

## Views of Employers on Employment Linked Incentive Scheme

Employment Linked Incentive Scheme, where Employers receive incentives tied to job creation or skill development, is generally viewed positively by Employers, especially in sectors facing skill shortages or requiring large-scale hiring.

Here are some common views from Employers on the scheme:

### 1. Positive Impact on Hiring & Skill Development

- Encourages Hiring:

Employers often appreciate the scheme because they provide financial incentives to create more jobs, which is particularly beneficial in sectors requiring rapid scaling.

- Skill Enhancement:

By tying incentives to skill development, the scheme encourage employers to invest in training and upskilling their workforce, leading to a more competent and productive workforce.

### 2. Financial Relief

- Cost Management:

The scheme can help offset the costs associated with hiring, training and onboarding new employees, making it easier for businesses to expand their operations.

- Long-term Investment:

Employers see the scheme as a long-term investment, where initial costs are mitigated by incentives, leading to sustainable growth.

### 3. Challenges in Implementation

- Complexity & Bureaucracy:

Some employers find the application process for the scheme is cumbersome, with complex eligibility criteria and administrative burdens that can deter participation.

- Delayed Benefits:

There can be delays in receiving the incentives, which can cause cash flow issues, especially for smaller businesses.

#### **4. Strategic Alignment**

- Alignment with Business Goals:

Employers tend to be more supportive of the scheme that align closely with their strategic goals, such as targeting sectors where there is a clear demand for jobs or specific skills.

- Focus on Sustainability:

There is a preference for the scheme that promote sustainable job creation and skill development, rather than short-term gains.

#### **5. Varied Effectiveness across Sectors**

- Sector-specific Impact:

The effectiveness of the scheme can vary by industry. For instance, tech companies may benefit more from incentives tied to skill development, while manufacturing firms might prioritize job creation incentives.

#### **6. Retention & Productivity**

- Improved Retention:

Employers often find that the scheme improve employee retention, as employees feel more valued when their roles are linked to such incentives.

- Boost in Productivity:

When linked to skill development, the scheme can lead to a more skilled and productive workforce, which benefits both employers and employees.

In summary, while the scheme is generally viewed favourably by employers, their success often depends on how well they are designed and implemented, with a focus on reducing administrative burdens and ensuring timely disbursement of benefits.