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Learning for the ages

SMU Prof Annie Koh expects Budget 2015 and SkillsFuture to look into sector-specific training for all companies in the eco-system

SINGAPORE Management University (SMU) professor of finance Annie Koh tells an inspiring story about a senior risk controller in a bank whose job was straightforward – ensuring that procedurally, credit documents were up to scratch. But a crunch arose and the bank had to reduce headcount to lower costs.

The friend was ready with an argument for how her job, a cost centre, can be revenue-generating. It turned out she had bought books and studied big data, consumer and risk analytics, having heard of the buzz surrounding the field.

"She told the bank that having analysed the payment terms, credit risk and risk appetite of customers, she could help identify which segments to cross-sell products to," said Prof Koh.

She kept her job. Others didn't. The woman's spirit of life-long learning and upgrading had allowed her to add value to her employer.

The question of how Singapore can keep its workforce relevant in a changing world is a critical issue that the government will tackle in the upcoming Budget, said Prof Koh.

More professionals, managers and executives (PMEs) – who form a growing proportion of Singapore's workforce – are seeking help for employment issues. Those who are retrenched face difficulties in getting hired due to higher salaries in the past. Some are also resistant to try out new jobs.

"I believe there will be incentives to encourage people to continue to learn, beyond the first degree," she said of Budget 2015. Prof Koh expects to see more tax credits and subsidies to companies and individuals to incentivise deep learning and mastery.

Singapore's government is keen to encourage life-long learning in a world where technology is reshaping jobs across the global economy with competition from developing countries. Prof Koh notes that no less than Deputy Prime Minister Tharman Shanmugaratnam himself is chairing the 25-member SkillsFuture Council, a national panel set up in September to develop a system of education, training and career progression for Singaporeans.

"I expect SkillsFuture to be a clear, important overarching framework that will look into sector-specific skills training which will take Singapore in the correct direction of long-term, sustainable growth."

"The government will need to identify the sectors which need more support in order to excel. Within each sector, upskilling will be approached

holistically – for workers both upstream and downstream. That's not all, companies within the eco-system that are supporting the sector cannot be left out," said Prof Koh.

Prof Koh thinks that there will be backend subsidies in accredited courses for companies. Companies from the same sector are also likely to go through the programmes together.

"It will foster sector collaboration and alignment," she said. "The programmes could be administered through the sector associations, with government support at the association levels too."

Changing mindsets

Prof Koh pointed out that people have the misconception that life-long learning means they have to go back to school just to get another degree. She also envisions a world where people realise that skills, not degrees, are necessary to get jobs.

"I see a future education scenario where people will come back to university and take modules for life-long learning. You could very well 'plug and play' three courses from the business school, two from accounting, one from law, and come up with your own customised programme."

"In other words, you can customise your own mastery. It can also be a mix of professional certification courses and academic programmes."

A fixation on the paper chase is a double-edged sword, said Prof Koh. "I hope Singapore's workforce can grow beyond that. However, if employers still emphasise paper credentials, perhaps in this future scenario, individuals can earn credits from the mastery programmes, and trade them for a degree from a university or a group of universities."

Education Minister Heng Swee Keat has also spoken about the need to make the Singapore workplace a conducive place for learning.

In January this year, Mr Heng visited a number of universities and continuing education institutes in Hong Kong, and was struck by an "elder academy" that taught retirees or would-be retirees. "If we think of life-long learning very narrowly in terms of what is economically valuable, we might not be able to instill a culture of life-long learning," he said in a speech there.

He also noted that we need to avoid stratification in our society that links the school that you go, to your qualifications, and to your job. "We need to move to a system where HR practices can be more enlightened," he said.

"People should always ask themselves how to stay relevant. If you don't read the writing on the wall, you're just burying your head in the sand."

– Prof Annie Koh, Vice-President, Office of Business Development and Professor of Finance, Lee Kong Chian School of Business, SMU

"People with good jobs need not graduate from a university – such mindset change can close the gap and make our society more equal and harmonious," Prof Koh said. "So, there are social objectives behind SkillsFuture too."

Don't fixate on the pay cut

"Having an open mind towards life-long learning also means that you can be a banker in the first stage of your life, then go into healthcare, and for the final stage, academia, the civil service, or a non-profit," she said.

As for multiple careers, Prof Koh would know.

Her first degree was in economics, sociology and Chinese studies. She then joined the treasury of DBS Bank, trading currencies and set up its treasury customer desk – until the Fulbright scholarship offered an opportunity to do a doctorate in finance in New York University. When she left banking, she started as a senior tutor at NUS, taking a big pay cut in the process. Yet she thinks it was a sacrifice well worth making.

"People moving into new sectors should not be fixated that they should always be earning higher salaries in every new job. When there's a cut in pay, it's called an investment cost. Your IRR (internal rate of return) and your NPV (net present value) will be higher because you have lengthened the career pathway," she said, citing finance terms to calculate investment returns over time.

Many spot currency traders have been replaced because technology has made their jobs redundant, she said. People should always ask themselves how to stay relevant, Prof Koh said. "If you don't read the writing on the wall, you're just burying your head in the sand."

Convenient classes

As vice-president of SMU's office of business development, Prof Koh has pushed for initiatives to train and retrain people who look to enter a new industry or a new job role.

SMU's Centre for Professional Studies runs short-term programmes of all kinds for professionals looking to boost their skills in topics like finance, implementation, leadership, and communication.

It runs a 12-day modular human resources (HR) graduate certification course targeting HR professionals to deepen their knowledge and competence in the respective HR disciplines. "Many people in HR may not be HR-trained. They think it's

just managing people, hiring and firing. That's so not true," Prof Koh said. The Centre also runs a programme tailored for the construction industry, and another to train people going into the sunrise healthcare management industry.

SMU undergraduates are steered towards skill-based knowledge. Their degrees are complemented with concentrations, where they attend evening classes, taught by professionals from sectors like commodities trading and maritime.

Deeper knowledge and practical skills are acquired during industry study trips which are part of the curriculum. Students in the Maritime and Port Authority of Singapore-sponsored maritime economics concentration have gone to Copenhagen in Denmark to learn practical aspects of the maritime value chain. They visited shipping giant Maersk and Denmark's largest port at Esbjerg. Meanwhile, students in the international trading concentration have visited Dubai and were hosted by organisations like Vitol, ABN AMRO, VTTI Fujairah Refinery, the Dubai Islamic Bank and the Dubai Mercantile Exchange.

Prof Koh hopes that after SMU students graduate, they can still return to the university to hear about global trends, attend alumni talks, and pick up new skills.

Securing Singapore's future

Ultimately, life-long learning is important because the world is changing fast, contract jobs are prevalent, and one's first degree is no longer going to get people an "iron rice bowl" type of job, she said.

If people are learning constantly, they are also more likely to be engaged in their work, and companies will benefit, she said.

"When the supply side of quality human capital is used to attract demand for human capital in Singapore, that will help build the next 50 years of Singapore's progress."

This is a monthly series by the Singapore Management University. Next month's feature will trace Singapore's economic development by looking at the budgets over the years.

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