic Cooperation and Development countries, workers aged 45 and above who have lost their jobs often encounter difficulties in finding a new job, although today they can work for more years compared with 20 or

30 years ago. Workers aged 30 to 44 were significantly more likely to find a new job within one year of unemployment, compared with workers aged 45 to 59.

Numerous large studies have also shown that from the ages of 44 to 59, there is a low point in life satisfaction. Midlife individuals are simultaneously balancing caregiving-related duties for their ageing parents, providing for their children who are still studying and maintaining their own career development.

This balancing act is taking place while these individuals are coping with their own changing mental, physical and cognitive health.

Some workers may decide to explore new career opportunities that can help them better fulfil their familial duties and have more work-life balance, while some may decide to pursue a career that they are keenly interested in but did not explore when they were younger for various reasons.

Workforce Singapore has introduced a number of schemes to help mid-career moves for workers aged 40 and above. For instance, there are the SGUnited Traineeships and SGUnited Mid-Career Pathway programmes.

Data from 2021 showed that around 40 per cent of placements under these programmes were mature workers aged 40 and above, while close to 40 per cent were placed in growth sectors such as information and communications, healthcare and financial services.

Thus, the generous and extensive government provisions for mid-career individuals aged 40 and above would help to support their professional development and career aspirations, as well as enhance their employability as they mature as workers.

This is particularly important, in the light of our ageing workforce, longer lifespans, and our shrinking future workforce participation cohorts due to our gradually decreasing total fertility rate year to year.

THE WAY AHEAD

Beyond the short-term goodies such as CDC vouchers and service and conservancy charges rebates, each year's budget includes targeted provisions and assistance packages that benefit specific groups of individuals. Such provisions can be seen as indicators of the areas, sectors and industries that need support in view of the challenges ahead.

From the measures announced in Budget 2024, it is evident that the focus is on investing in our people. As a country with little to no natural resources, our human resource is vital. And we have to collectively strengthen and enhance our workplaces and approaches to capacity-build and develop our people through skills training and inclusive employment.

The ball is in the court of workers and employers alike, in helping build a resilient, skilled and relevant workforce that can face up to the challenges of the future.

That work needs to continue.

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