Employer-Supported Training 2022



Manpower Research and Statistics Department

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HIGHLIGHTS

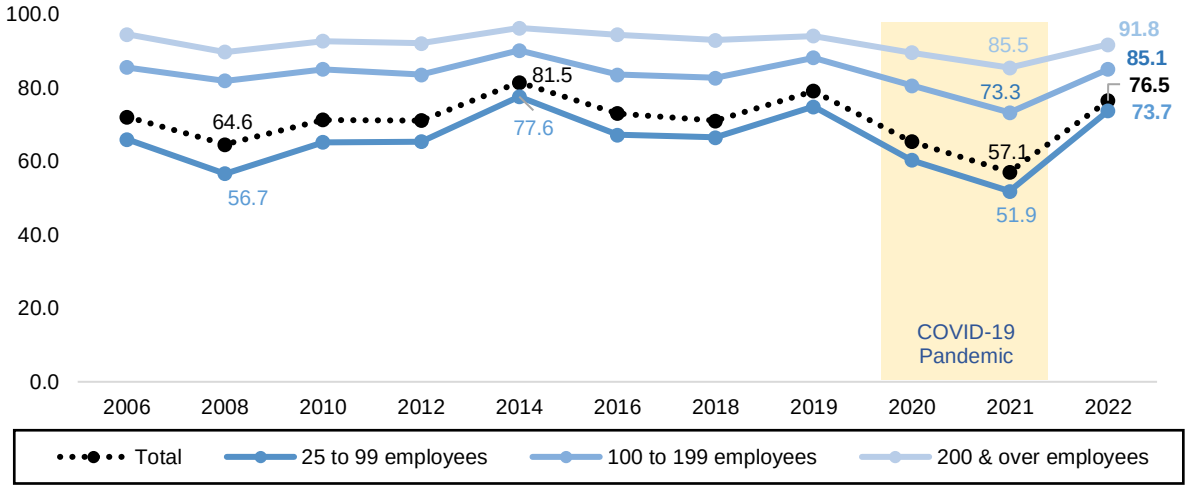
Introduction

Continuous training can help increase and improve the skills of the workforce, leading to increased productivity. For firms to maintain competitiveness, it is important to examine the training landscape of Singapore through the lens of employers. The Manpower Research and Statistics Department (MRSD) of the Ministry of Manpower conducts regular surveys to measure the provision and impact of employer-supported training on firms.

Overview of training landscape

Provision of structured training to employees recovered close to pre-pandemic levels across establishments of all sizes. In 2022, 76.5% of private sector employers provided structured training to their employees, recovering from the lows experienced during the pandemic (2021: 57.1%). Growth sectors such as *Financial & Insurance Services* (89.0%) and *Professional Services* (80.8%) maintained high provision rates over the years, reflecting the need of workers to continuously upskill and re-train in these sectors.

Chart 1: Proportion of establishments that provided structured training (%)



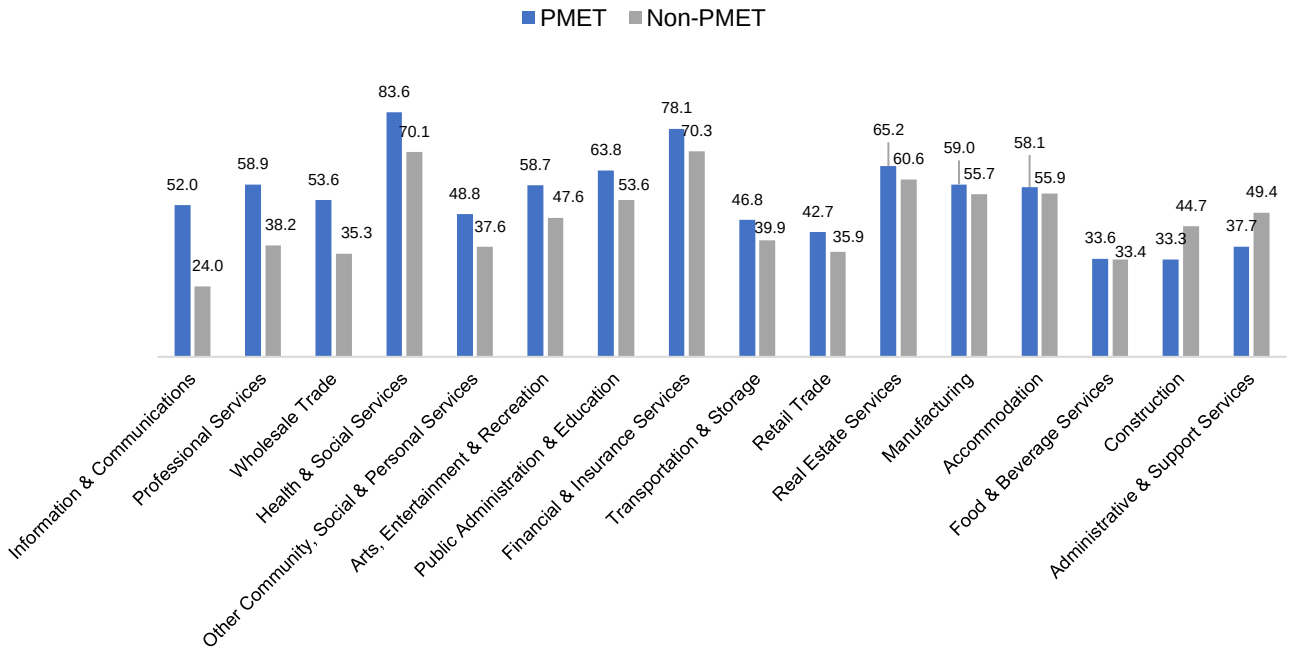
Source: Employer-Supported Training Survey, Manpower Research & Statistics Department, MOM

Note: Data pertain to private sector establishments with at least 25 employees.

Singapore's training incidence was higher than the European Union's (EU) average of 67.4%[1], and above other advanced economies such as Spain (73.2%), Denmark (71.0%) and Italy (68.9%). However, there is room for improvement when compared to countries which have traditionally fared better such as Sweden (91.5%), Netherlands (76.8%) and Germany (77.2%).[2]

***Training provision rates among PMETs and non-PMETs rose*.** However, there remained a gap in training provision to PMET and non-PMET employees [Chart 2]. In particular, the gap was widest for growth sectors such as *Information & Communications* (28.0%) and *Professional Services* (20.7%). Given the competitive nature of these sectors, employers are seen to invest more in higher-skilled workers to spearhead productivity gains.[3]

Chart 2: Proportion of employees provided with structured training by occupation group and industry (%)



Source: Employer-Supported Training Survey, Manpower Research & Statistics Department, MOM

Note: Data pertain to private sector establishments with at least 25 employees.

[1] This reflects the percentage of enterprises which provided training as a share of all enterprises. Source: Continuing Vocational Training Survey 2020, Eurostat.
[2] Eurostat was used due to its availability of a comparable series of figures on employer-provided training across the years,
[3] In 3Q 2023, the productivity level, as measured in value-added per worker at current prices, was higher in the *Information & Communications* sector ($47,664) than the aggregate across industries ($41,413). Source: Department of Statistics, Ministry of Trade & Industry Singapore.

Impact of training

In general, establishments had benefitted from training provision to their employees. Most establishments reported a positive impact on various measures of productivity including work efficiency (85.7%), quality of services (77.3%), and the ability to meet changing or future business needs (69.2%) [Chart 3a]. More than six in ten firms also felt that training improved employees' skills, learning mindset, and work motivation [Chart 3b]. A smaller percentage of firms (51.4%) reported a post-training impact on employees' wages.

Chart 3a: Impact of training undertaken on organisation

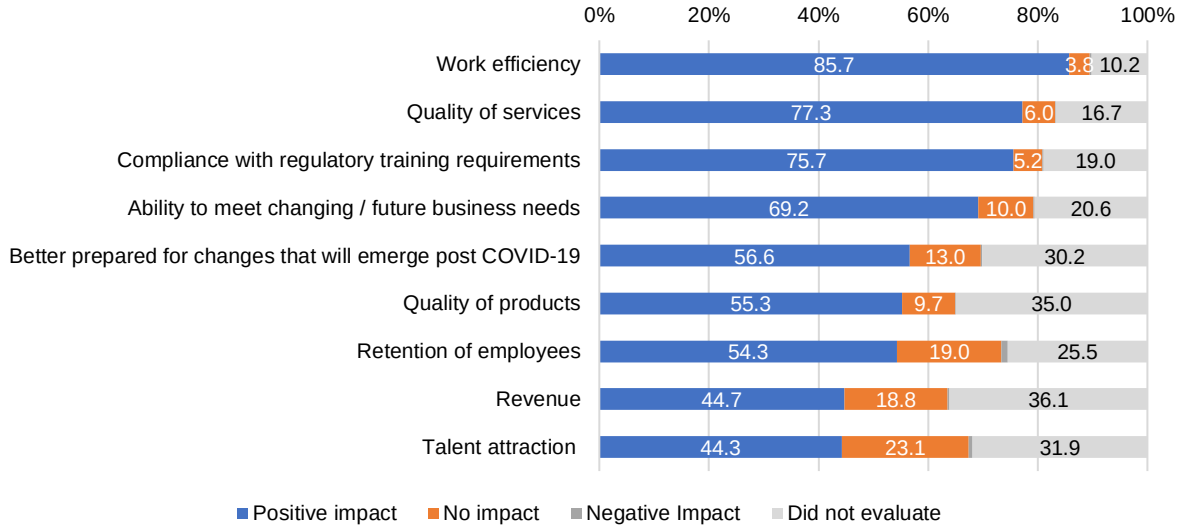
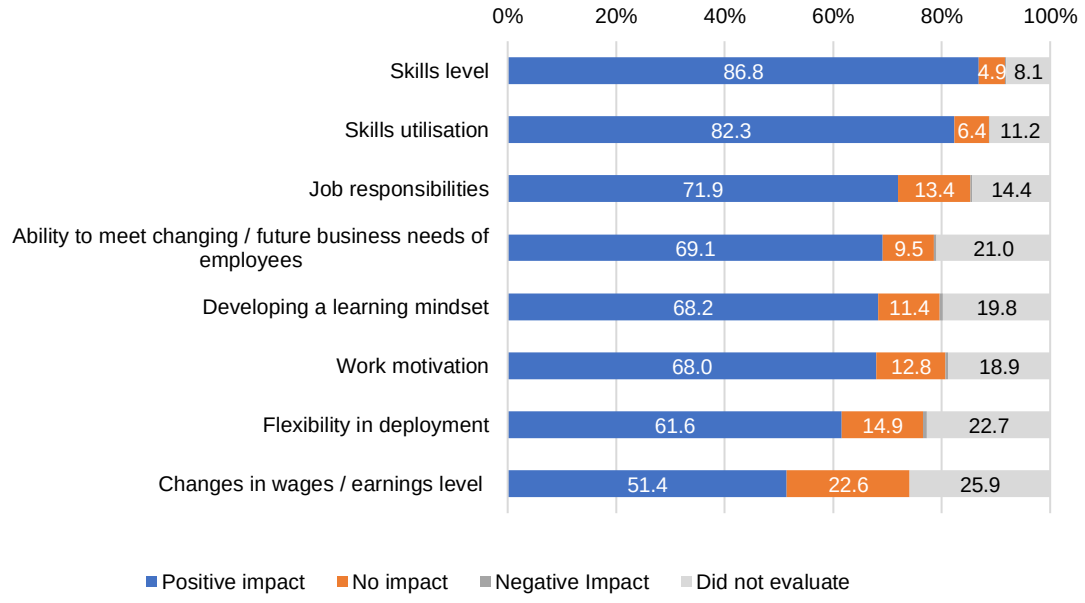


Chart 3b: Impact of training undertaken on employees



Source: Employer-Supported Training Survey, Manpower Research & Statistics Department, MOM

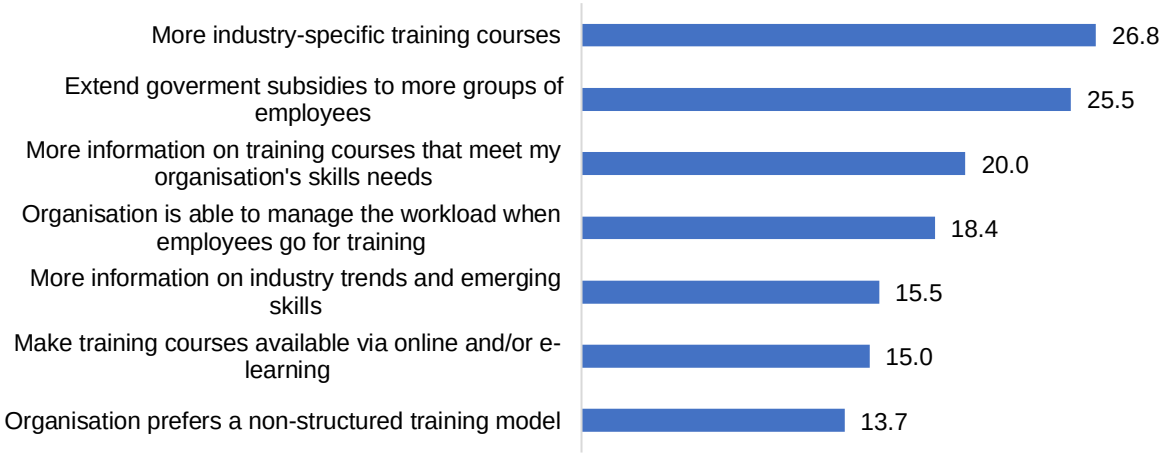
Note: Based on private sector establishments that provided their employees with training and evaluated the impact of training.

Given the gradual increase in retirement age as the population ages, equipping senior workers with relevant skillset has become more important. However, a regression analysis found that firms were in fact less likely to invest in the training of older workers, particularly so in firms with a higher share of foreign employees. This suggests that firms are relying on foreign employees to fill the skills gaps of older workers. To ensure productive working lives and wage progression, continuous education and training remains important for older workers to remain relevant and keep pace with their job changes.

Motivations for training

The top factor in encouraging employer-supported training was the availability of industry-specific training[4] (26.8%) and widening of the groups which qualify for government subsidies[5] (25.5%) [Chart 4]. For firms with mature employees, such as those with workers above 40, broadening access to training and upskilling programmes is necessary to ensure their skills remain relevant. This would allow these employees to stay competitive in the labour market even in their later years and uplift their job prospects with increased productivity.

Chart 4: Proportion of establishments by factors which would encourage employer supported training (%)



Source: Employer-Supported Training Survey, Manpower Research & Statistics Department, MOM

Notes:

(1) Only the top seven factors given by respondents are presented in the chart.

(2) Other options include 'Organisation is satisfied with the current level of structured training provided.'

[4] For establishments in *Financial & Insurance Services* (46.0%), *Real Estate Services* (33.2%) and *Accommodation Services* (44.1%), this was the top factor which would encourage the provision of structured training to employees.

[5] For establishments in *Information & Communications* (32.1%), this was the top factor which would encourage the provision of structured training to employees.

Conclusion

The 2022 findings confirm the broad patterns observed over time. The percentage of training-providing establishments was back to around the pre-pandemic range of 70.0% to 80.0%.

Training provision is generally higher for PMETs, and in the growth sectors. With a rising PMET share and a steady rise in employment in growth sectors, overall training provision is likely to increase. In other sectors such as *Accommodation*, *Retail Trade* and *Food & Beverage Services*, business models and skills requirements are changing. The Jobs Transformation Maps (JTMs) will support employers in their job transformation efforts for an increasingly skilled workforce. Through JTMs, businesses can better understand how to equip employees with the necessary skills to adapt to new technologies and dynamics which had emerged post-pandemic. These include skills to navigate and take advantage of digital trends such as cybersecurity, digital marketing, and machine learning.

Provision of training opportunities increases employees' productivity and engagement. Majority of training-providing establishments reported positive outcomes on employees. The high and stable training provision in the growth sectors suggest that efficiency gains from better-trained workers reinforces reskilling and upskilling. While an increase in revenue and wage may not be immediately observed post-training, sustained wage growth for lower-wage workers, mainly in the PWM sectors, show that structured training and upskilling of workers to increase productivity and wage is a more sustainable approach. The expanded Progressive Wage Model and professionalising of skilled trades will help structure training needs for non-PMETs who are seniors mainly aged 60 and over.