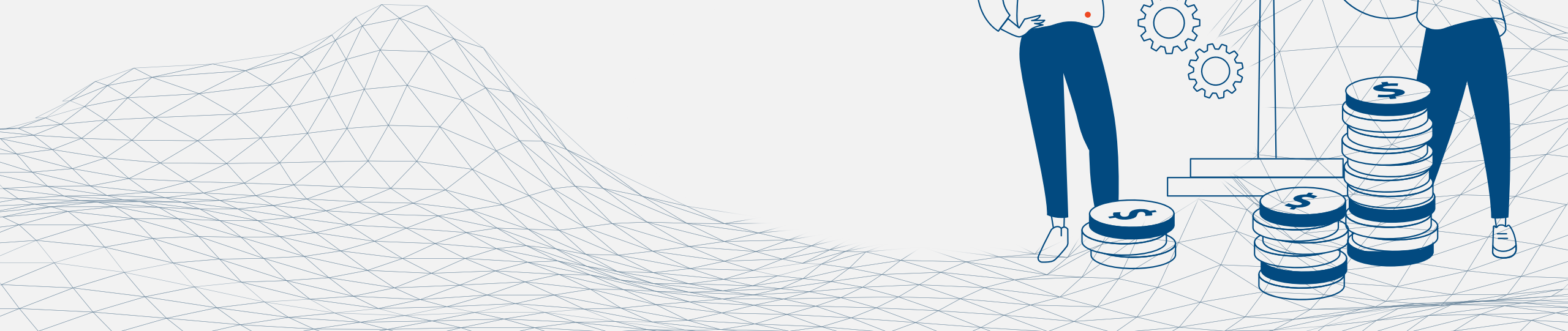




SBF National Business Survey 2024 MANPOWER & WAGES Edition



ABOUT THE STUDY

The National Business Survey (NBS) is the flagship survey of the Singapore Business Federation (SBF). Administered annually, the **SBF National Business Survey 2024 – Manpower and Wages edition** provides fresh and pertinent insights into the manpower strategies adopted by businesses, as well as concerns and issues related to manpower and wages that may be faced by the Singapore business community.



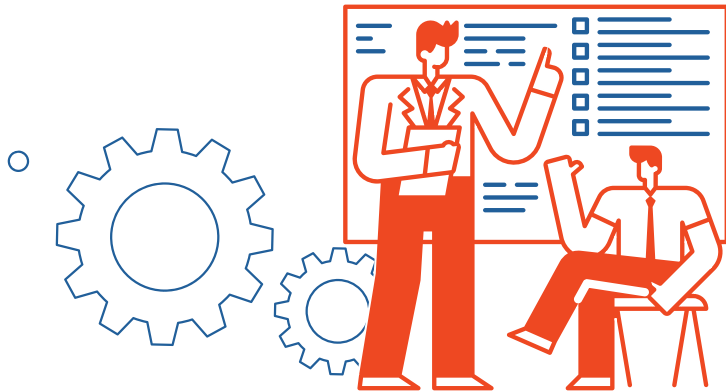
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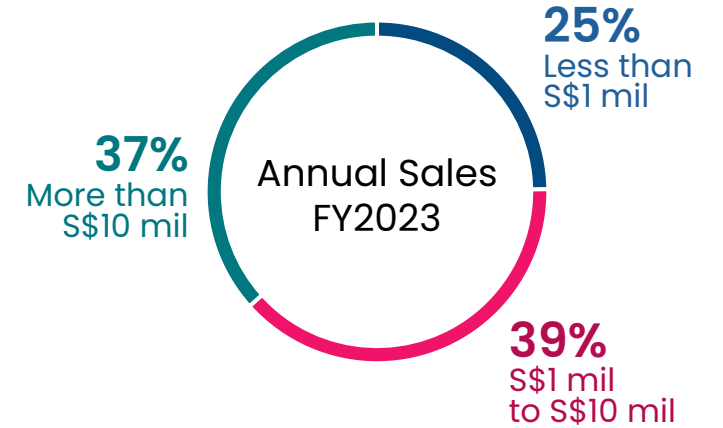
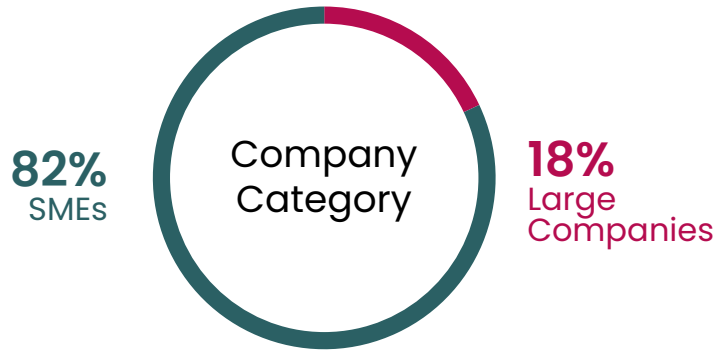
+ Respondent Profile

The survey was carried out from **18 June to 16 July 2024** and drew responses from **796 businesses** across all key industries.

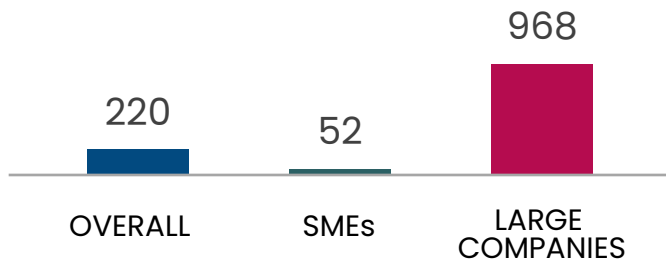
The sample included both SMEs (82%) and larger companies (18%), and largely mirrors SBF's membership base.



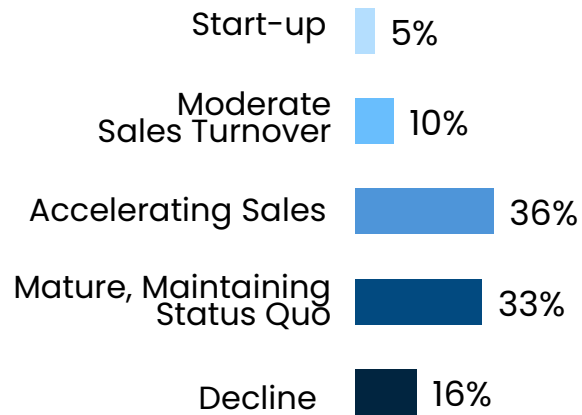
	SBF Database	2024
Wholesale Trade	20%	22%
Other Financial and Insurance Activities (e.g. Holding/Investment companies)	14%	12%
Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	11%	12%
Professional Services	11%	12%
IT & Related Services	8%	5%
Construction and Civil Engineering	8%	9%
Banking & Insurance	7%	3%
Logistics & Transportation	5%	5%
Administrative and Support Service Activities	4%	3%
Retail Trade	3%	3%
Hotels, Restaurants & Accommodations	3%	3%
Real Estate Activities	2%	2%
Others*	1%	2%
Health and Social Services	1%	1%
Education	1%	2%
Other Service Activities	1%	2%
TOTAL	100%	100%



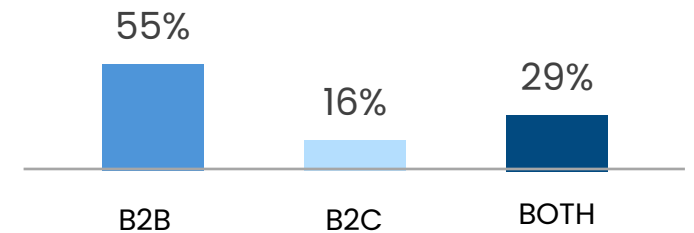
Avg. Employee Size



Stage of Development







Main Mode of Business





Business Outlook






 Click to see detailed findings

-  Business sentiment remains neutral, with around half of businesses expecting economic conditions to stay the same. Only 27% of businesses are confident that the economy will improve in the next 12 months. (Slide 15)
-  69% of businesses have performed well in the past year, but nearly half of all businesses are uncertain about their future prospects. (Slide 19)
-  Compared to the previous 12 months, more businesses will increase their investment in training in the next 12 months and fewer businesses will increase employees' salaries and non-salary staff costs. (Slide 20)



Manpower Challenges

 [Click to see detailed findings](#)

-  Rising manpower costs continues to be the top challenge cited by 75% of businesses. The number of businesses citing limited local talent as a challenge has risen sharply from 40% to 61%. (slide 22)
-  Despite challenges in hiring suitable candidates, 71% of businesses have not tapped on government support programs to hire near-fit employees. (slide 23)
-  Among businesses citing foreign manpower challenges, increased qualifying salaries for EP and S Pass applications are hitting businesses hardest. (slide 28) SMEs also struggle with increased local qualifying salary for WP and S Pass quotas, while large companies are more affected by the COMPASS framework. (slide 29)
-  Top sectors facing a shortage of local talent include IT & related services, education, professional services, banking & insurance. Top sectors with foreign manpower challenges include education, hotels, restaurants and accommodations, construction & civil engineering, health & social services and retail trade. (slide 26 & 27)
-  63% of businesses want government to review labour market flexibility, including foreign worker quotas and work permit regulations to address manpower challenges. (slide 35)



Manpower Adjustments





 Click to see detailed findings

- ▶ 40% of businesses expect to increase their full-time employee base in the next 12 months, up from 29% in 2023 . However, 48% of businesses will maintain their current staffing levels, reflecting caution amid the current economic climate. (slide 40)
- ▶ 12% of businesses intend to reduce manpower, citing a decline in business activity, economic uncertainty and cost management as key considerations. (slide 47)
- ▶ The top 3 strategies to attract and retain local talent include competitive salaries, flexible work arrangements and professional development opportunities. (slide 49) Half of SMEs and 3 in 5 large companies say they use flexible work arrangements as a talent attraction and retention tool (slide 50).
- ▶ 92% of businesses practise some degree of skills-based hiring, reflecting evolving workforce demands. However, only 28% practise skills-based hiring completely or to a large extent, with businesses citing the need for training, funding for technology and tools, and guides on how to apply skills-based hiring practices. (slide 51)



Training & Upskilling





 [Click to see detailed findings](#)

-  Most businesses (9 in 10) recognise the need to upskill employees, but those with a heightened urgency (13%) are driven by the need to increase productivity to stay competitive (slide 53) . Changing customer expectations are another impetus for training especially amongst SMEs (slide 54).
-  Amongst emerging skillsets needed, businesses prioritise digital economy skills (50%). Large companies also recognise green economy skills as a crucial emerging skillset. (slide 59)
-  Limited manpower resources (55%) and high training costs (48%) are the top two challenges to investing in training. Businesses also fear that they might not achieve the expected training benefits if employees leave the company after training (35%) with this fear being higher among SMEs. (slide 61)
-  70%-90% of businesses in Retail Trade, Hotels, Restaurants and Accommodation and Health and Social Services cite lack of manpower resources as a challenge to training. (slide 63)



Career Planning & Job Redesign




 [Click to see detailed findings](#)

-  Close to 2 in 5 businesses have provided staff with career planning in the past 12 months . However, one-third of these businesses offer only informal career planning. (slide 67)
-  Businesses that have implemented structured career planning indicate their key drivers were to enhance morale (76%), improve work planning efficiency (60%) and increase retention rates (48%). Lack of resources is the primary reason for not providing structured career planning. (slide 68)
-  Businesses primarily see job redesign as modifying current roles and responsibilities (58%). Only a third view tech adoption and automation as integral to job redesign. (slide 74) Large companies (40%) are more inclined to see automation as part of job redesign than SMEs (28%). (slide 75)
-  1 in 2 businesses say they will implement Job Redesign initiatives in the next 12 months to enhance efficiency and productivity, up from 43% in the past 12 months. (slide 76)




Wage Adjustments and NWC Guidelines




 [Click to see detailed findings](#)

-  2 in 3 businesses intend to raise wages in the next 12 months. However, 35% of businesses are adopting a cautious approach and maintaining current wage levels without adjustments. (slide 78) More SMEs (38%) say they will hold wages steady compared to large companies (21%). (slide 79)
-  2 in 3 businesses plan to raise wages for low wage workers in the next 12 months. Similarly, 35% say they will hold wages steady for this group. More large companies (79%) say they will increase wages for low wage workers compared to SMEs (61%). (slide 84 & 85)
-  60% of businesses increased wages for low wage workers in the past 12 months and plan to do so in the next 12 months. (slide 86) This includes 8 in 10 businesses in the logistics and transportation and education sectors. (slide 87)



Wage Adjustments and NWC Guidelines



 [Click to see detailed findings](#)

-  Nearly 2 in 3 businesses have adopted the NWC's guidelines. Businesses mainly followed guidelines on providing wage increases through both the built-in wage increase and the variable wage component. Lack of awareness and resources are the key barriers among the 36% of businesses that have yet to implement the guidelines. (slide 89)
-  51% of businesses have offered the NWC recommended wage increases to low wage workers. (slide 93) Poor business performance is the main reason cited for not offering the recommended wage increase. (slide 95)
-  Businesses cite incentives and financial assistance as the top two support needed for adoption of the NWC guidelines. SMEs are more likely than large companies to seek additional guidance and compliance support (38%) to facilitate their implementation. Large companies show a greater preference for knowledge-sharing opportunities within the industry (28%). (slide 99)



Other Manpower Policies & Guidelines

 [Click to see detailed findings](#)

-  Around 2 in 5 businesses have implemented PWM practices. (slide 101) Improved staff motivation and higher retention rates are cited as key benefits of the PWM. (slide 103) However, among businesses that have implemented the PWM, 77% face challenges including high cost and lack of manpower to support training. (slide 104)
-  Almost 3 in 4 businesses already offer flexible work arrangements today, with flexi-place being the most widely adopted form of FWA. (slide 107) However, the challenge of applying FWA fairly across job roles is a top concern. Businesses are also concerned about the impact on engagement and sense of belonging amongst employees. (slide 109)

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SECTION 1

Business Outlook

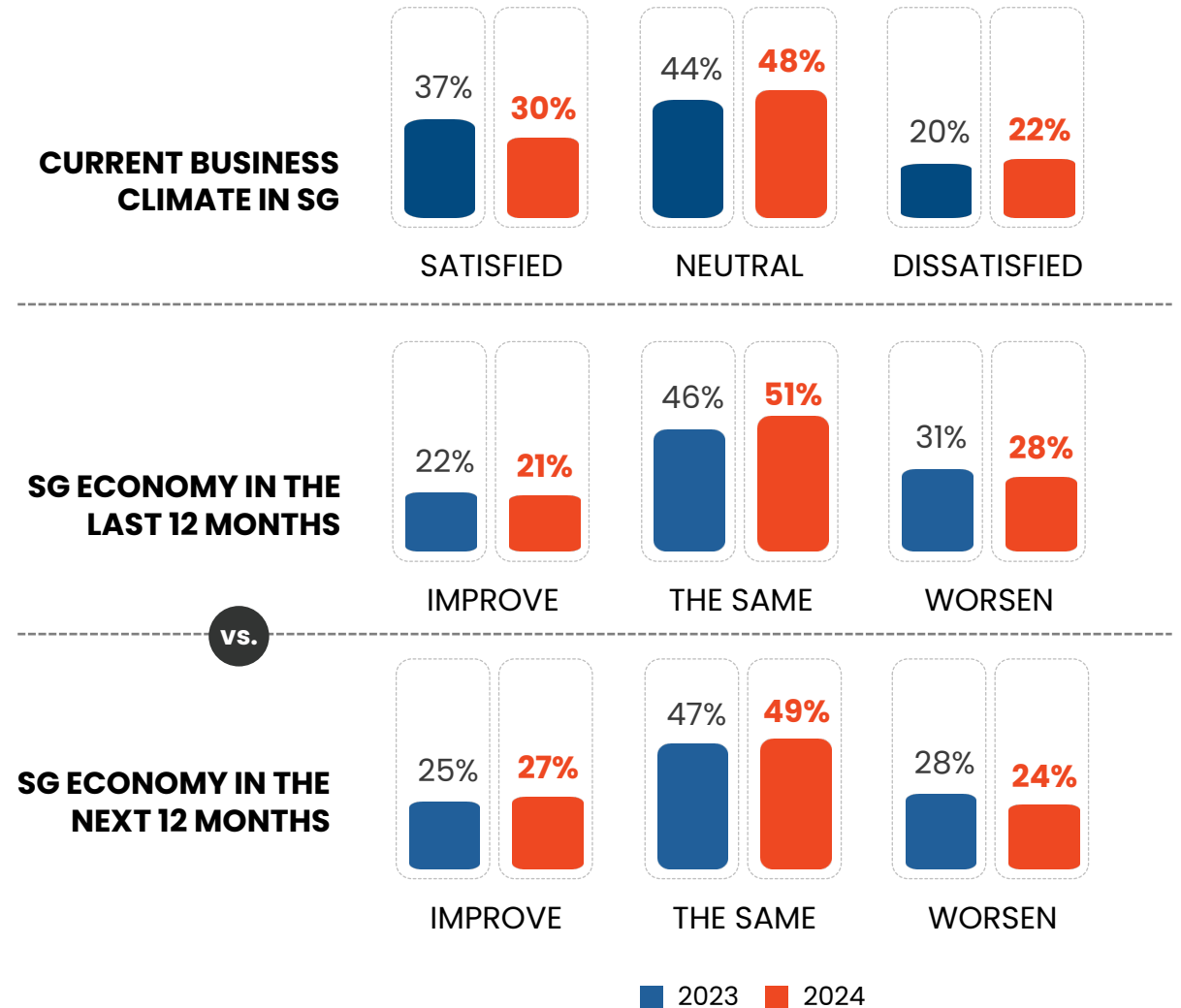


+ Businesses Expect Economic Conditions to Stay the Same

Business sentiment remains neutral, with around half (49%) of businesses expecting economic conditions to stay the same. Only 27% of businesses are confident that the economy will improve in the next 12 months.

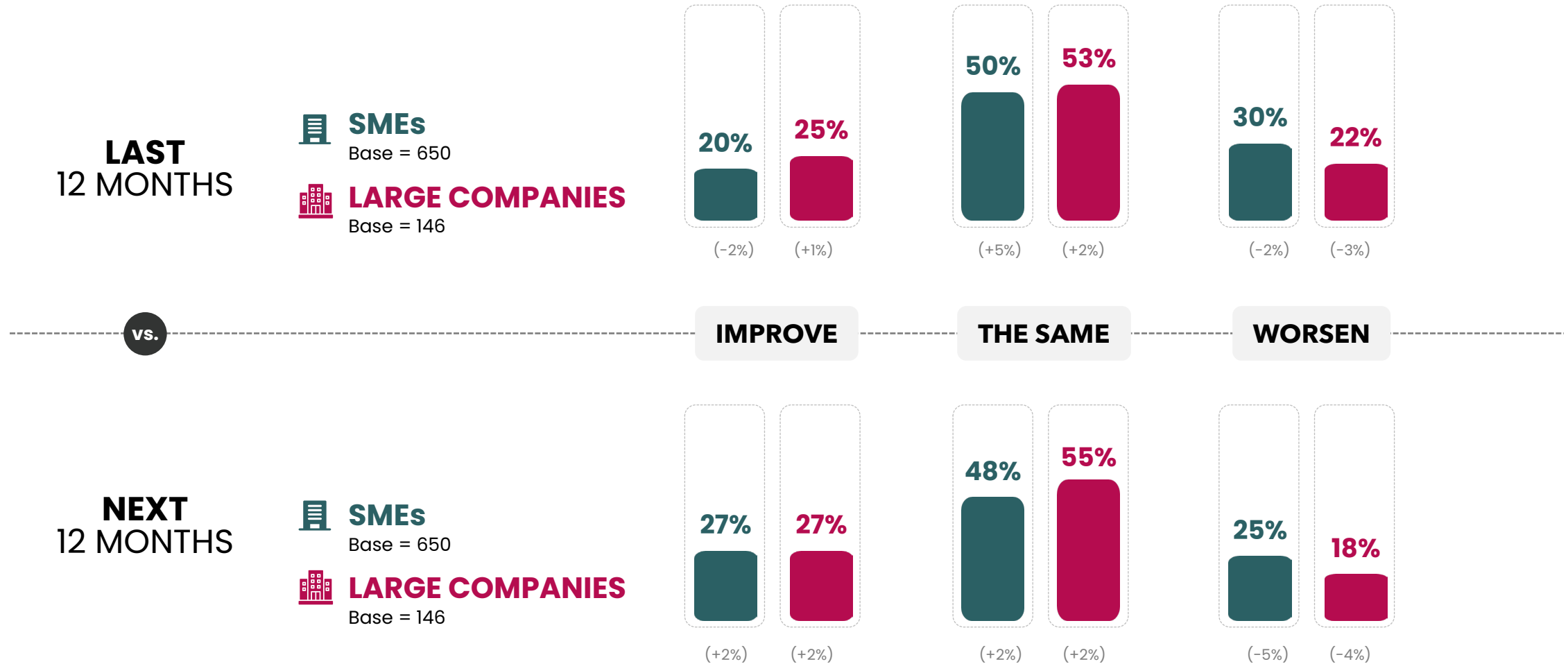
Less than one in three businesses (30%) are satisfied with the current economic climate, a decrease from 37% in 2023.

Business Sentiment In Singapore



+ Economic Conditions Expected to Stay Steady among SMEs and Large Companies

However, slightly higher proportion of SMEs expect worsening conditions.



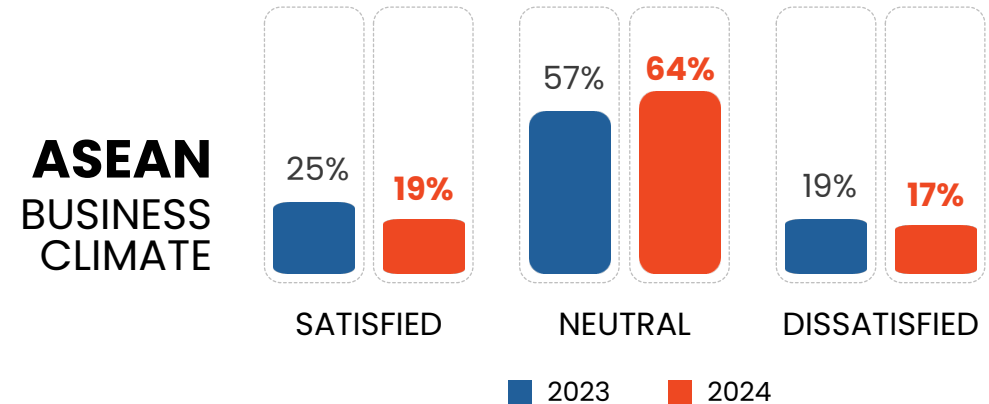
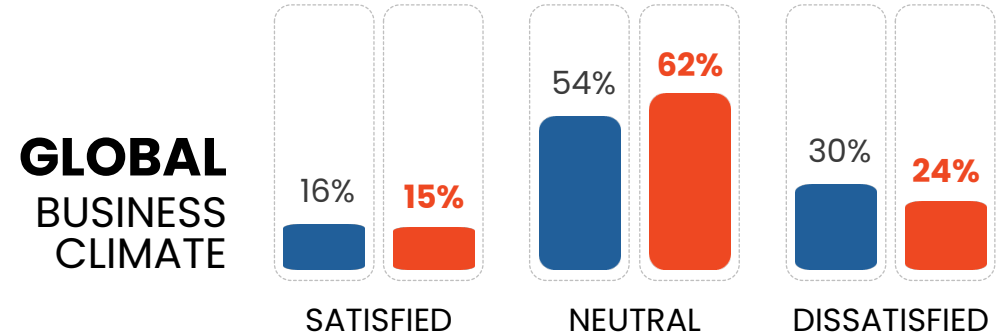


More Businesses in Logistics & Transportation and Banking & Insurance Sectors are Optimistic that Economic Climate in Singapore Will Improve in the Next 12 Months

n=		PAST 12 MONTHS			NEXT 12 MONTHS		
		WORSEN	THE SAME	IMPROVED	WORSEN	THE SAME	IMPROVE
176	Wholesale Trade	28%	54%	18%	24%	48%	27%
98	Other Financial and Insurance Activities (e.g. Holding/Investment companies)	23%	58%	18%	18%	53%	29%
99	Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	38%	40%	21%	29%	40%	30%
94	Professional Services	23%	53%	23%	24%	52%	23%
39	IT & Related Services	38%	38%	23%	23%	46%	31%
74	Construction and Civil Engineering	22%	55%	23%	18%	58%	24%
23*	Banking & Insurance	13%	57%	30%	17%	48%	35%
43	Logistics & Transportation	30%	37%	33%	23%	40%	37%
27*	Administrative and Support Service Activities	37%	48%	15%	37%	37%	26%
23*	Retail Trade	39%	43%	17%	22%	65%	13%
26*	Hotels, Restaurants & Accommodations	35%	46%	19%	38%	46%	15%
15*	Real Estate Activities	7%	87%	7%	7%	87%	7%
15*	Others**	20%	53%	27%	13%	60%	27%
9*	Health and Social Services	44%	56%	0%	33%	56%	11%
17*	Education	35%	41%	24%	18%	53%	29%
18*	Other Service Activities	22%	56%	22%	39%	22%	39%

Neutral outlook on Global and Regional economy grows, while **fewer businesses are satisfied with the current ASEAN business climate.**

As businesses acclimatize to the more disruptive and uncertain global economic environment, dissatisfaction with the global economic climate has decreased from 30% in 2023 to 24% currently.

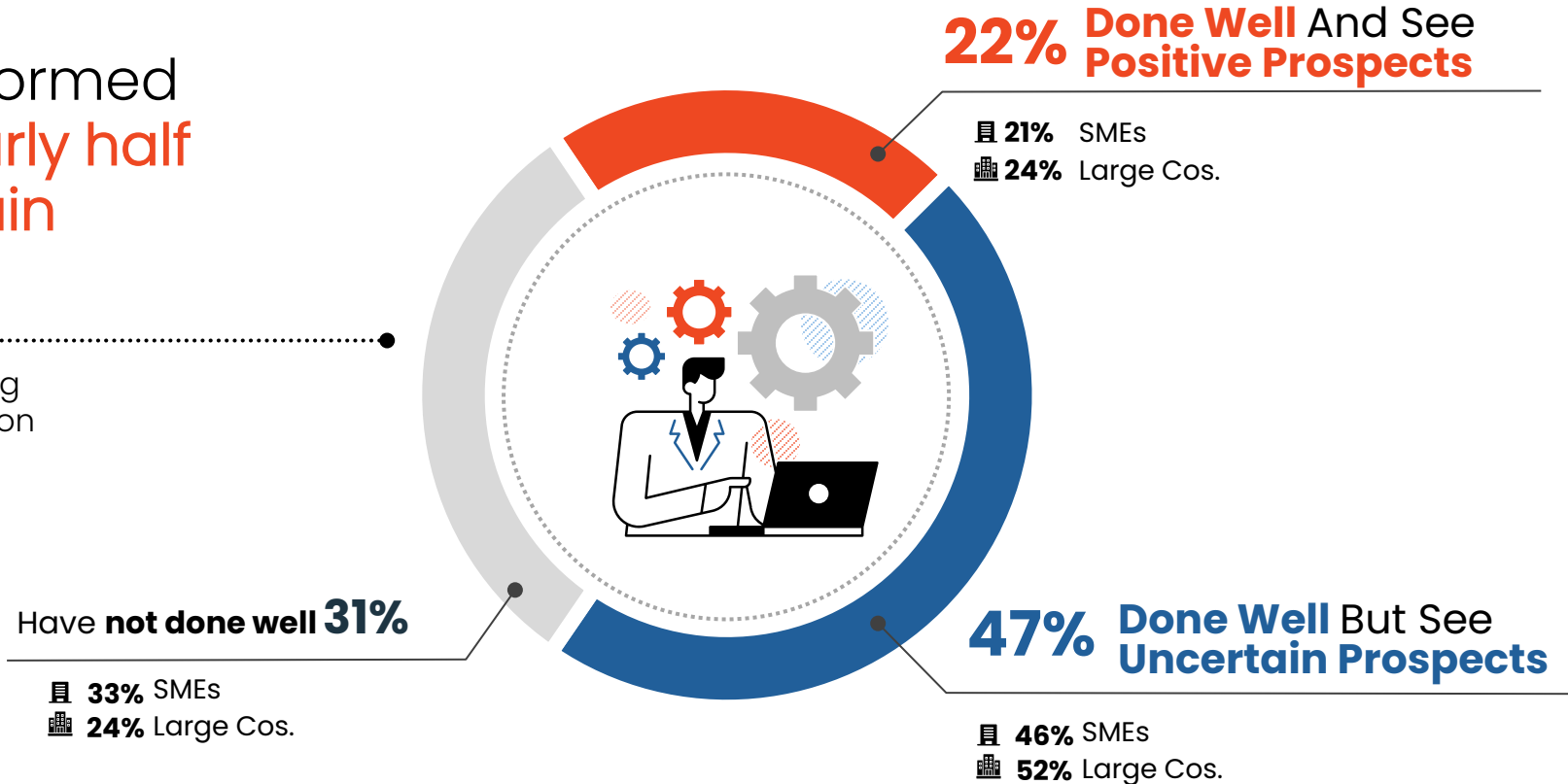


Decimal points have been rounded up. The total may not add up to 100%.

69% of businesses have performed well in the past year, but **nearly half of all businesses are uncertain about their future prospects.**

Nearly a third of businesses (31%) have seen declining business performance in the past year. This proportion is higher among SMEs at 33% than large companies (24%).

Business Performance
in the last 12 months





More Employers will Increase Investment in Training in the next 12 Months. Fewer Employers Expect to Increase Employees' Salaries and Non-Salary Staff Costs

Steps Taken In View Of Current Economic Situation

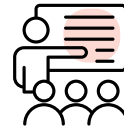
(% of businesses)



Employees' salary



Non-salary staff costs & overhead



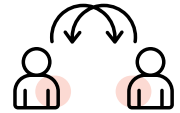
Investment in staff training



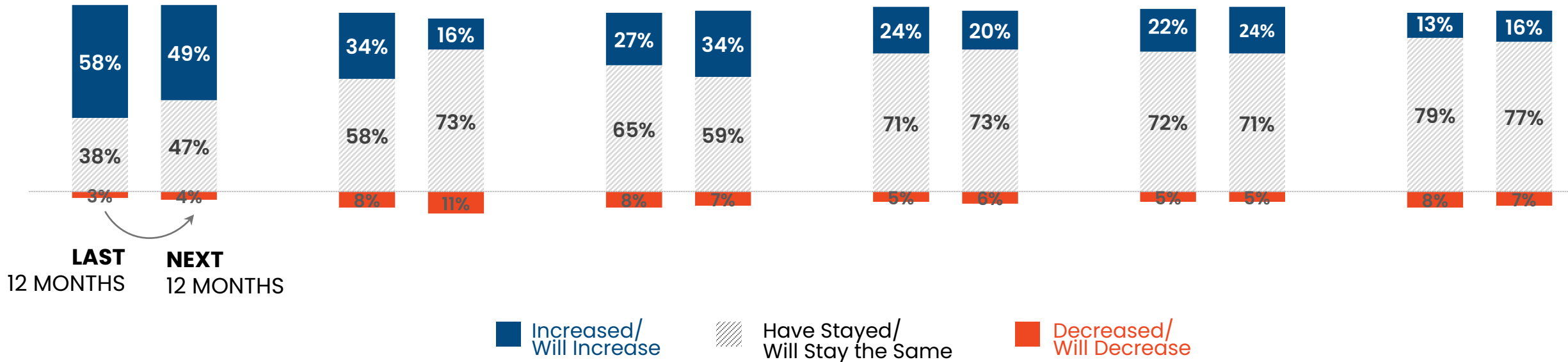
Employees' benefits



Flexible working arrangements

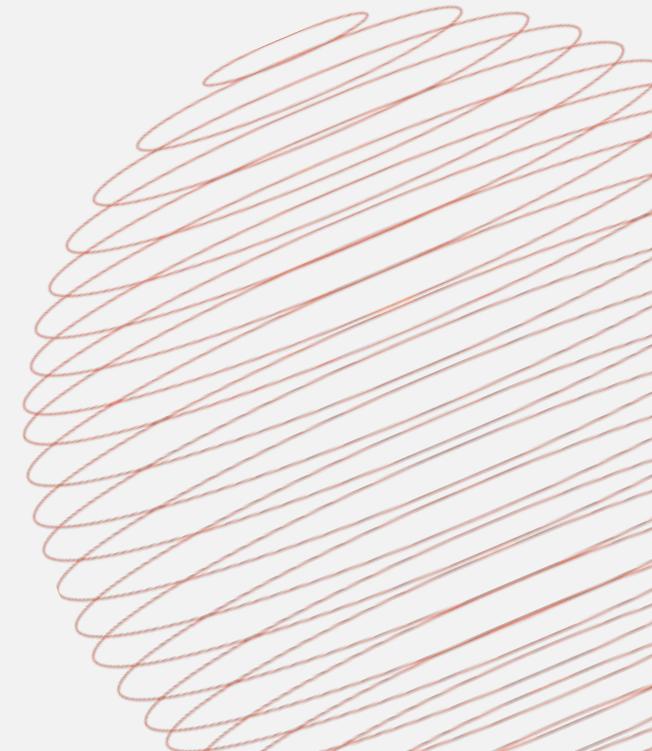


Redeployment of staff



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SECTION 2

Manpower Challenges



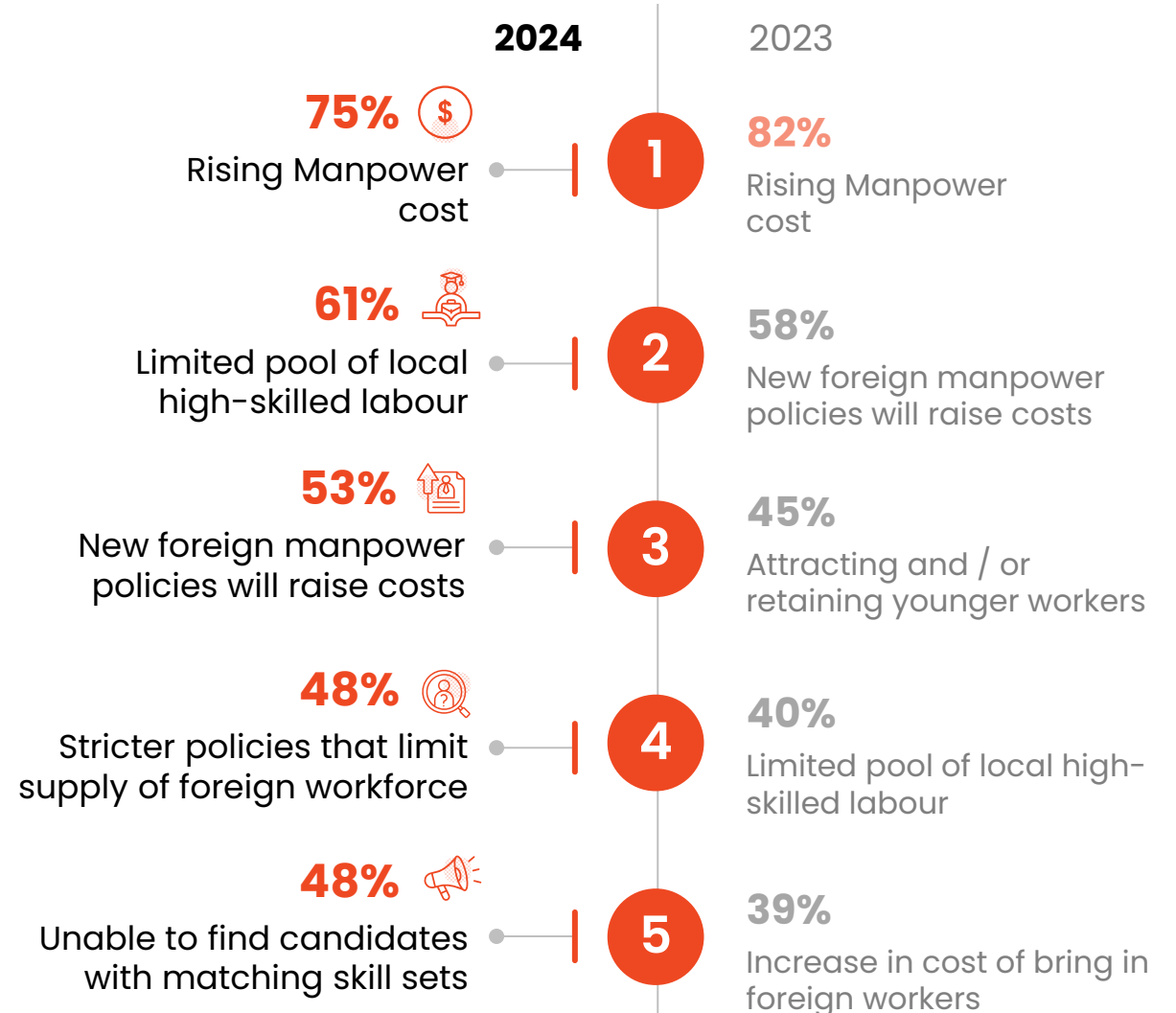
Number of businesses citing **limited local talent** as a challenge rises sharply from 40% to 61%.

Foreign manpower challenges continue to be a concern, including issues related to costs and quotas.

Other 2024 Manpower Challenges:

- 06 Attracting & retaining younger workers (48%)
- 07 Attracting & retaining local high-skilled labour (43%)
- 08 Employees lack eagerness to learn new skills (41%)
- 09 Creating a succession plan (39%)
- 10 Increase in cost of bring in foreign workers (37%)

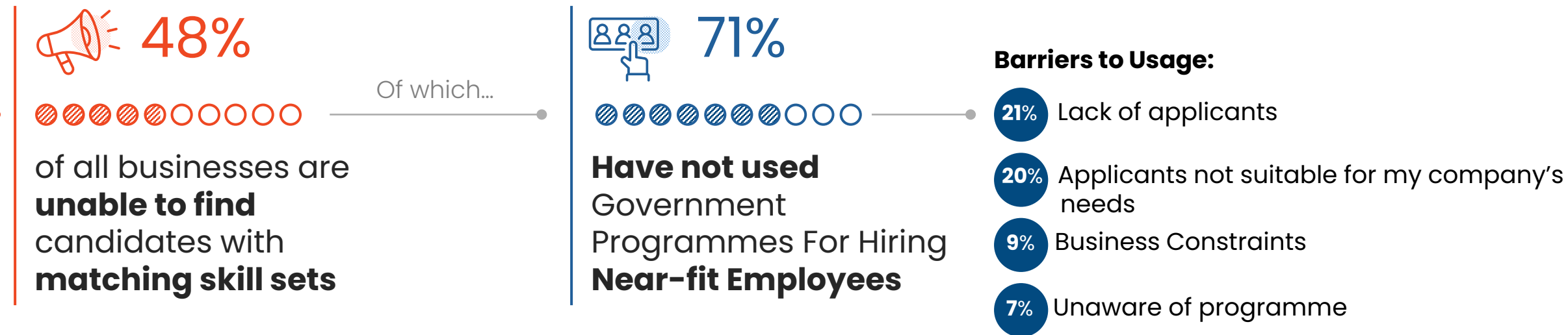
Top 5 Manpower Challenges



+ Few Businesses Leveraged Government Programmes for Hiring Near-fit Employees

Despite challenges in hiring suitable candidates, **71%** of businesses have not tapped on government support programs to hire **near-fit employees**.

Businesses report a lack of suitable applicants (21%) and lack of industry relevance (20%) as the key challenges to successfully making a hire.



Lack of applicants / suitable candidates

Advertised, but no takers for the job.

SME, MANUFACTURING

Most mid career local person may not want to work in shift duties in manual duties with low basic salaries (other factors such as work location, willingness to learn, etc)

LARGE CO., MANUFACTURING

Unable to attract locals into Build-Environment

SME, CONSTRUCTION & CIVIL ENGINEERING

We lack front end retail staff , mid career programme - locals not interested to do weekends

SME, RETAIL TRADE

No relevant experience but demand high pay

LARGE CO., MANUFACTURING

Not suitable for my company's needs

Our team is small & cannot rely on "near-fit"

SME, OTHER FINANCIAL AND INSURANCE ACTIVITIES

Niche industry cannot be trained overnight

SME, CONSTRUCTION & CIVIL ENGINEERING

Some of our jobs required skilled and experienced candidates that relevant to the industry and profession

SME, CONSTRUCTION & CIVIL ENGINEERING

We need candidates who are capable skill wise as we are working in technology and running a business, not a school or training centre.

SME, IT & RELATED SERVICES

Our line requires specialized skills that are not easily obtained thru these programmes.

SME, PROFESSIONAL SERVICES

Business Constraints

Most of the time we are unable to find candidates due to our government policies and quota that is being restricted by the government as most Singaporeans does not want to perform technician type of jobs

SME, OTHER SERVICE ACTIVITIES

Low demand in current business environment

SME, IT & RELATED SERVICES

No manpower needs at present

LARGE CO., WHOLESALE TRADE

Unaware of Programme

Because I have no knowledge of government programmes.

SME, IT & RELATED SERVICES

no, not sure of implications

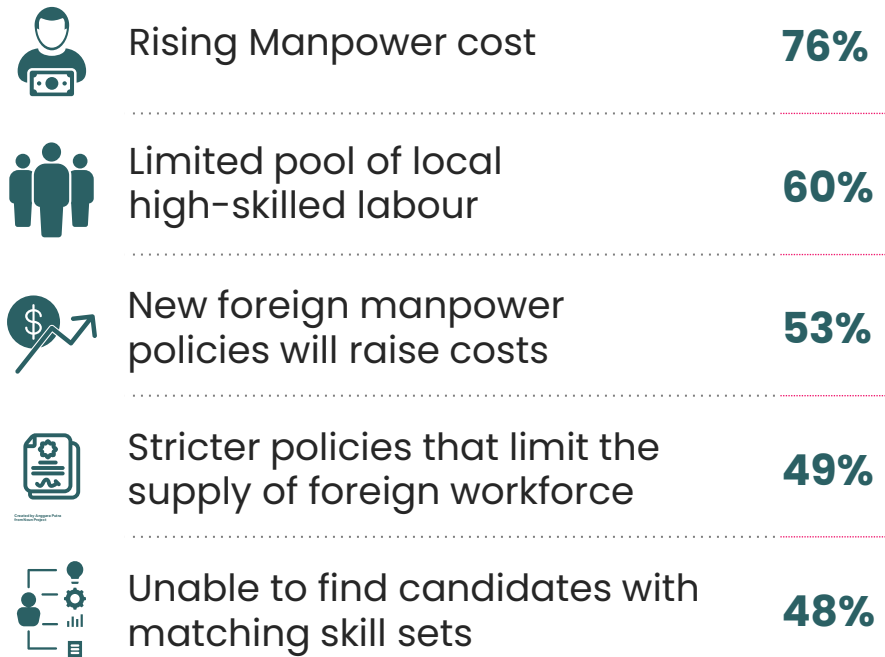
SME, OTHER SERVICE ACTIVITIES

not aware/not eligible

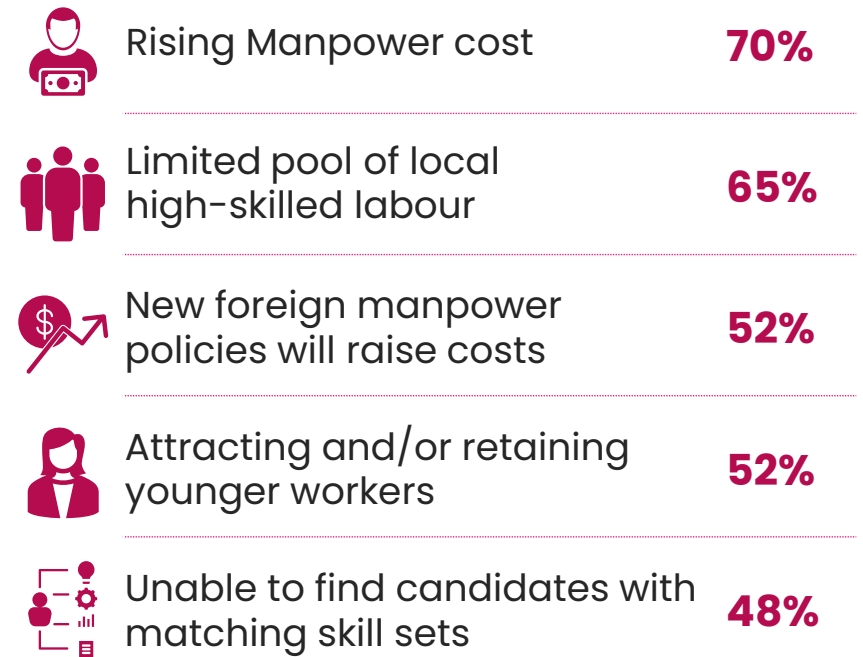
SME, IT & RELATED SERVICES

+ SMEs and Large Companies Encounter a Similar Set of Manpower Challenges









SMEs Base: 650











LARGE COMPANIES Base: 146



++ Top 10 Manpower Challenges by Sectors

										
	OVERALL	Wholesale Trade	Other Financial & Insurance	Manufacturing	Professional Services	IT & Related Services	Construction & Civil Engr	Banking & Insurance	Logistics & Transportation	
	n=	796	176	98	99	94	39	74	23*	43
Rising manpower cost	75%	69%	72%	80%	71%	72%	78%	52%	81%	
Limited pool of local high-skilled labour	61%	55%	50%	57%	74%	77%	74%	74%	74%	
New foreign manpower policies will raise costs	53%	42%	37%	61%	59%	49%	68%	57%	40%	
Unable to find candidate(s) with skill sets that fully fit advertised role	48%	41%	48%	49%	47%	59%	57%	52%	47%	
Stricter policies that limit the supply of foreign workforce	48%	36%	29%	52%	52%	41%	72%	48%	67%	
Attracting and/or retaining younger workers	48%	43%	40%	56%	47%	46%	50%	48%	49%	
Attracting and/or retaining local high-skilled labour	43%	36%	45%	41%	46%	59%	53%	30%	49%	
Lack of eagerness of employees to learn new skills	41%	39%	36%	52%	35%	26%	43%	39%	28%	
Creating a succession plan	39%	42%	33%	41%	41%	44%	39%	30%	51%	
Increase in cost of bringing in foreign workers	37%	29%	24%	47%	32%	31%	59%	26%	26%	

++ Top 10 Manpower Challenges by Sectors

	OVERALL	 Admin & Support Services	 Retail Trade	 Hotels, Restaurants & Accommodation	 Real Estate Activities	 Others	 Health & Social Services	 Education	 Other Service Activities
n=	796	27*	23*	26*	15*	15*	9*	17*	18*
Rising manpower cost	75%	74%	78%	96%	73%	87%	78%	88%	83%
Limited pool of local high-skilled labour	61%	48%	65%	46%	27%	53%	44%	76%	67%
New foreign manpower policies will raise costs	53%	44%	65%	77%	47%	67%	67%	88%	50%
Unable to find candidate(s) with skill sets that fully fit advertised role	48%	52%	61%	35%	40%	60%	56%	41%	44%
Stricter policies that limit the supply of foreign workforce	48%	52%	57%	69%	33%	40%	44%	71%	44%
Attracting and/or retaining younger workers	48%	48%	57%	65%	40%	47%	56%	65%	44%
Attracting and/or retaining local high-skilled labour	43%	33%	61%	27%	20%	67%	33%	71%	39%
Lack of eagerness of employees to learn new skills	41%	44%	52%	58%	47%	47%	67%	47%	61%
Creating a succession plan	39%	26%	35%	23%	27%	40%	33%	59%	33%
Increase in cost of bringing in foreign workers	37%	41%	48%	50%	40%	67%	44%	47%	56%

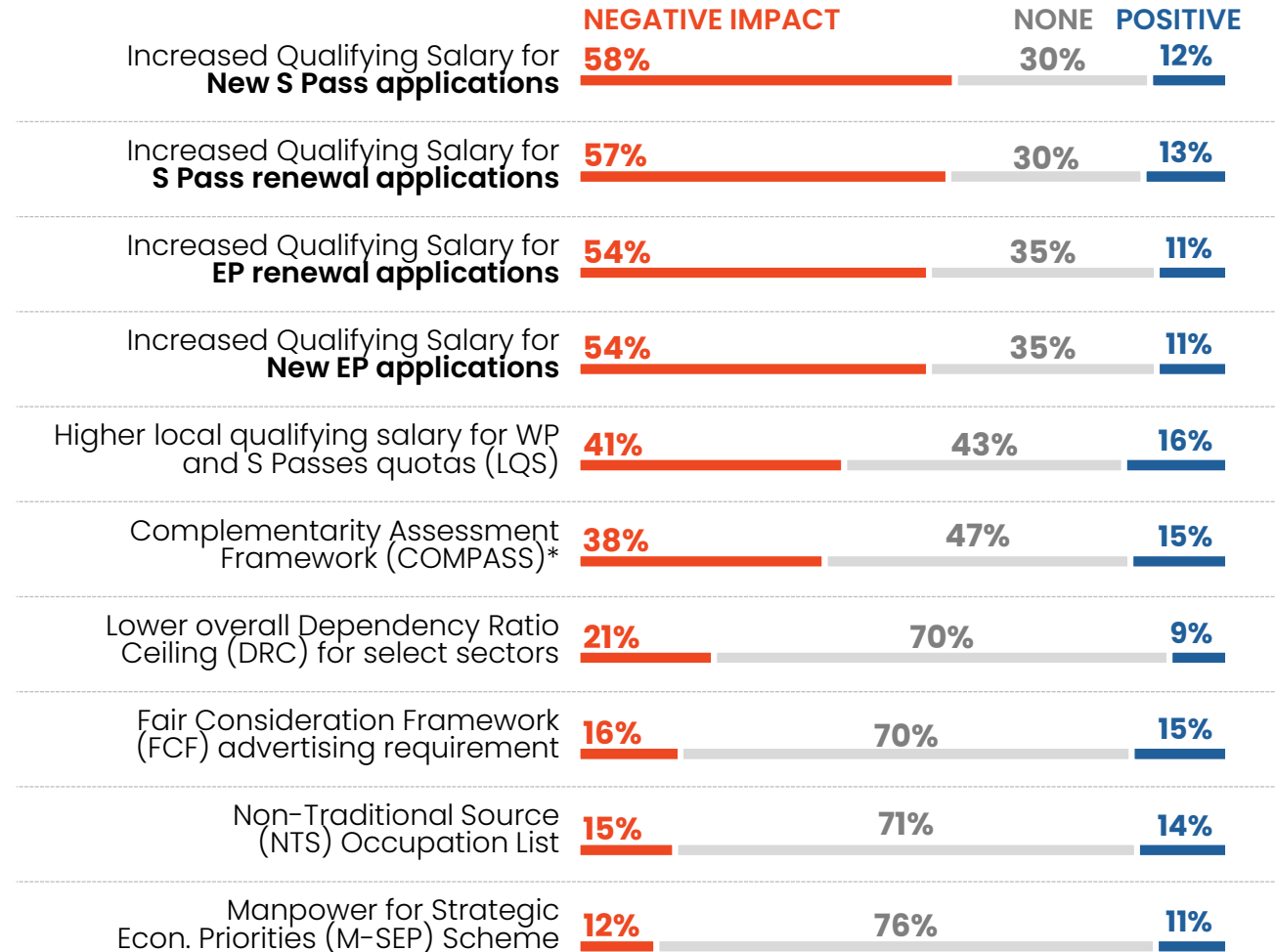
+ Increased EP and S Pass Qualifying Salaries are Hitting Businesses the Hardest

Among **71%** of businesses who face manpower challenges due to **Foreign Workforce policies**

Increased **qualifying salaries** for EP and S Pass applications are top policies negatively impacting businesses.

Other policies cited include increased local qualifying salary (LQS) for WP and S pass quota (41%) and the need to fulfill COMPASS requirements (38%).

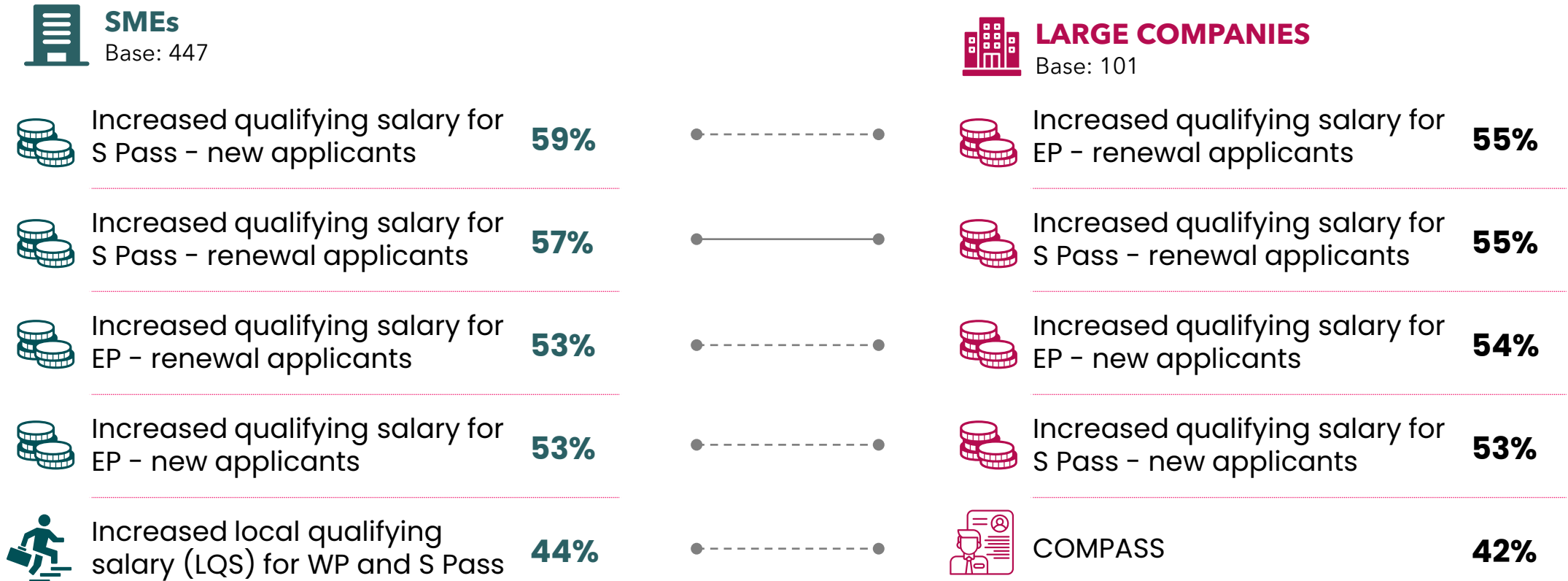
Impact of Foreign Workforce Policy Changes on Businesses



+ Rising Qualifying Salaries for Foreign Labour Impact SMEs and Large Companies

SMEs also struggle with increased local qualifying salary for WP and S Pass quotas, while large companies are more affected by the COMPASS framework.

Negative Impact of Foreign Workforce Policy Changes on Businesses





Higher S Pass Qualifying Salaries Impact Retail Trade and Hotels, Restaurants & Accommodations Sectors, While Higher EP Qualifying Salaries Affect Banking & Insurance and Hotels, Restaurants & Accommodations Sectors

Top Negatively Impacted Industries

#1	Increased Qualifying Salary For S Pass – New Applicants	80% Retail Trade	80% Hotels, Restaurants & Accom.	73% Manufacturing	#6	COMPASS	67% Banking & Insurance	50% Health and Social Services	48% Hotels, Restaurants & Accom.
#2	Increased Qualifying Salary For S Pass – Renewal Applicants	80% Retail Trade	80% Hotels, Restaurants & Accom.	71% Manufacturing	#7	Reduction Of Overall Dependency Ratio Ceiling (DRC)	52% Construction and Civil Engineering	29% Manufacturing	29% Professional Services
#3	Increased Qualifying Salary For EP – Renewal Applicants	80% Banking & Insurance	67% Education	64% Hotels, Restaurants & Accom.	#8	Fair Consideration Framework (FCF) Advertising Requirement	50% Health and Social Services	27% Retail Trade	23% Manufacturing
#4	Increased Qualifying Salary For EP – New Applicants	87% Banking & Insurance	72% Hotels, Restaurants & Accom.	65% IT & Related Services	#9	Non-Traditional Source (NTS) Occupation List	30% Construction & Civil Engineering	33% Health & Social Services	21% Administrative & Support Service Activities
#5	Higher local qualifying salary for WP and S Passes quotas (LSQ)	73% Retail Trade	64% Hotels, Restaurants & Accom.	53% Administrative & Support Service Activities	#10	Manpower For Strategic Economic Priorities (M-sep) Scheme	33% Health & Social Services	19% Construction & Civil Engineering	16% Manufacturing

++ Meeting EP Salary Requirements is the Top COMPASS Challenge for Businesses

57% of businesses face challenges with EP application or renewals due to the **COMPASS framework**

Stricter **qualifying salary requirements** for EP holders is the **most challenging** aspect of COMPASS for businesses to navigate, overshadowing **other aspects** like **diversity** and **skills bonuses**.

43% of businesses **do not have challenges** with EP application or renewal

30% NA, do not hire EP holders or are exempted from COMPASS.

13% No difficulty

Key Challenges With COMPASS Framework



41% Difficulty meeting the **EP qualifying salary**



22% Difficulty fulfilling C1: Salary



18% Difficulty fulfilling C3: Diversity



15% Difficulty fulfilling C5: Skills bonus



15% Difficulty fulfilling C4: Support for Local Employment



14% Difficulty fulfilling C6: Strategic Economic Priorities Bonus



13% Difficulty earning points under C2: Qualifications

+ Meeting the EP Salary Requirement is the Biggest Challenge for Both SME and Large Companies

Salary requirements are among the top 2 challenges for SMES while Large Companies also face difficulties meeting COMPASS diversity requirements.



SMEs

Base: 650



Difficulty meeting the EP qualifying salary

42%



Difficulty earning points under C1: Salary

23%



Difficulty earning points under C3: Diversity

17%



Difficulty earning points under C4: Support for Local Employment

15%



Difficulty earning points under C5: Skills bonus

14%



Not applicable, we do not hire EP holders or EP candidates are exempted from COMPASS.

32%



LARGE COMPANIES

Base: 146



Difficulty meeting the EP qualifying salary

38%



Difficulty earning points under C3: Diversity

21%



Difficulty earning points under C5: Skills bonus

20%



Difficulty earning points under C1: Salary

18%



Difficulty fulfilling C4: Support for Local Employment / Difficulty fulfilling C6: Strategic Economic Priorities Bonus

15%

Not applicable, we do not hire EP holders or EP candidates are exempted from COMPASS.

21%

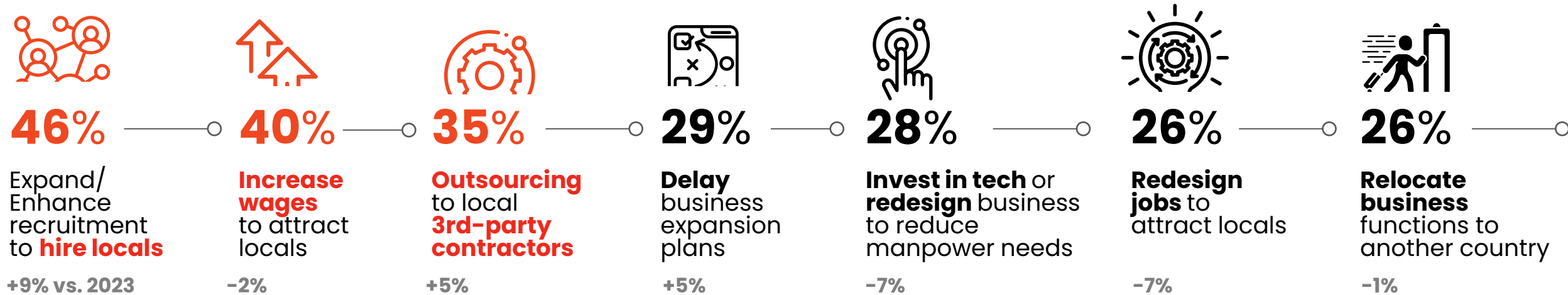
+ To Cope with Foreign Workforce Policies, More Businesses Expand Hiring and Wages of Locals

Businesses pivot to enhance **recruitment efforts** for **local talent** and **outsource business functions** in response to the foreign workforce policies.

Other strategies to cope with foreign workforce policies include job redesign and delaying business expansion plans. Compared to 2023, fewer businesses are investing in tech or job redesign and more businesses are delaying business expansion plans.

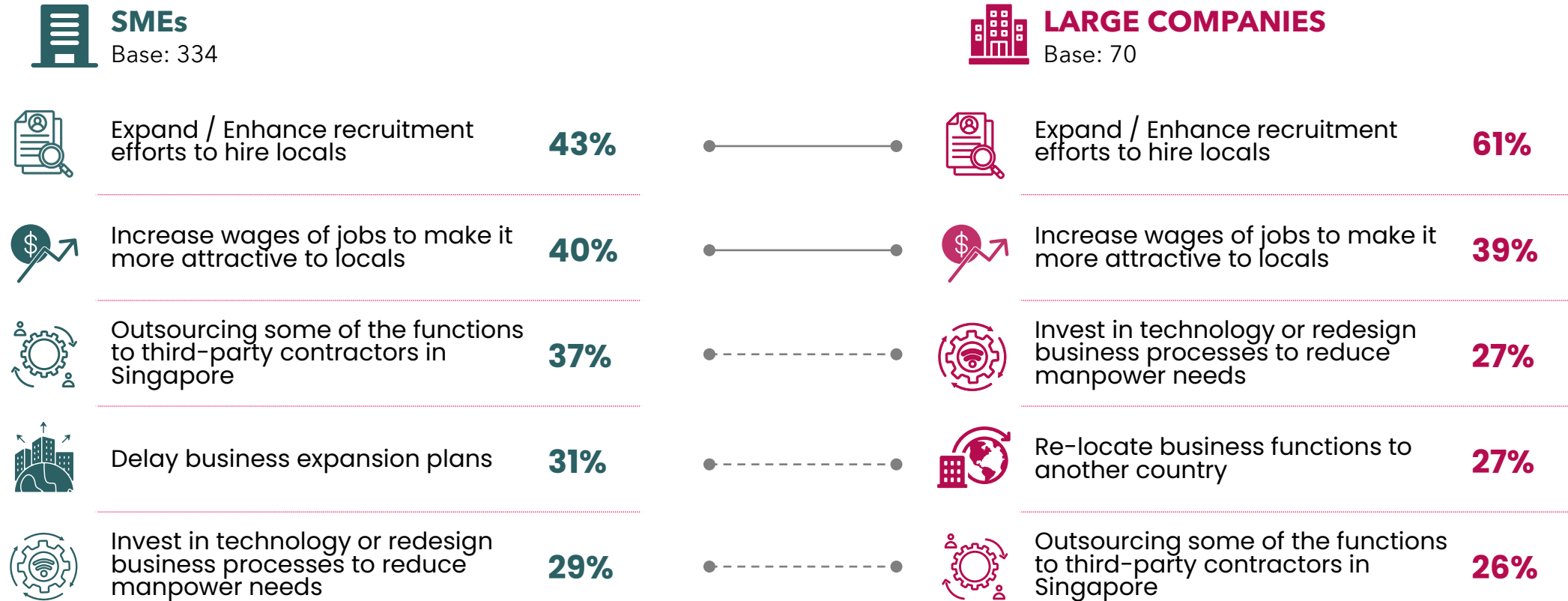
+ Among businesses who face negative impact from **Foreign Workforce policies**...

Strategies To Cope with Impact of Foreign Workforce Policies



+ Enhanced Local Hiring is Key Manpower Coping Strategy for SMEs & Large Companies

SMEs are more likely to delay expansion, while large companies are more likely to relocate. Both are considering outsourcing to cope with manpower policy impact.



Review of labour market flexibility including foreign worker quotas and work permit regulations is the key support measure businesses desire to address the manpower challenges.

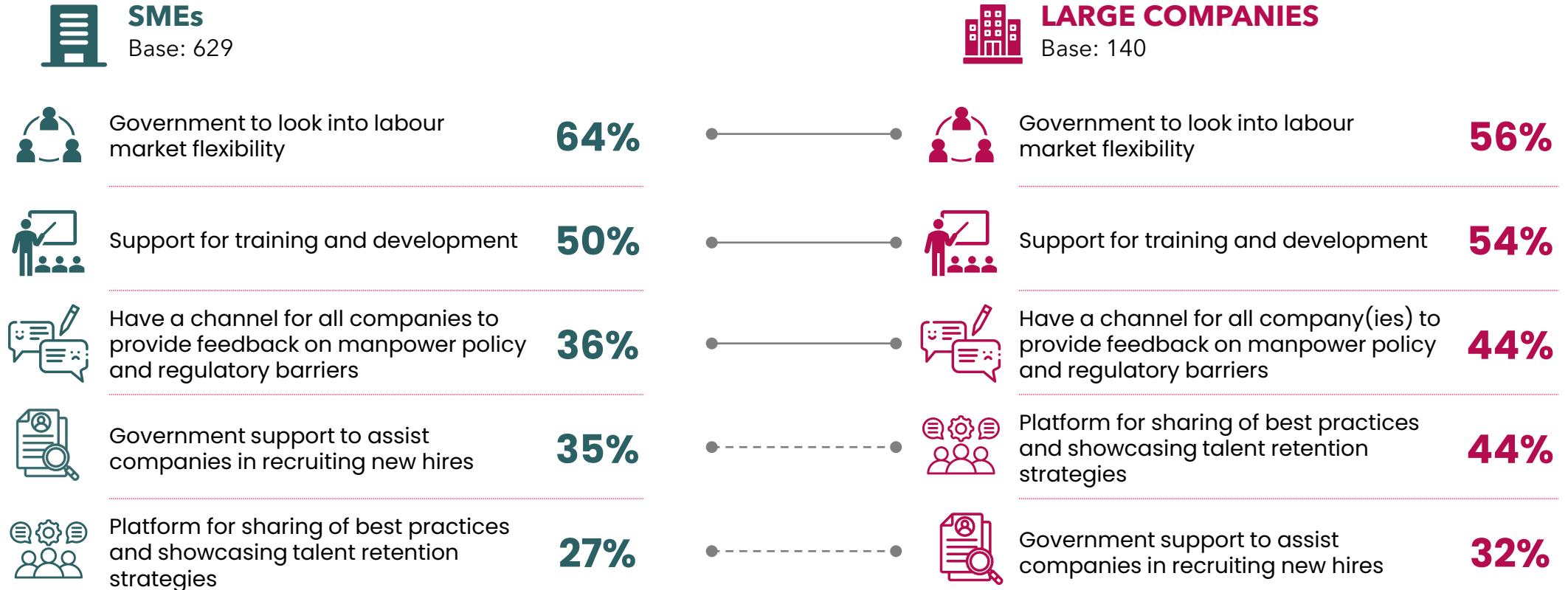
Apart from resolving the supply-side issues of manpower challenges, businesses are also looking for support in training development (51%) to empower them in developing current workforce and attract local talents.

Support Needed to Address Manpower Challenges



+ Both SMEs and Large Companies Desire More Support for Training

Additionally, desire for government to review current labour market constraints stronger amongst SMEs.



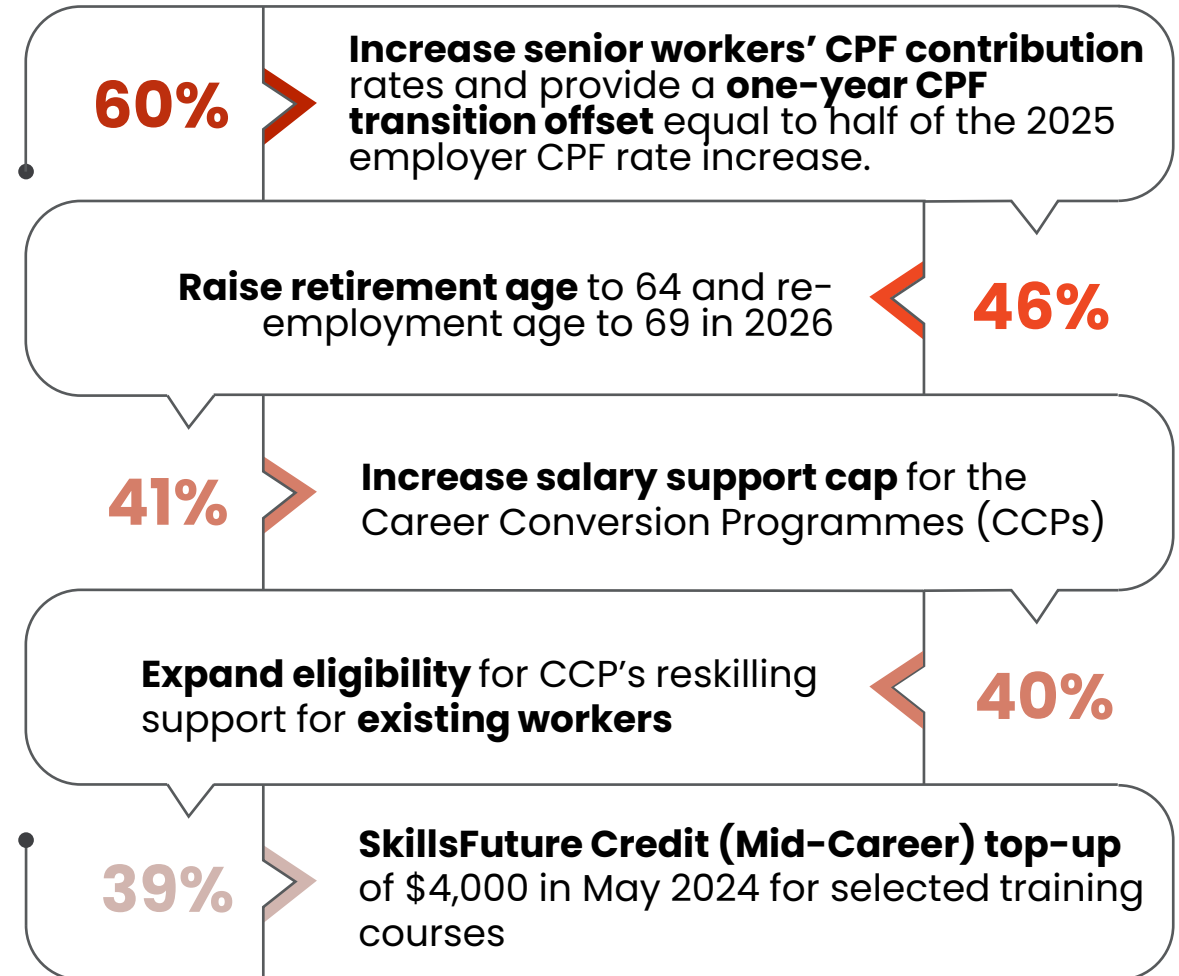
Businesses highlight **CPF transition offset** as the most beneficial **Budget 2024** manpower initiative to help them to **ease into new policy requirements**.

Businesses also foresee positive impacts from increase in retirement and re-employment age as well as the series of training support.

Other Measures:

- 39% Increase Progressive Wage Credit Scheme (PWCS) co-funding support for wage increases in 2024
- 39% Introduce Tripartite Guidelines on Flexible Work Arrangement Requests for effective implementation
- 31% Up to \$3,000 monthly SkillsFuture Mid-Career Training Allowance for up to 24 months
- 29% Enhance CareersFinder to enable greater recognition and reward for skills in hiring and career advancement
- 27% Increase in wage ceiling for Progressive Wage Credit Scheme (PWCS) Co-Funding in 2025 and 2026

Top 5 Beneficial Budget 2024 Manpower Initiatives



Base: All Respondents, n=796 (2024)
 Q13 Which of the following new or enhanced manpower-related initiatives announced during Singapore Budget 2024 will likely benefit your company?



Both SMEs and Large Companies Appreciate Support for Employer CPF Contribution and Training Provisions

Large Companies also foresee benefits from FWA guidelines.



SMEs

Base: 650



Increase senior workers' CPF contribution rates and provide a **one-year CPF transition offset**

58%



Raise retirement age to 64 and re-employment age to 69 in 2026.

45%



Increase salary support cap for the Career Conversion Programmes (CCPs)

41%



Expand eligibility for **CCP's reskilling support** for existing workers.

40%



Increase Progressive Wage Credit Scheme (PWCS) co-funding support for wage increases in 2024

40%



LARGE COMPANIES

Base: 146



Increase senior workers' CPF contribution rates and provide a **one-year CPF transition offset**

66%



Raise retirement age to 64 and re-employment age to 69 in 2026.

51%



Introduce **Tripartite Guidelines** on Flexible Work Arrangement Requests for effective implementation

43%



Increase salary support cap for the Career Conversion Programmes (CCPs)

39%

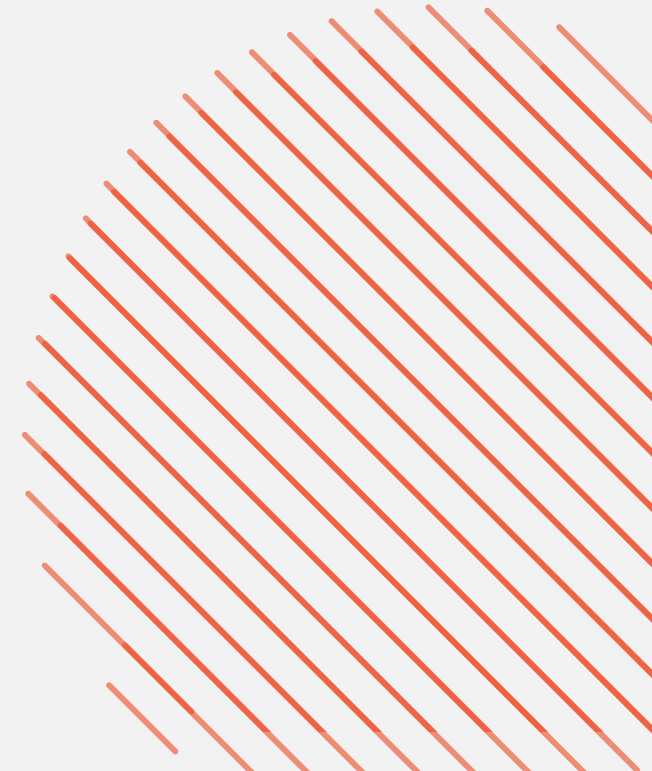


Expand eligibility for **CCP's reskilling support** for existing workers

39%


SECTION 3

Manpower Adjustments

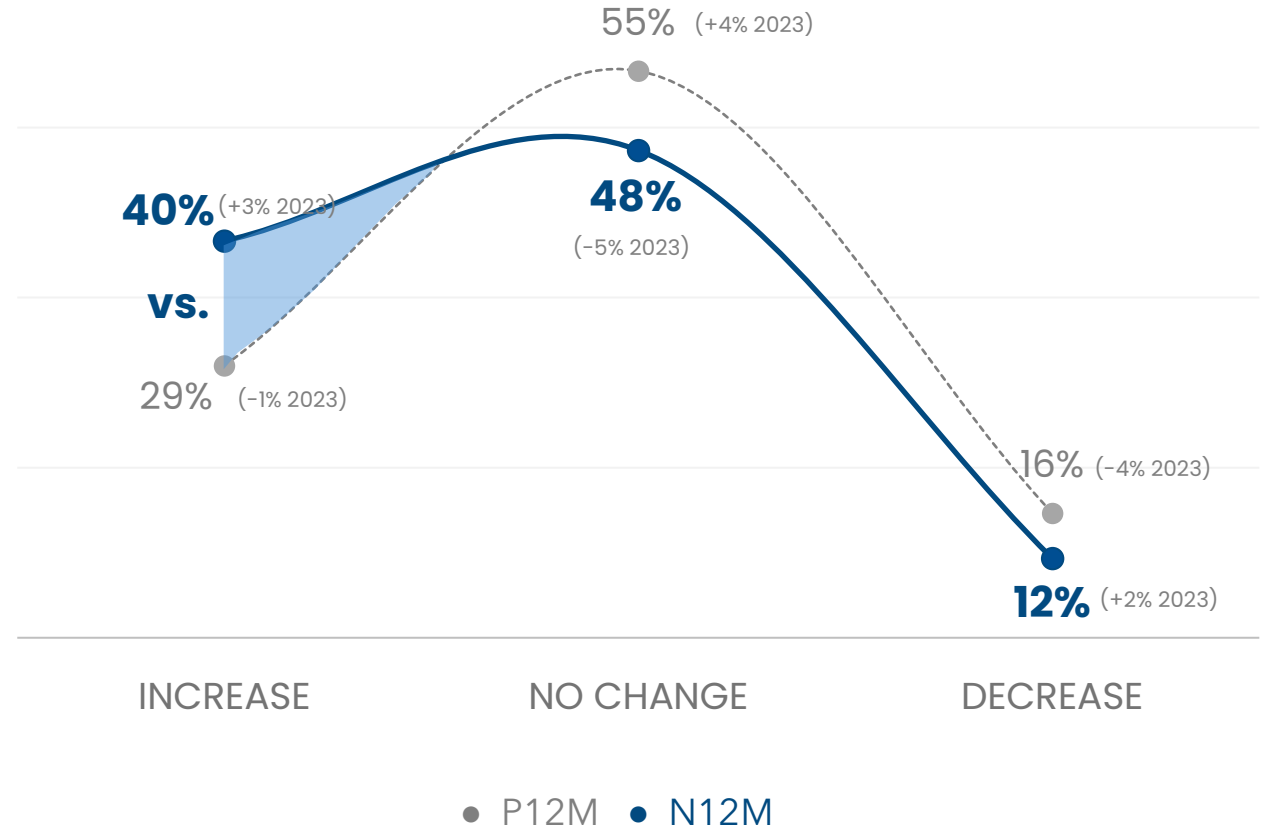


40% of businesses expect to **increase** their full-time employee base in the next 12 months, up from 29% in 2023.

However, the other 48% of businesses will maintain their current staffing levels, reflecting caution amid the current economic climate.

12% are looking to cut back on their full-time staff in the next 12 months.

Manpower Adjustments for Full-Time Employees

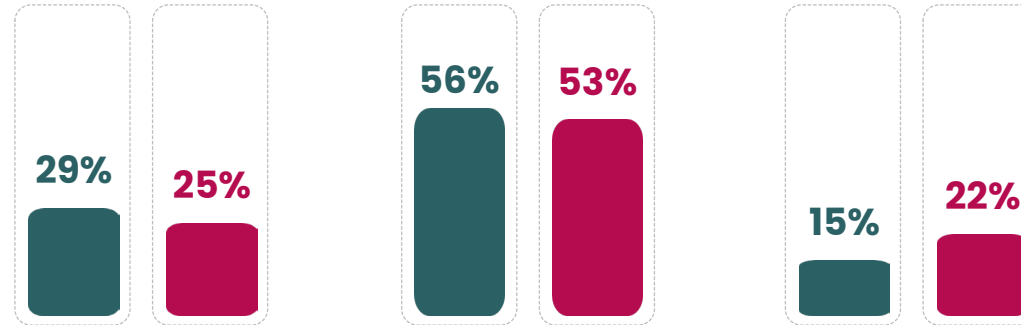


++ Higher Proportion of SMEs Expected to Increase Hiring

LAST
12 MONTHS

 **SMEs**
Base = 650

 **LARGE COMPANIES**
Base = 146



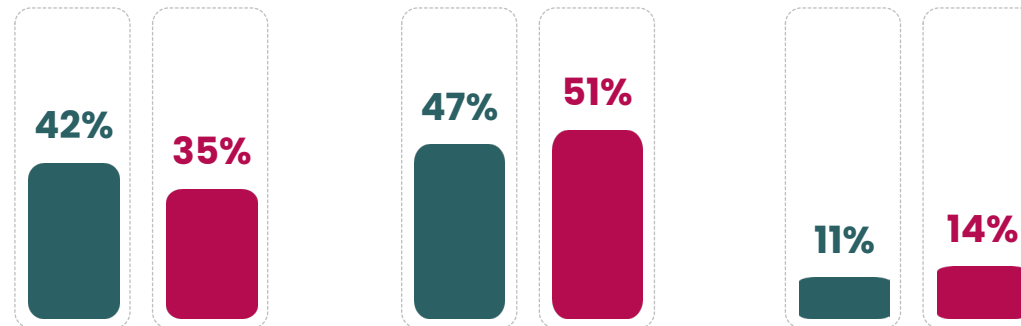
vs.

INCREASE **NO CHANGE** **DECREASE**

NEXT
12 MONTHS

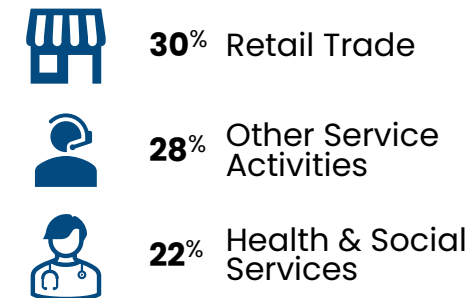
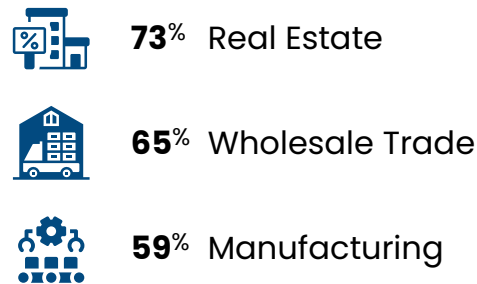
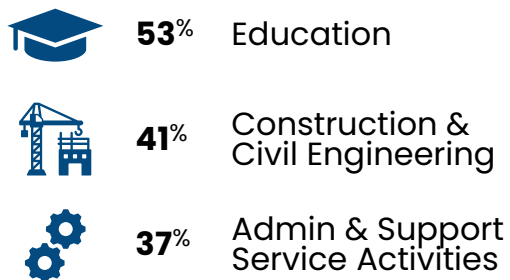
 **SMEs**
Base = 650

 **LARGE COMPANIES**
Base = 146



More Businesses in Education, Banking & Insurance, and IT & Related Services Sectors Plan to Continue Expanding Their Workforce

**LAST
12 MONTHS**



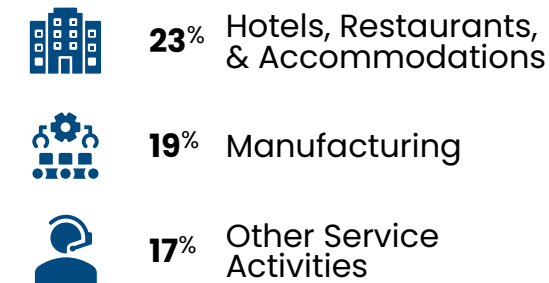
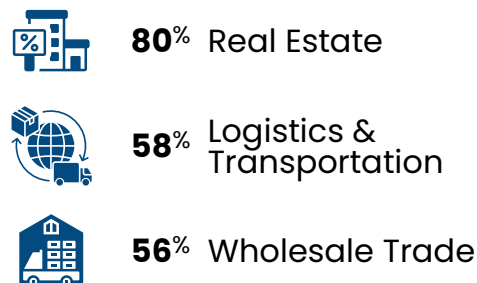
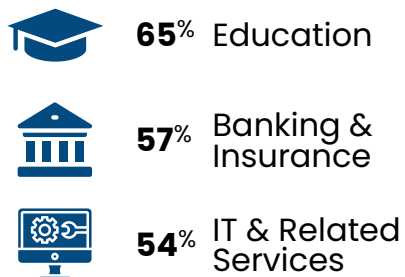
vs.

INCREASE

THE SAME

DECREASE

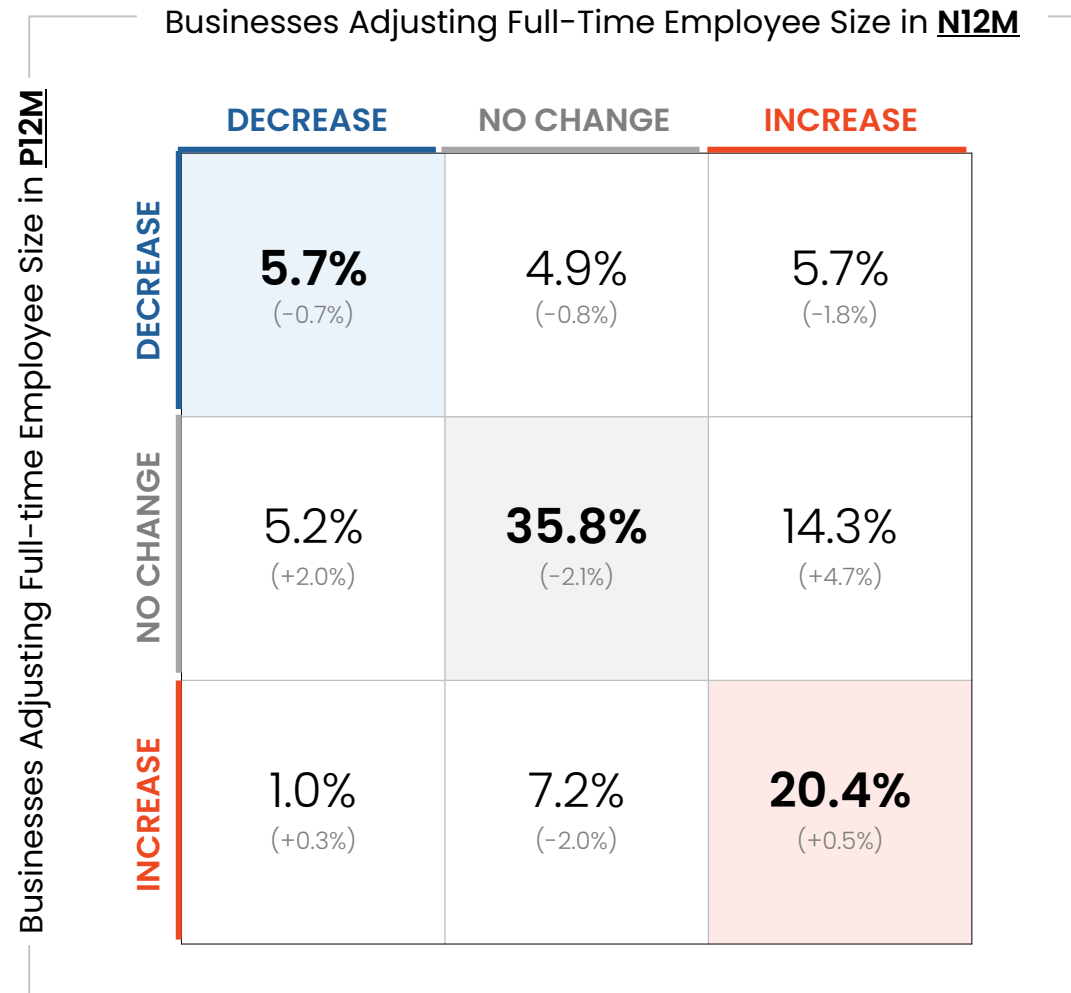
**NEXT
12 MONTHS**



+ 1 In 5 Businesses Intend to Continue Growing Their Full-time Workforce into the Next 12 Months

However, **nearly one-third** of businesses **remain cautious** and plan to **hold off on hiring** for another 12 months amid current business climate.

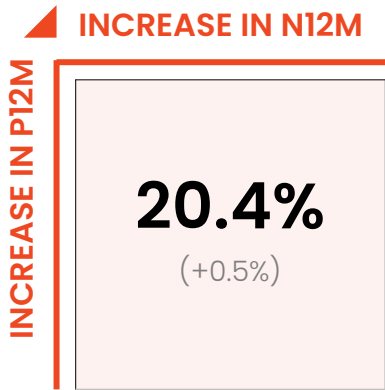
Furthermore, 14.3% of businesses plan to lift their hiring freeze and expand their workforce in the next 12 months, a 4.7% uptick from 2023.



Decimal points have been rounded up. The total may not add up to 100%.

% By Industry

Education*	53%
Construction and Civil Engineering	37%
Administrative and Support Service Activities*	33%
Health and Social Services*	33%
Hotels, Restaurants & Accommodations*	28%
Other Service Activities*	27%
IT & Related Services	26%
Banking & Insurance*	24%
Retail Trade*	21%
Professional Services	20%
Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	19%
Wholesale Trade	16%
Other Financial and Insurance Activities (e.g. Holding/Investment companies)	14%
Logistics & Transportation	14%
Others*^	5%
Real Estate Activities*	0%

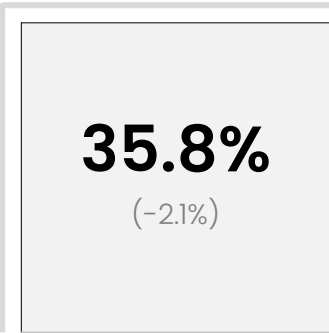


Increased manpower in **P12M** and **will increase** manpower in **N12M**

Real Estate, Wholesale Trade, Manufacturing Sector and Administration and Support Sectors See More Businesses Intending to Hold Off Hiring for Another 12 Months

NO CHANGE IN N12M

NO CHANGE IN P12M



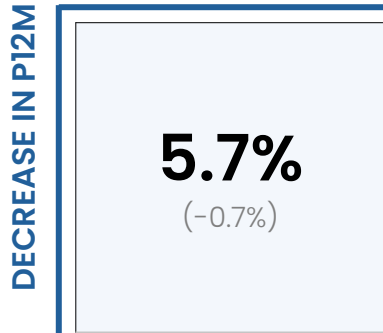
No change in manpower in **P12M** and in **N12M**

% By Industry

Other Service Activities	55%
Real Estate Activities	47%
Wholesale Trade	45%
Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	43%
Administrative and Support Service Activities	42%
Professional Services	38%
Logistics & Transportation	36%
Health and Social Services	33%
Hotels, Restaurants & Accommodations	32%
Other Financial and Insurance Activities (e.g. Holding/Investment companies)	29%
Construction and Civil Engineering	29%
Banking & Insurance	28%
IT & Related Services	26%
Retail Trade	21%
Education	18%
Others*	14%

The Hotels, Restaurants & Accommodations Sector Sees High Proportion of Businesses Planning to Continue Reducing Manpower over the Next 12 Months

DECREASE IN N12M



Reduced manpower in P12M and will reduce manpower in N12M

% By Industry

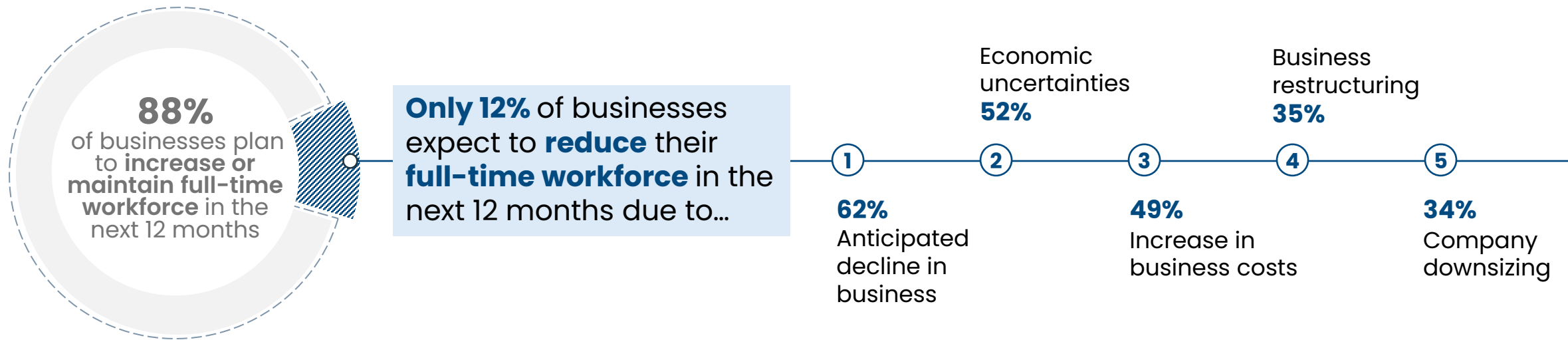
Other Service Activities*	27%
Hotels, Restaurants & Accommodations*	12%
Construction and Civil Engineering	11%
Health and Social Services*	11%
Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	8%
Banking & Insurance*	8%
IT & Related Services	7%
Retail Trade*	7%
Education *	6%
Wholesale Trade	5%
Logistics & Transportation	5%
Others* ^	5%
Other Financial and Insurance Activities (e.g. Holding/Investment companies)	2%
Professional Services	2%
Administrative and Support Service Activities*	0%
Real Estate Activities*	0%

*Scores should be interpreted with caution due to small base size

^Others (e.g. Agriculture and Fishing/Mining and Quarrying/Water Supply, Sewerage, Waste management/Public Administration and Defence/Arts, Entertainment and Recreation/ Electricity, Gas and Air-Conditioning Supply)

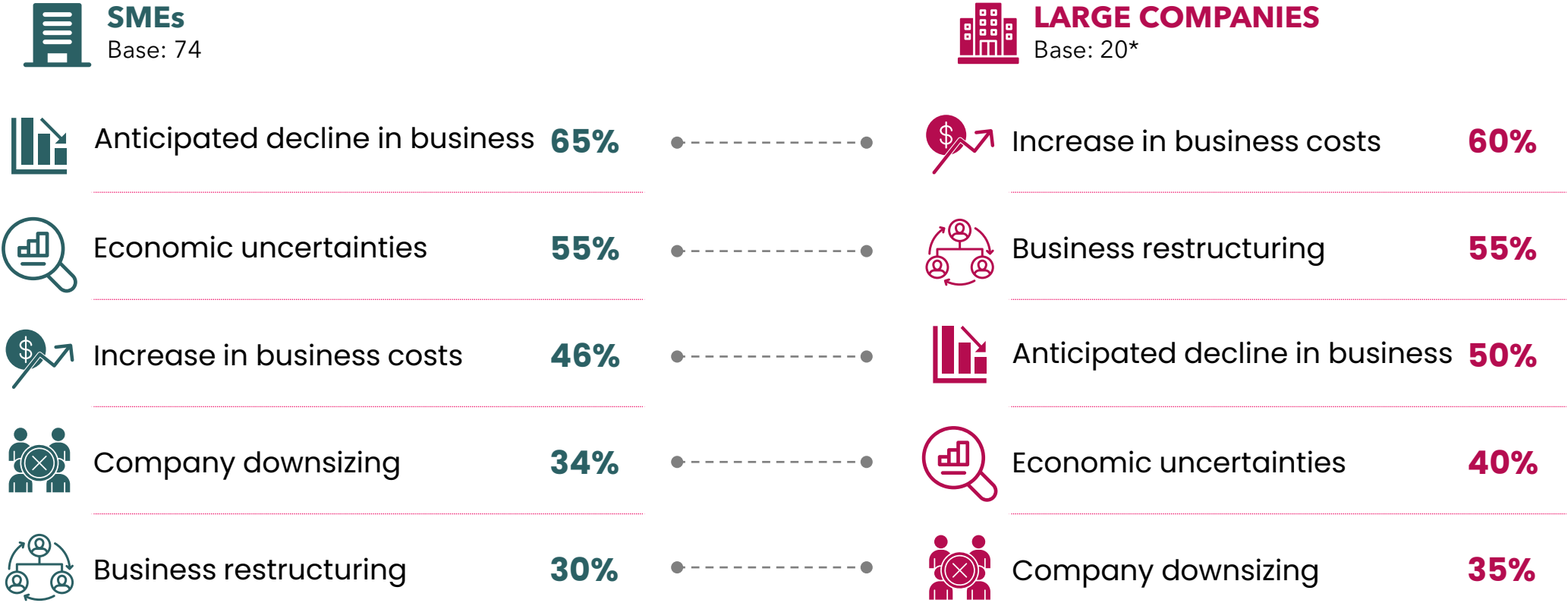
Decline in business, economic uncertainty and cost management are key factors impacting decisions to reduce manpower.

Among the causes of manpower reduction, organisational changes such as business restructuring (35%) and company downsizing (34%) stand out as the key secondary factors contributing to the decline.



+ Large Companies Lead in Manpower Reductions Due to Restructuring & Increased Business Costs

For SMEs, key drivers of manpower reductions are economic uncertainty and decline in business.



Businesses prioritise **competitive salaries, flexible work arrangements, and professional development opportunities** as the top strategies to appeal to local talents.

Other strategies include boosting employer brand (29%), providing clear articulation of progression tracks (25%) and implementing business transformation (24%).

Strategies To Attract & Retain Local Talent

	Provide competitive employee salary and benefits	64%
	Flexible work arrangement	53%
	Provide professional development & training	46%
	Strengthen employer brand	29%
	Articulate clear progression prospects to key leadership roles	25%
	Business transformation with manpower planning & development	24%
	Redesign jobs to make them more attractive	22%
	Align employee value proposition with ESG strategies	11%

+ SMEs and Large Companies Deploy Similar Strategies to Attract and Retain Local Talents



SMEs

Base: 650



Provide competitive employee salary and benefits package **63%**



Flexible work arrangement **52%**



Provide professional development & training for employees **43%**



Strengthen employer brand **27%**



Articulation of clear progression prospects leading to key leadership positions **25%**



LARGE COMPANIES

Base: 146



Provide competitive employee salary and benefits package **66%**



Flexible work arrangement **60%**



Provide professional development & training for employees **59%**



Strengthen employer brand **35%**

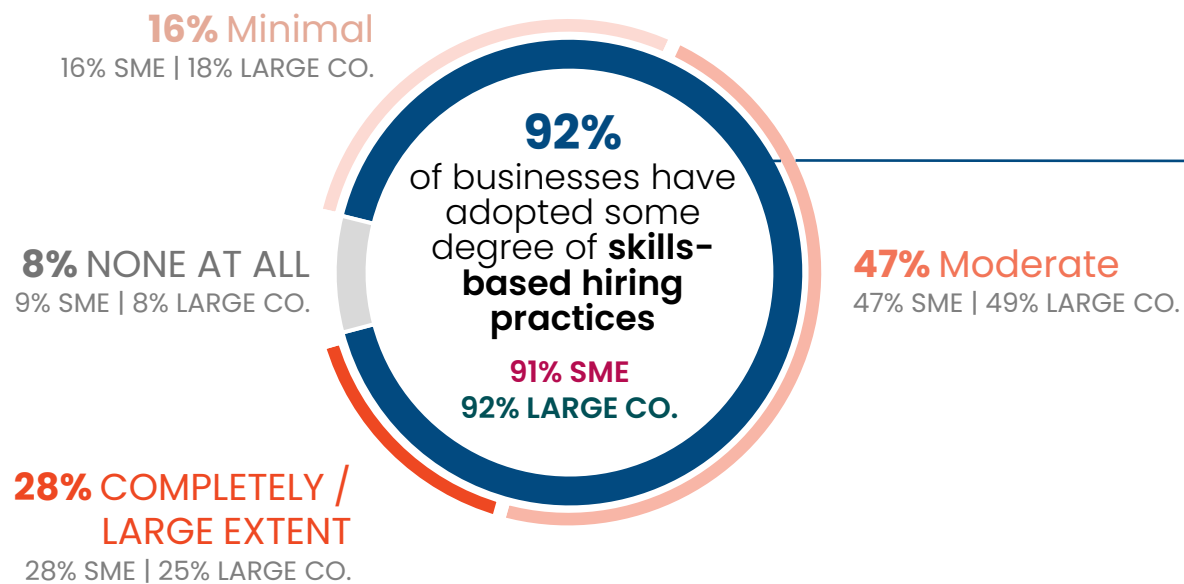


Business transformation through manpower planning and development **27%**

+ Majority of Businesses have Adopted Some Degree of Skills-based Hiring Practices

92% of businesses practise some degree of **skills-based hiring**, reflecting a shift towards more inclusive and effective strategies that meet **evolving workforce demands**.

Only 28% practise skills-based hiring completely or to a large extent, with the rest saying they either have no such practices or they do so to a minimal or moderate extent.



Resources Required to Improve Skills-based Hiring:

- 47%** Training & development programmes to enhance employees' skills
- 43%** Funding for technology/tools to enable skills-based hiring
- 37%** Developing industry-specific competencies for each role
- 35%** Guide on how to apply skills-based hiring practices
- 27%** Skills-based hiring related collaterals
- 26%** Engagement sessions
- 25%** Applicant tracking systems, talent recommenders
- 22%** Case studies

++
SECTION 4

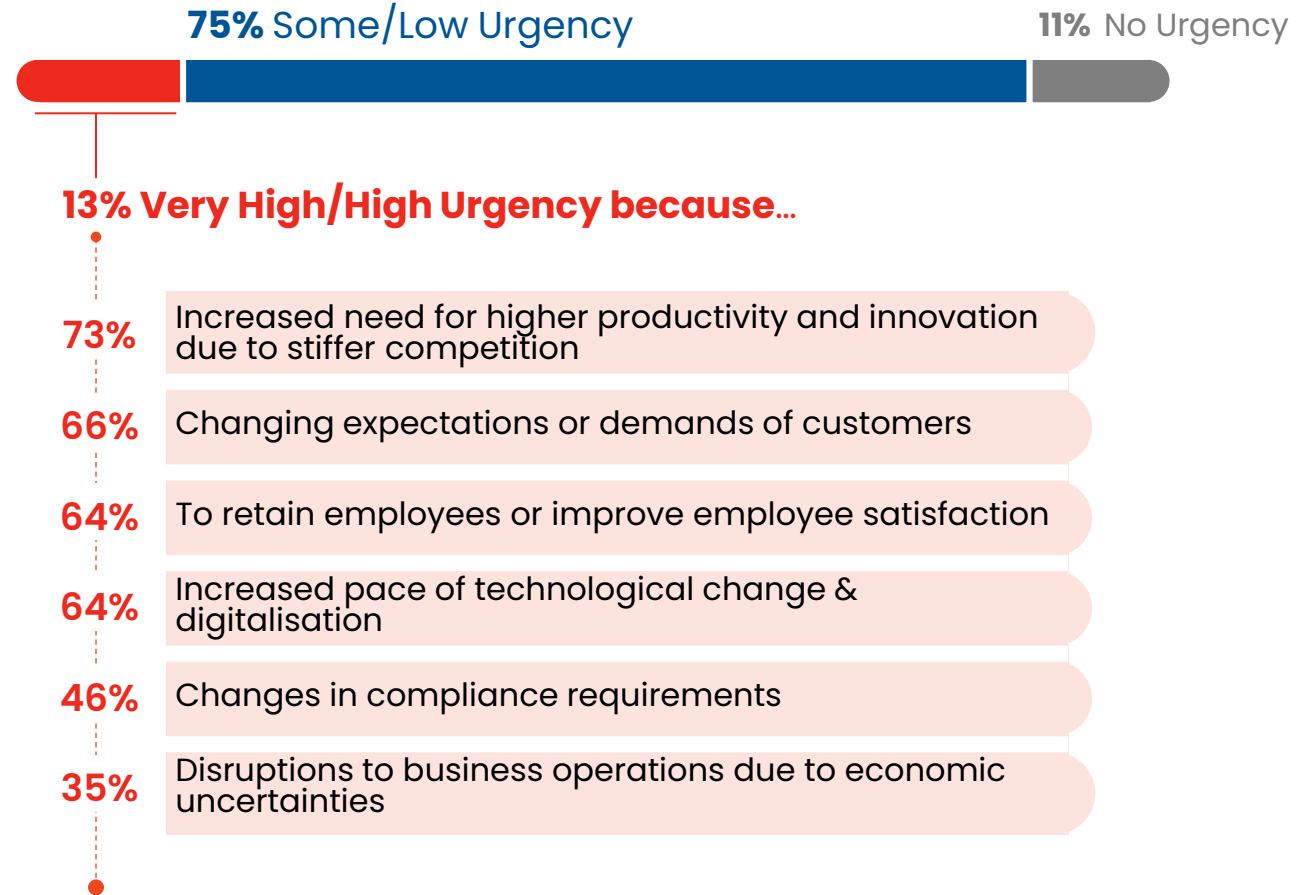
Training & Upskilling of Workforce



Most businesses (88%) recognise the need to **upskill employees**, but those with a heightened urgency are pushed by the need to **stay competitive**.

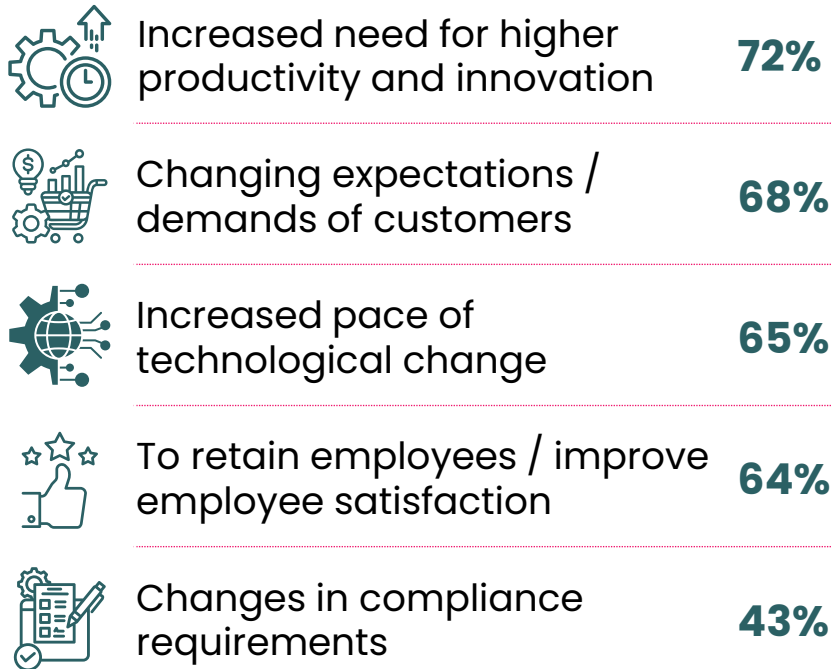
Other key drivers include: adapting to changing customer expectations (66%) and retaining employees while enhancing satisfaction (64%).

Level of Urgency in Reskilling/Upskilling Employees



+ Changing Customer Expectations Create a Stronger Drive for Upskilling among SMEs

SMEs Base: 88



LARGE COMPANIES Base: 19*



Businesses Rely on Skills Development Support Programmes More Than Any Other Type of Manpower Support

Usage of Support Programmes



41%

To **upskill** and **reskill employees**

- TOP 3 Used:
- SkillsFuture Course Fee Subsidies
 - SkillsFuture Enterprise Credit (SFEC)
 - WSG's Career Conversion Programmes (CCP)



18%

To hire **new employees**

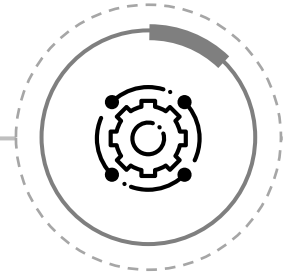
- TOP 3 Used:
- WSG's Career Conversion Programmes (CCP)
 - WSG's Mid-Career Pathways Programme
 - Other miscellaneous support



14%

To **strengthen HR capabilities** for transformation

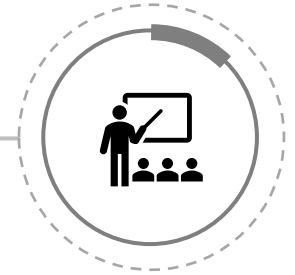
- TOP 3 Used:
- Institute for Human Resource Professionals IHRP Certification
 - Human Capital Diagnostic Tool (HCDT)
 - IHRP HR playbooks or reports



12%

For **job design and transformation**

- TOP 3 Used:
- WSG's Support for Job Redesign under Productivity Solutions Grant PSG-JR
 - SkillsFuture Singapore Jobs Skills Integrator Programme
 - NTUC's Company Training Committee Grant



12%

For **workplace training capabilities**

- TOP 3 Used:
- Workplace Skills Recognition Programme
 - Capability building programmes from the National Centre of Excellence for Workplace Learning
 - SkillsFuture Course Fee Subsidies

++ Across All Manpower Support Programmes, the Key Obstacle to Usage Is the Lack of Relevance or Applicability

Barriers to Usage of Support Programmes



To **upskill** and **reskill** employees

n=470

45% Unhelpful/Irrelevant

32% Lack Awareness

29% Lack Bandwidth



To hire **new** employees

n=655

49% Unhelpful/Irrelevant

29% Lack Awareness

25% Lack Bandwidth



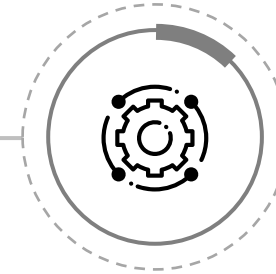
To **strengthen HR** capabilities for transformation

n=684

43% Unhelpful/Irrelevant

37% Lack Awareness

30% Lack Bandwidth



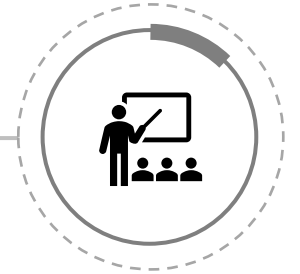
For **job design** and **transformation**

n=699

48% Unhelpful/Irrelevant

31% Lack Awareness

29% Lack Bandwidth



For **workplace training** capabilities

n=701

43% Unhelpful/Irrelevant

39% Lack Awareness

29% Lack Bandwidth

Implementation of Staff Training in P12M

Among businesses that have implemented training, more than half have offered a **combination of both formal and informal training** opportunities.

Additionally, informal training impacts more employees with an average of 5 in 10 employees having engaged in informal training compared to only 3 in 10 for formal training.

71% of businesses have **trained/upskilled/reskilled** their staff in the P12M.

(-13% 2023)

69% SMEs | **82%** Large Comp.

23% of businesses provided employees with **formal training only**
23% SMEs | **24%** Large Comp.



... of which **3.3 in 10** received training.

19% of businesses provided employees with **informal training only**
22% SMEs | **8%** Large Comp.



... of which **4.7 in 10** received training.

57% of businesses provided employees with **both**
54% SMEs | **67%** Large Comp.



... of which **4.3 in 10** received training.

Implementation of Staff Training in N12M

Growing number of businesses plan to implement a mix of both formal and informal training activities for employees in the next 12 months.

Especially among large companies, in which 81% expect to organise both formal and informal skills development training to staff.

74% of businesses plan to train/upskill/reskill their staff in the N12M.

73% SMEs | **82%** Large Comp.

13% of businesses Will provide employees with **formal training only**
14% SMEs | **10%** Large Comp.

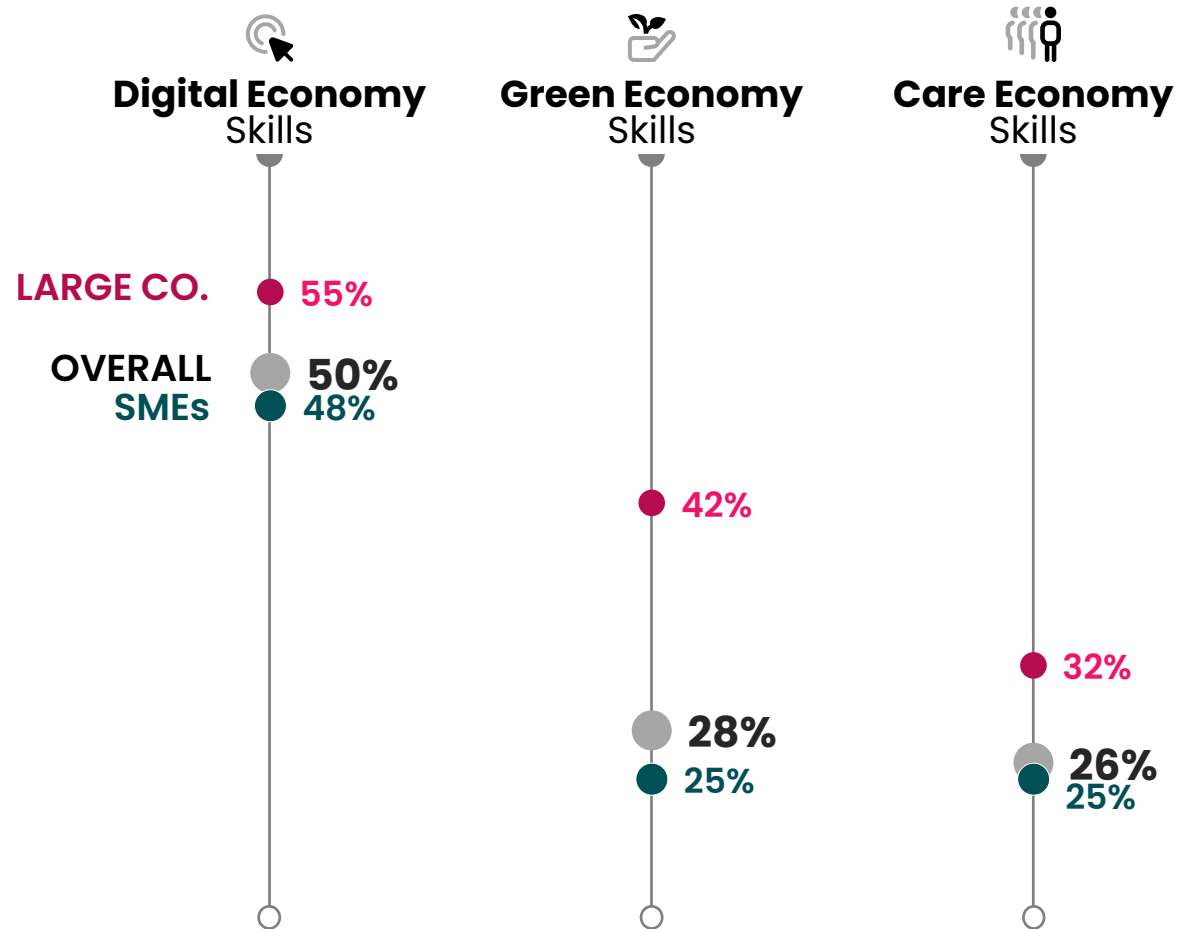
14% of businesses Will provide employees with **informal training only**
15% SMEs | **9%** Large Comp.

73% of businesses Will provide employees with **both**
71% SMEs | **81%** Large Comp.

With the shift towards a **digital economy**, both SMEs and Large Companies see a growing need for **digital expertise** to drive innovation and remain competitive.

Large companies also recognise green economy skills as a crucial emerging skillset.

Emerging Skillsets Needed





+ Businessess Worry that Staff Training Could Impact Operations and Incur High Costs


Aside from manpower and cost concerns, businesses also fear that they might not achieve the expected training benefits if employees leave the company after training (35%) or if the training lacks practical application to their business needs (32%).

Challenges Companies Face When Investing in Staff Training



55% Limited manpower resources to cover for staff



48% High training costs



35% Employees might not stay long enough for training to be beneficial


33% Lack of non-monetary resources to provide training

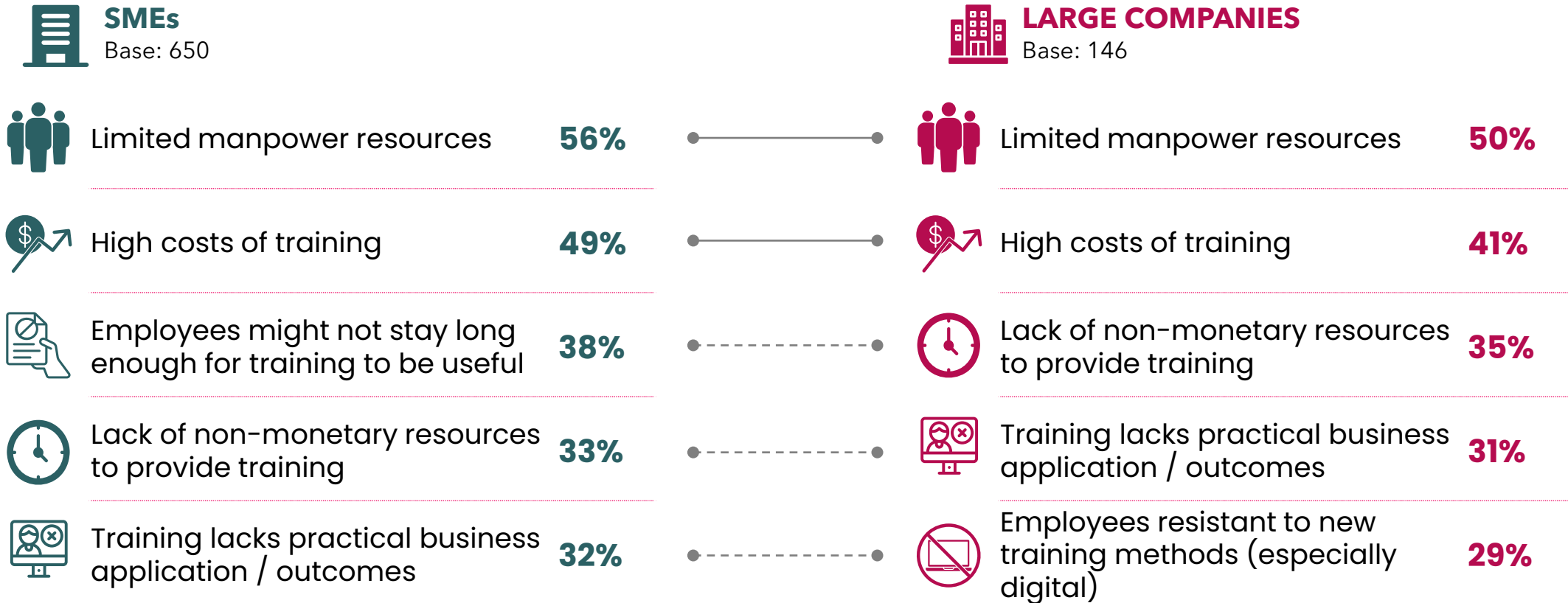

32% Training lacks practical business application / outcomes


30% Employees resistant to new training methods (especially digital)










25% Difficult to measure training ROI


19% Concerns that trained employees will be poached by competitors









+ Fear of Employees Leaving Before Training Becomes Useful Higher among SMEs



++ Challenges to Investing in Staff Training across Sectors

										
	OVERALL	Wholesale Trade	Other Financial & Insurance	Manufacturing	Professional Services	IT & Related Services	Construction & Civil Engr	Banking & Insurance	Logistics & Transportation	
	n=	796	176	98	99	94	39	74	23*	43
Limited manpower resources	55%	53%	45%	55%	49%	59%	53%	52%	58%	
High costs of training	48%	40%	40%	51%	54%	44%	58%	35%	47%	
Employees might not stay long enough for training to be useful	35%	33%	26%	28%	43%	51%	45%	17%	35%	
Lack of non-monetary resources to provide training	33%	28%	28%	36%	43%	41%	26%	35%	23%	
Training lacks practical business application / outcomes	32%	33%	35%	33%	34%	23%	27%	13%	21%	
Employees resistant to new training methods (especially digital)	30%	28%	27%	36%	22%	18%	32%	35%	26%	
Difficult to measure training ROI	25%	25%	16%	27%	18%	38%	26%	30%	16%	
Concerns that trained employees will be poached by competitors	19%	12%	13%	18%	28%	33%	31%	9%	16%	

++ Challenges to Investing in Staff Training across Sectors

	OVERALL	 Admin & Support Services	 Retail Trade	 Hotels, Restaurants & Accommodation	 Real Estate Activities	 Others	 Health & Social Services	 Education	 Other Service Activities
n=	796	27*	23*	26*	15*	15*	9*	17*	18*
Limited manpower resources	55%	67%	78%	73%	40%	40%	89%	71%	61%
High costs of training	48%	59%	48%	58%	47%	53%	67%	47%	56%
Employees might not stay long enough for training to be useful	35%	30%	43%	50%	27%	20%	33%	41%	44%
Lack of non-monetary resources to provide training	33%	37%	48%	46%	27%	47%	33%	24%	33%
Training lacks practical business application / outcomes	32%	48%	39%	38%	20%	40%	22%	53%	33%
Employees resistant to new training methods (especially digital)	30%	30%	43%	38%	33%	20%	56%	59%	39%
Difficult to measure training ROI	25%	37%	30%	35%	13%	13%	44%	53%	22%
Concerns that trained employees will be poached by competitors	19%	19%	22%	31%	0%	13%	22%	18%	6%

Cost support, manpower assistance, and enhanced flexibility in training programmes will drive greater investment in staff training by businesses.

Businesses also seek financial assistance to create in-house structured training programmes (38%) that cater to their specific needs and offer greater accessibility to employees.

Top 5 Support Needed For Providing Staff Training

- 52%** Support schemes that can **defray high cost of training**
- 48%** **Financial assistance** to offset other business costs in other areas
- 44%** **Manpower support** when staff goes for training
- 41%** **More flexible and accessible training programmes** that can cater to the needs of workers
- 38%** **Financial assistance** for in-house facilitated / workplace structured training

+ Similar Training Support Measures Sought by SMEs and Large Companies



SMEs

Base: 650



Support schemes that can defray high cost of training **55%**



Financial assistance to offset other business costs in other areas **50%**



Manpower support when staff goes for training **45%**



More flexible and accessible training programmes that can cater to the needs of workers **42%**



Financial assistance for in-house facilitated / workplace structured training **38%**



LARGE COMPANIES

Base: 146



Support schemes that can defray high cost of training **41%**



Manpower support when staff goes for training **41%**



Financial assistance to offset other business costs in other areas **38%**



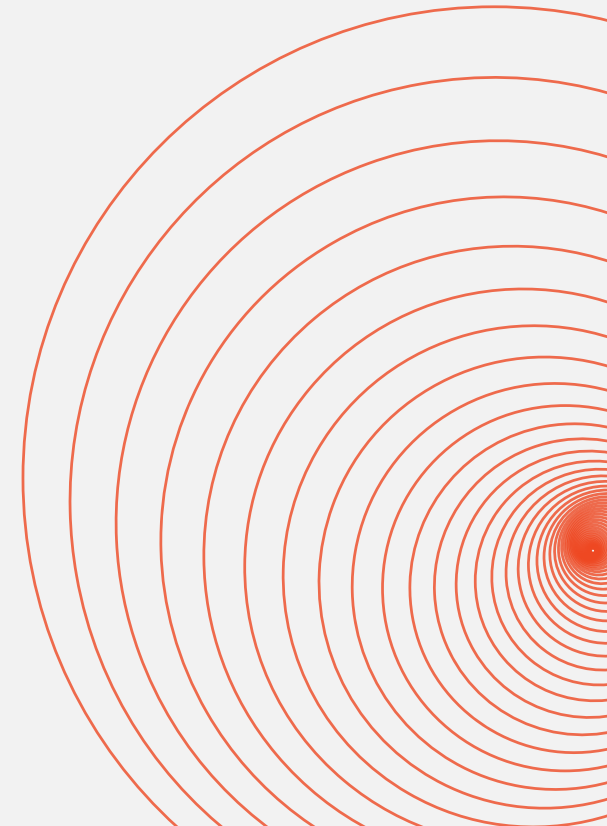
Financial assistance for in-house facilitated / workplace structured training **36%**



More flexible and accessible training programmes that can cater to the needs of workers **36%**

++
SECTION 5

Career Planning & Job Redesign



+ Close to 2 in 5 Businesses Have Provided Staff with Career Planning in the Past 12 Months

Among the businesses that have offered career planning, more than half provided a mix of **both formal and informal career planning**.

Meanwhile, a third of businesses (33%) have only provided informal career planning to their employees.

Implementation of Career Planning in P12M

36% of businesses have **provided career planning** to their staff in the P12M.

35% SMEs | **40%** Large Comp.

6% of businesses provided employees with **Structured career planning only**

5% SMEs | **9%** Large Comp.



... of which **5.7 in 10** received career planning.

33% of businesses provided employees with **Informal career planning only**

34% SMEs | **28%** Large Comp.



... of which **3.9 in 10** received career planning.

61% of businesses provided employees with **both forms of career planning**

60% SMEs | **64%** Large Comp.



... of which **3.6 in 10** received career planning.

+ Lack of Resources is the Primary Reason Businesses Did Not Provide Structured Career Planning

Businesses that have implemented structured career planning indicated their key drivers were to enhance **morale**, improve **work planning efficiency**, and increase **retention rates**.

24%

Offered structured career planning, because...



76%

For better employee **morale or engagement**



60%

For more effective **workforce planning**



48%

For higher **retention rates**



21%

To lower business cost due to **lower attrition rates**



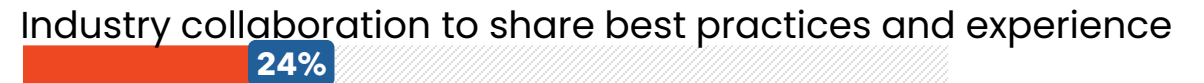
76%

Did not offered structured career planning, because...

- 31%** Lack of non-monetary resources for implementation
- 26%** Not aware of the need for this
- 23%** Employees will not stay long enough for it to be useful
- 22%** Concern about cost of implementation
- 22%** Do not find structured career planning useful
- 20%** Employees not interested in career planning
- 13%** Difficulty in getting management support

Around half of businesses seek **training** and **guidance** on effective implementation of structured career planning, as well as financial support to manage **implementation costs**.

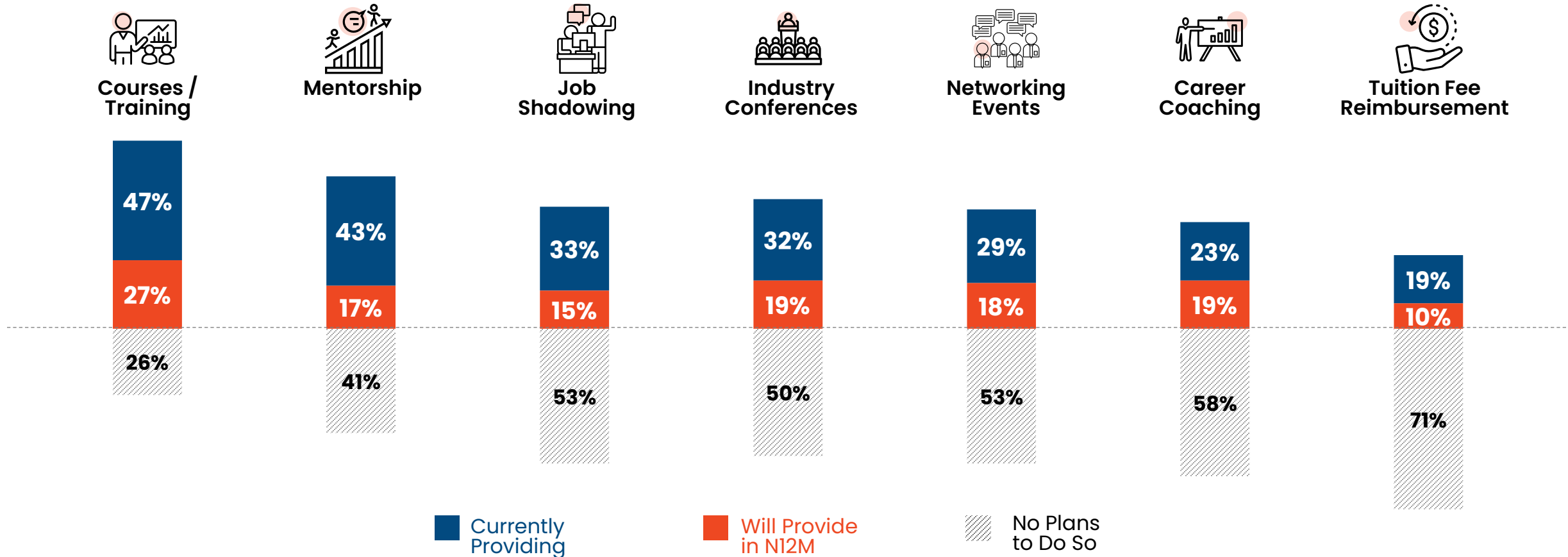
Support Needed for Implementing Structured Career Planning



+ Training and Mentorship Continue to be the Primary Career Development Opportunities Offered

Businesses also plan to support career growth through job shadowing, industry conferences and networking events.

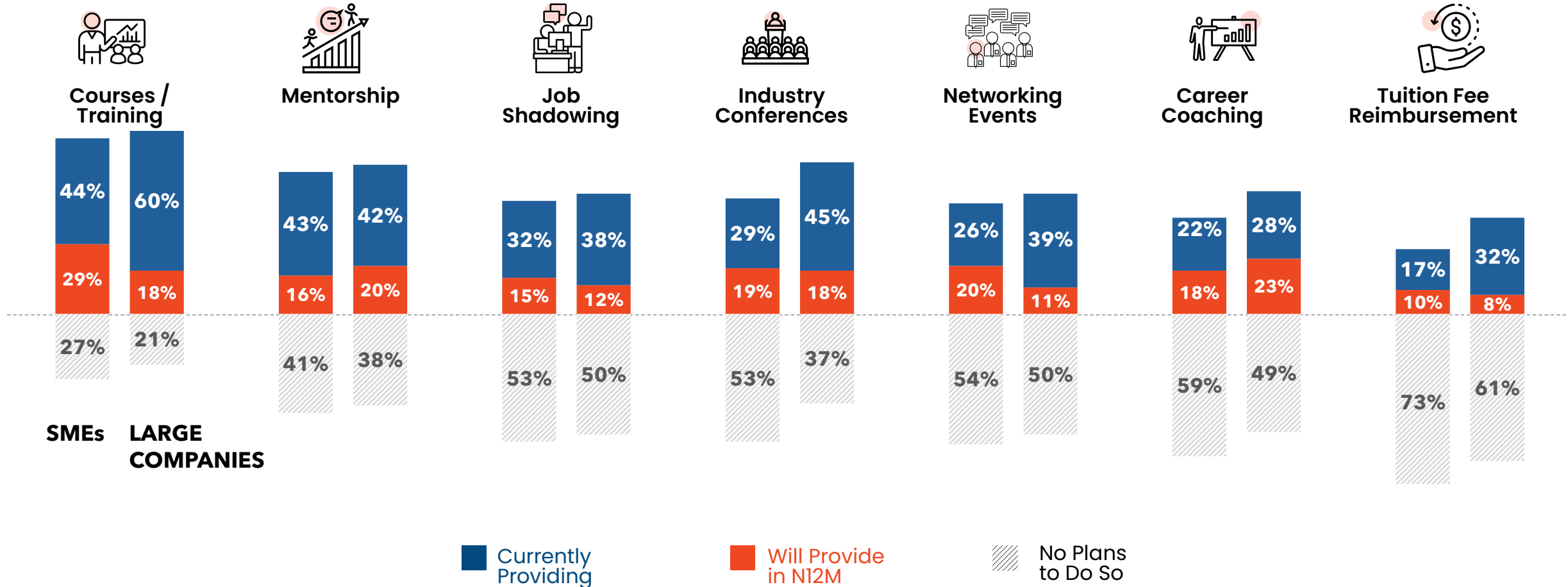
Career Development Opportunities for Employees in N12M



++ Large companies are Currently Offering More Training, Conference, and Networking Opportunities

While more SMEs plan to provide training (29%) and networking events (20%) opportunities to employees.

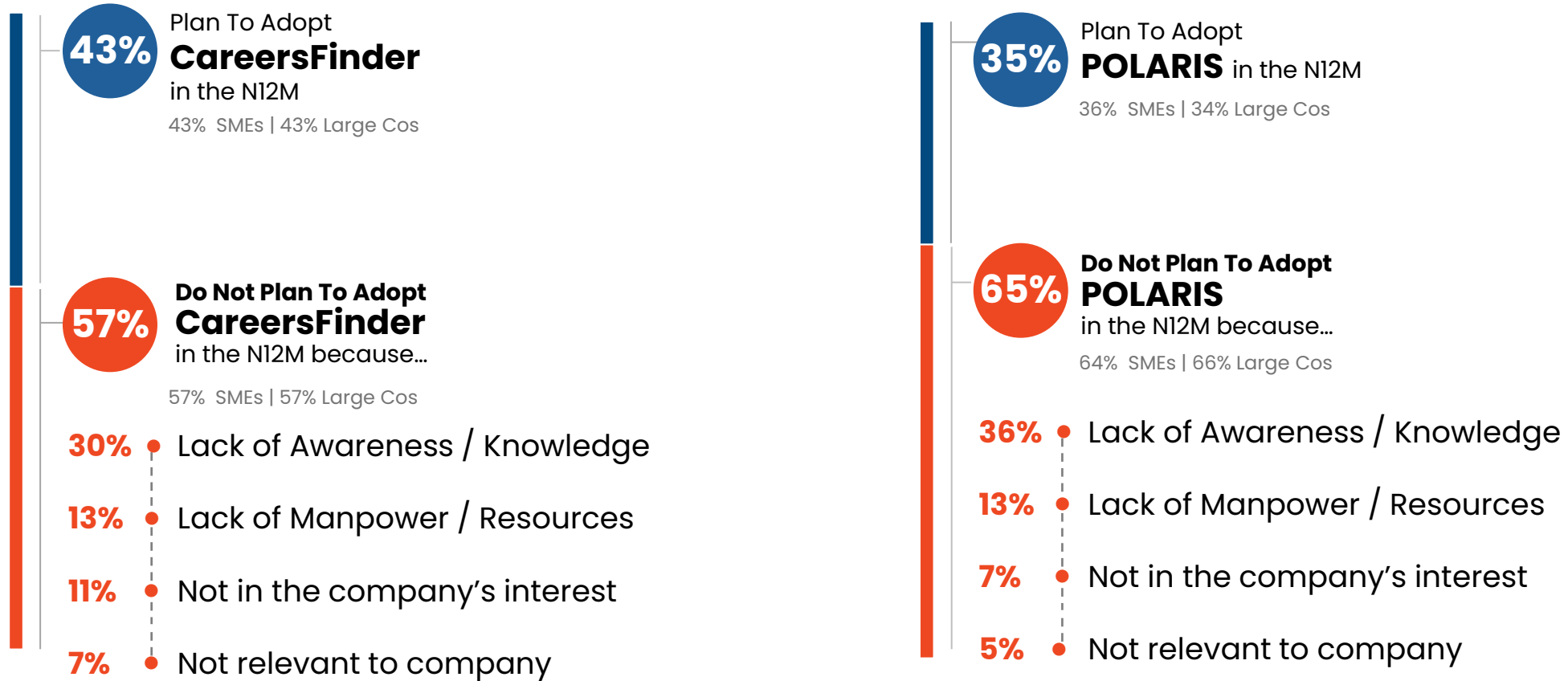
Career Development Opportunities for Employees in N12M



+ Higher Adoption Interest in WSG's CareersFinder Programme among Businesses

Low awareness of the WSG Career Health Programmes is the key barrier to adoption.

Implementation of WSG's Career Health Programmes in N12M



CareersFinder by MyCareersFuture

Lack of Awareness / Knowledge

Not clear on program description and what added benefits there are compared to what we already do

LARGE CO., BANKING & INSURANCE

Unaware and lack of understanding, no experience.

SME, OTHER SERVICES

Lack of Manpower / Resources

Lack of manpower to cover the work during staff training

SME, LOGISTICS & TRANSPORTATION

No resources to oversee the programme

SME, HOTELS, RESTAURANTS, AND ACCOMMODATIONS

Not relevant to the Company

Not relevant to our company size and industry.

SME, PROFESSIONAL SERVICES

Polaris

Lack of Awareness / Knowledge

Unaware of the program and how it will benefit the company

LARGE CO., CONSTRUCTION & CIVIL ENGINEERING

Lack of knowledge of availability of such programs

SME, OTHERS

Lack of Manpower / Resources

Lacking the expertise and time to manage such programs

LARGE CO., WHOLESALE TRADE

Resource constraint and prioritization of business ops

SME, HEALTH & SOCIAL SERVICES

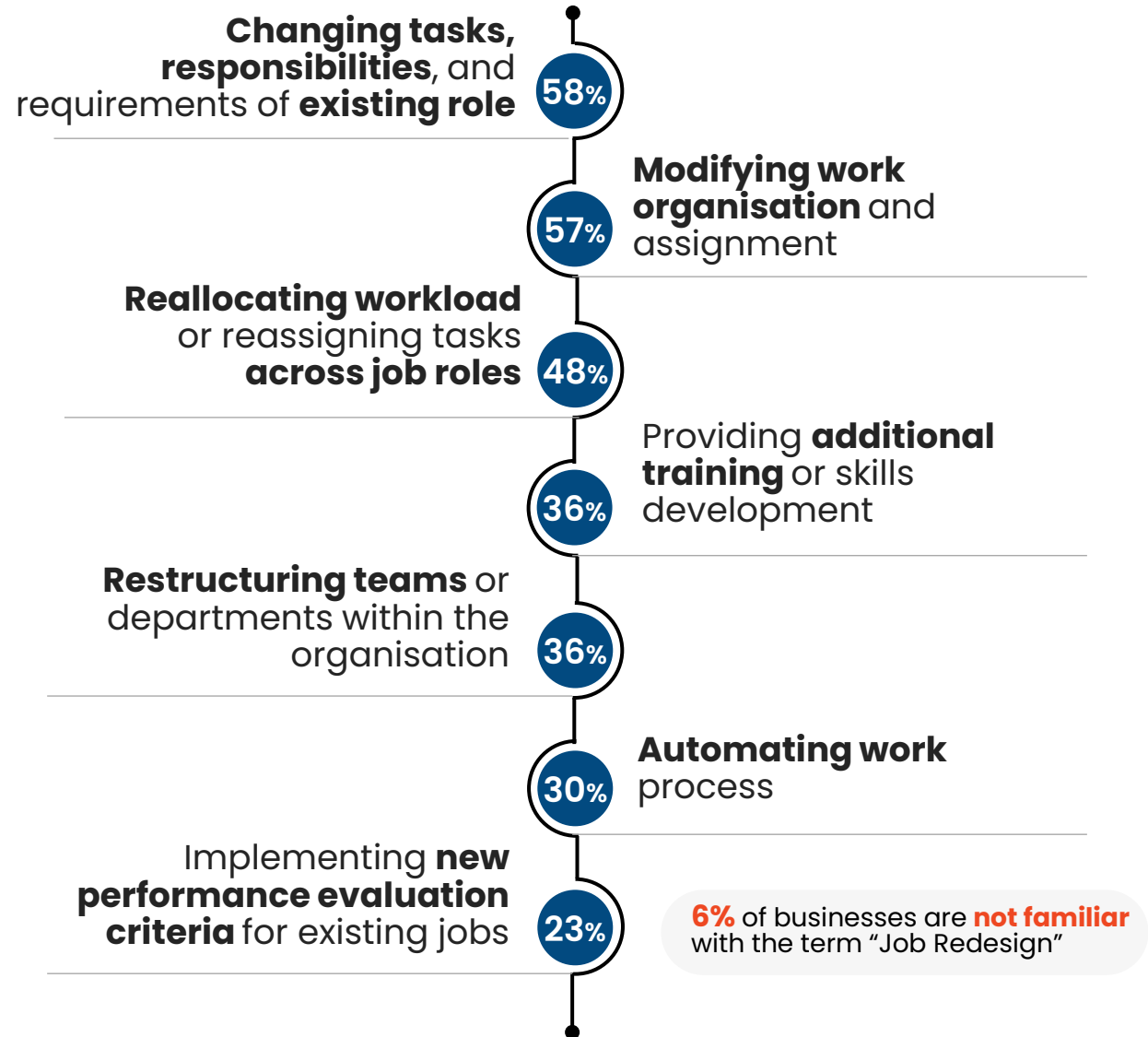
Not in the Company's Interest

Not employing, not useful for our company

SME, PROFESSIONAL SERVICES

Only **a third of businesses** view **technology adoption** and **automation** as integral to Job Redesign.

How Businesses Define Job Redesign



+ Large Companies are More Inclined to Consider Automation as Part Of Job Redesign



SMEs

Base: 650



Changing the tasks, responsibilities, & requirements **56%**



Modifying work organisation and assignment **56%**



Reallocating workload or reassigning tasks across roles **48%**



Restructuring teams/ departments **37%**



Providing additional training or skills development **36%**



LARGE COMPANIES

Base: 146



Changing the tasks, responsibilities, & requirements **64%**



Modifying work organisation and assignment **62%**



Reallocating workload or reassigning tasks across roles **47%**



Automating work process **40%**



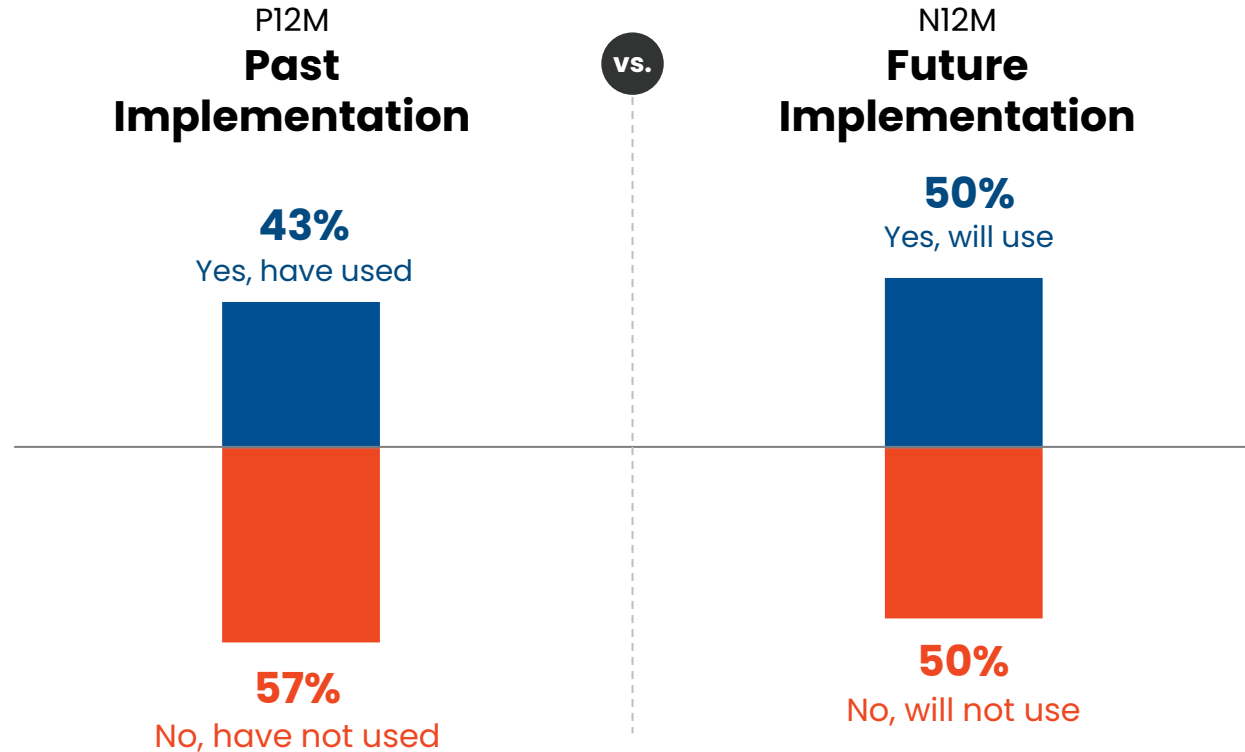
Providing additional training or skills development **38%**

28% for SMEs

34% for LCs

1 in 2 businesses recognise the need to implement Job Redesign initiatives in the next year to enhance **efficiency** and **productivity**.

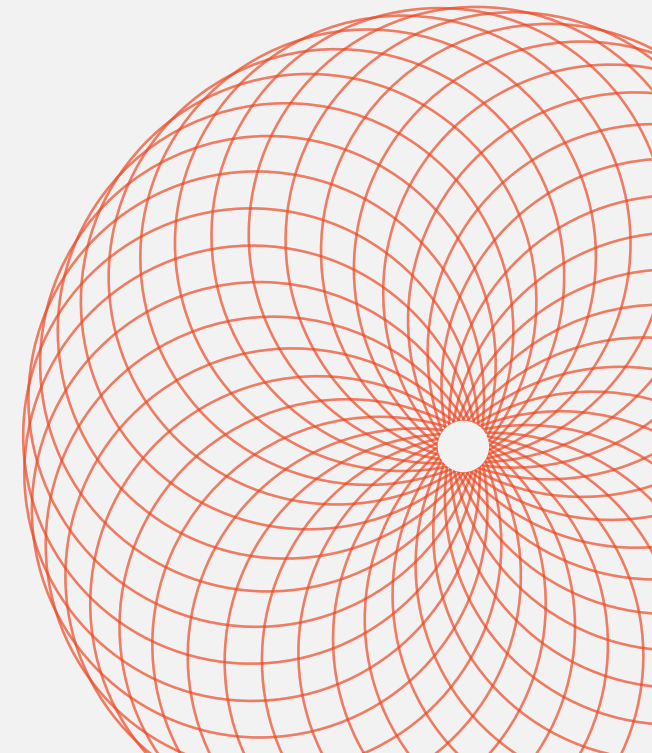
Implementation of Job Redesign





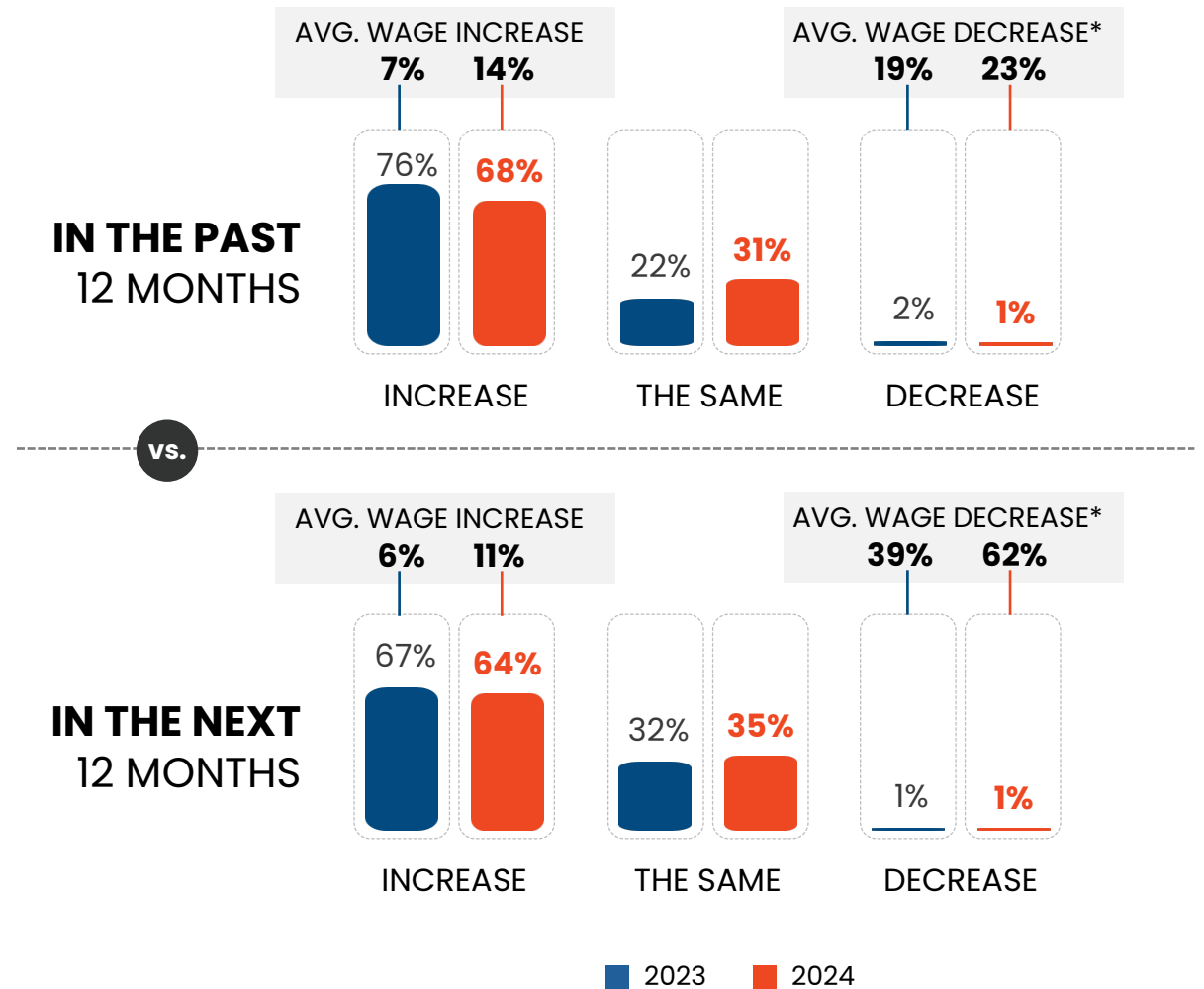
SECTION 6A

Wage Adjustments & Adoption of NWC Guidelines



35% of businesses intend to adopt a cautionary outlook and **maintain** the **current wage** levels without any adjustments.

Wage Adjustments for All Employees



+ More Large Companies Plan Wage Increases, While More SMEs Plan to Hold Wages Steady

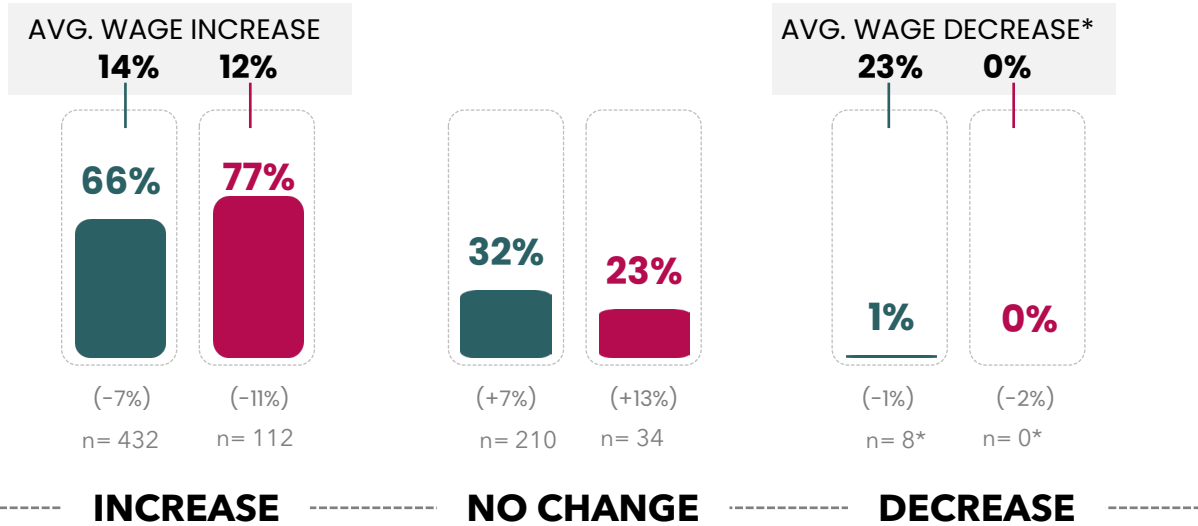
**LAST
12 MONTHS**



SMEs
Base = 650



LARGE COMPANIES
Base = 146



vs.

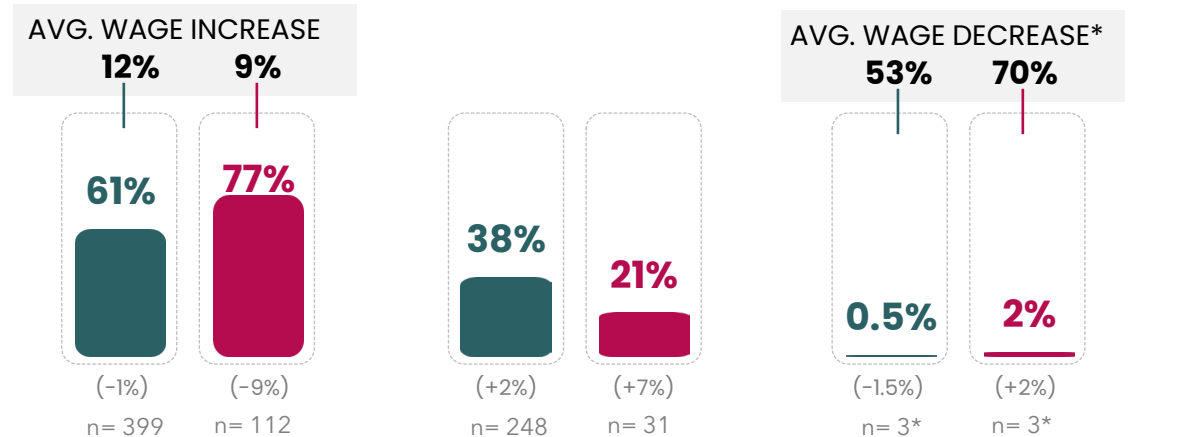
**NEXT
12 MONTHS**



SMEs
Base = 650



LARGE COMPANIES
Base = 146



Banking & Insurance and Logistics & Transportation Sectors Expect to Continue Wage Increases

LAST 12 MONTHS



vs.

INCREASE

THE SAME

DECREASE

NEXT 12 MONTHS



+ Over Half of Businesses Intend to Continue Increasing Wages over the Next 12 Months

24% of businesses will exercise wage restraint, up 8% from last year.

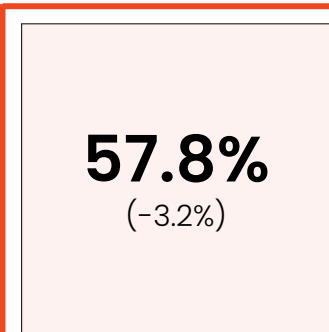
Businesses Adjusting Wages for All Employees in **N12M**

		DECREASE	NO CHANGE	INCREASE
Businesses Adjusting Wages for All Employees in P12M	DECREASE	0.0% (-0.7%)	0.8% (+0.4%)	0.3% (-0.7%)
	NO CHANGE	0.6% (+0.2%)	23.9% (+8.3%)	6.2% (+0.5%)
	INCREASE	0.1% (-0.3%)	10.4% (-4.5%)	57.8% (-3.2%)

+ More Businesses in the Banking & Insurance, Logistics & Transportation, and Education Sectors Expect to Continue Expanding Wages

INCREASE IN N12M

INCREASE IN P12M



Increased wages for all employees in **P12M** and **will increase** wages for all employees in **N12M**

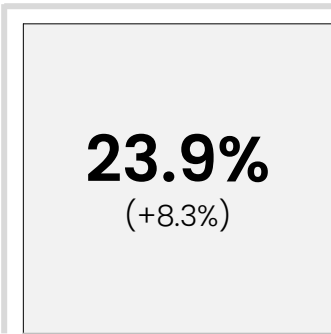
% By Industry

Banking & Insurance*	83%
Logistics & Transportation	77%
Other Service Activities*	72%
Education*	71%
Real Estate Activities*	67%
Retail Trade*	65%
Construction and Civil Engineering	61%
Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	57%
Wholesale Trade	56%
Other Financial and Insurance Activities (e.g. Holding/Investment companies)	56%
IT & Related Services	54%
Administrative and Support Service Activities*	52%
Professional Services	50%
Hotels, Restaurants & Accommodations*	50%
Health and Social Services*	44%
Others*^	33%

Professional Services, Admin, and Retail Trade Sectors See More Businesses Intending to Hold Wages Steady for Another 12 Months

NO CHANGE IN N12M

NO CHANGE IN P12M



No change in wages of all employees in **P12M** and in **N12M**

% By Industry

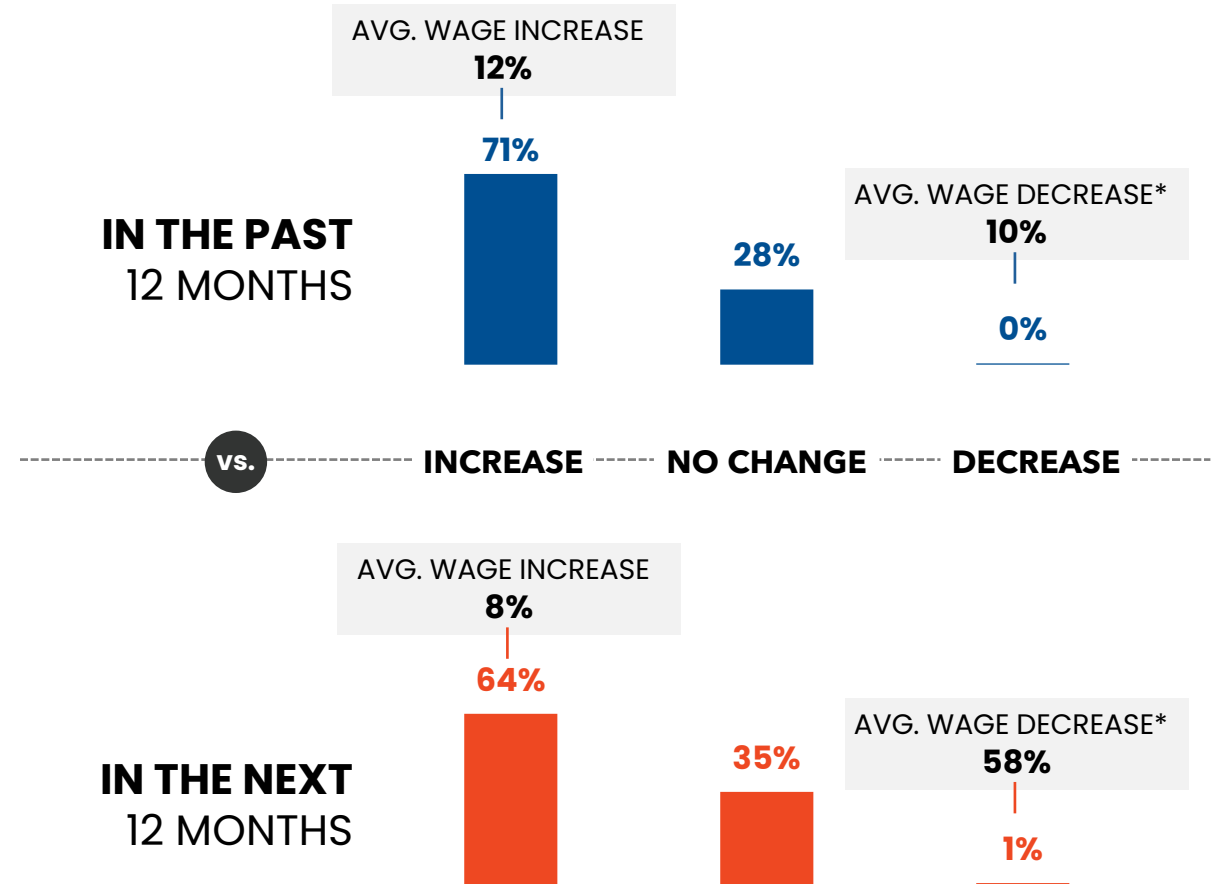
Professional Services	33%
Administrative and Support Service Activities*	30%
Retail Trade*	30%
Wholesale Trade	28%
Hotels, Restaurants & Accommodations*	27%
Real Estate Activities*	27%
Others*^	27%
Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	25%
Health and Social Services*	22%
Other Financial and Insurance Activities (e.g. Holding/Investment companies)	21%
Construction and Civil Engineering	18%
Other Service Activities*	17%
Logistics & Transportation	16%
IT & Related Services	13%
Education*	12%
Banking & Insurance*	9%

*Scores should be interpreted with caution due to small base size

^Others (e.g. Agriculture and Fishing/Mining and Quarrying/Water Supply, Sewerage, Waste management/Public Administration and Defence/Arts, Entertainment and Recreation/ Electricity, Gas and Air-Conditioning Supply)

Similarly, **35% of businesses** intend to exercise caution in their wage policies and will **maintain current wage levels** for lower-wage workers.

Wage Adjustments for Lower-Wage Workers

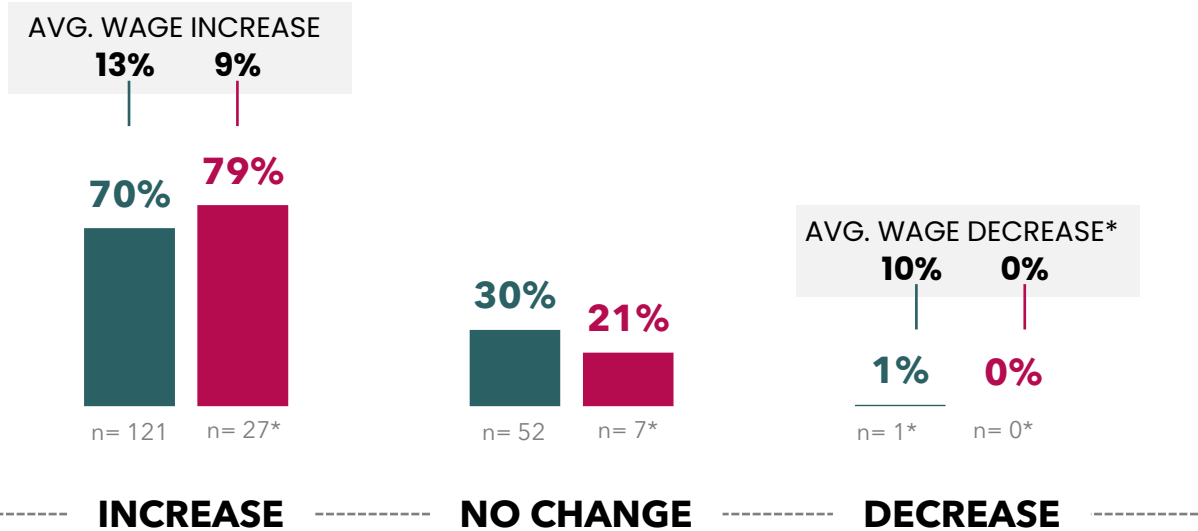


+ More Large Companies Plan to Raise Wages for Lower-Wage Workers

**LAST
12 MONTHS**

SMEs
Base = 174

LARGE COMPANIES
Base = 34

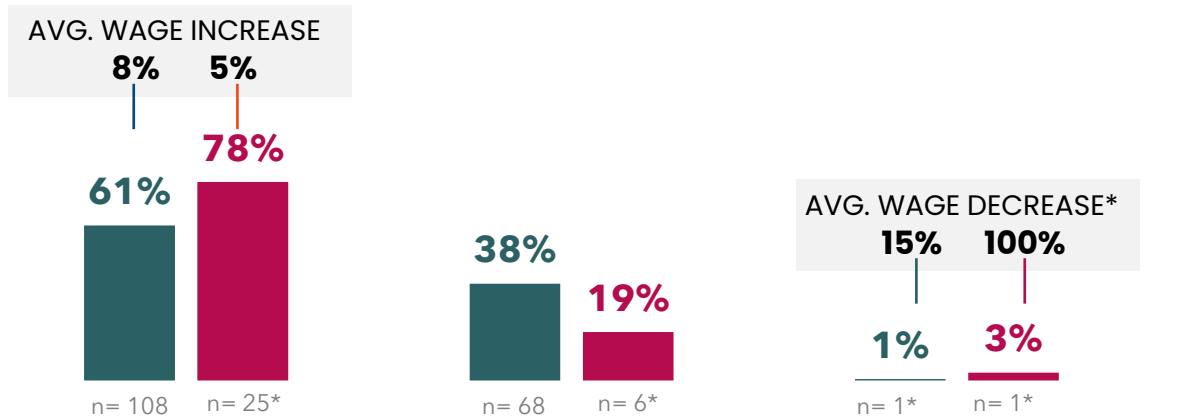


vs.

**NEXT
12 MONTHS**

SMEs
Base = 177

LARGE COMPANIES
Base = 32

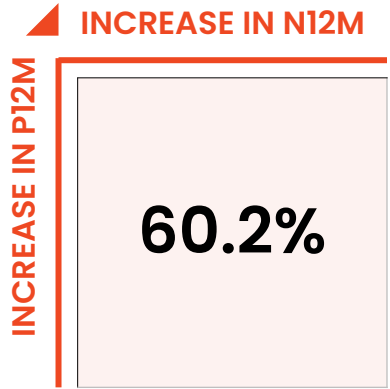


While **about 20%** of businesses intend to maintain **the same wage levels** among Lower-Wage Workers for another 12 months.

Businesses Adjusting Wages for LWWs in **N12M**

		DECREASE	NO CHANGE	INCREASE
Businesses Adjusting Wages for LWWs in P12M	DECREASE	0.0%	0.6%	0.0%
	NO CHANGE	0.0%	20.5%	6.0%
	INCREASE	0.0%	12.7%	60.2%

More Businesses in the Logistics & Transportation and Education Sectors Expect to Continue Expanding Wages for Lower-Wage Workers



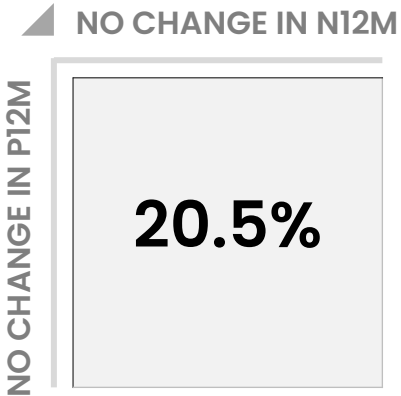
Increased wages for LWWs in **P12M** and **will increase** wages for LWWs in **N12M**

% By Industry

Logistics & Transportation	86%
Education*	80%
Construction and Civil Engineering	67%
Banking & Insurance*	67%
Other Financial and Insurance Activities	63%
Hotels, Restaurants & Accommodations*	62%
Others*^	60%
Retail Trade*	57%
Administrative and Support Service Activities*	56%
Manufacturing	55%
IT & Related Services	50%
Real Estate Activities*	50%
Other Service Activities*	50%
Wholesale Trade	42%
Professional Services	31%
Health and Social Services*	25%



Retail Trade and Professional Services See More Businesses Intending to Hold Wages Steady among Lower-Wage Workers for Another 12 Months



No change in wages of LWWs in **P12M** and in **N12M**

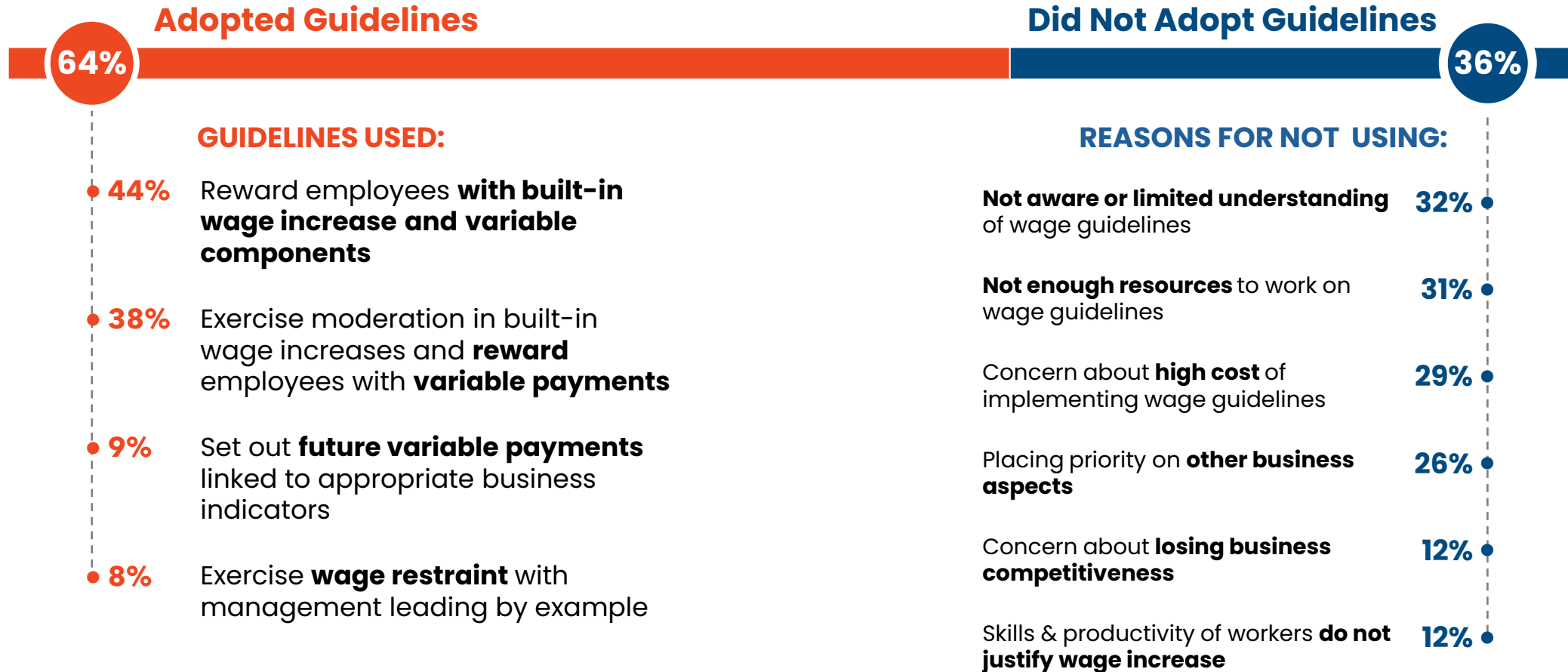
% By Industry

Retail Trade*	43%
Professional Services	38%
Wholesale Trade	28%
Administrative and Support Service Activities*	22%
Others*^	20%
Education*	20%
Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	19%
Other Financial and Insurance Activities (e.g. Holding/Investment companies)	13%
Construction and Civil Engineering	10%
Hotels, Restaurants & Accommodations*	8%
Logistics & Transportation	7%
IT & Related Services	0%
Banking & Insurance*	0%
Real Estate Activities*	0%
Health and Social Services*	0%
Other Service Activities *	0%

+ Nearly 2 in 3 Businesses Have Adopted the National Wages Council's Wage Guidelines

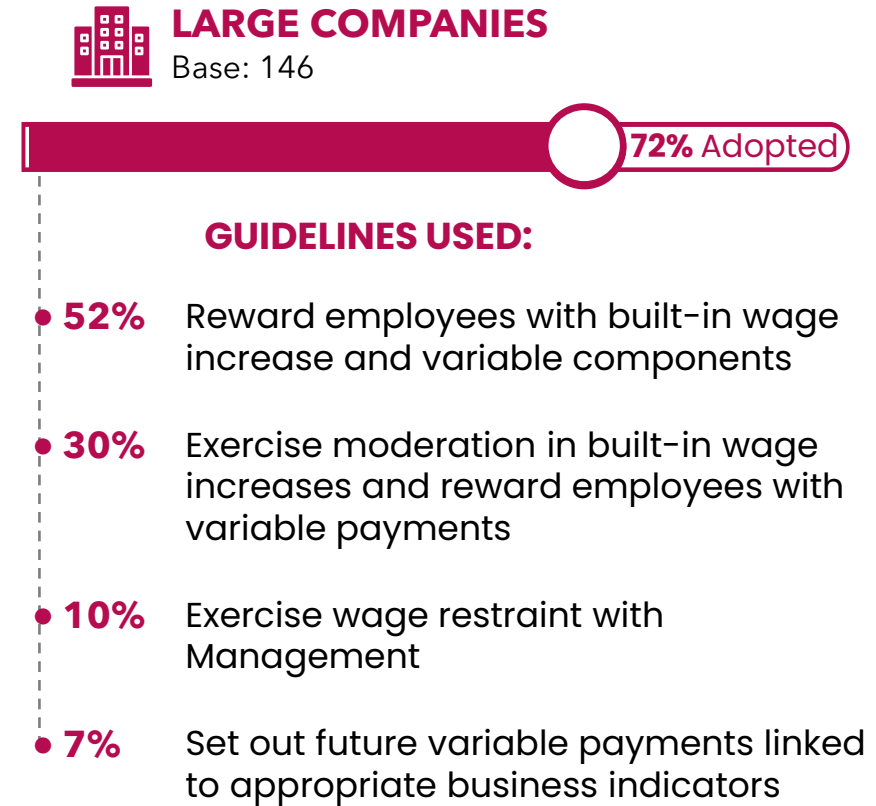
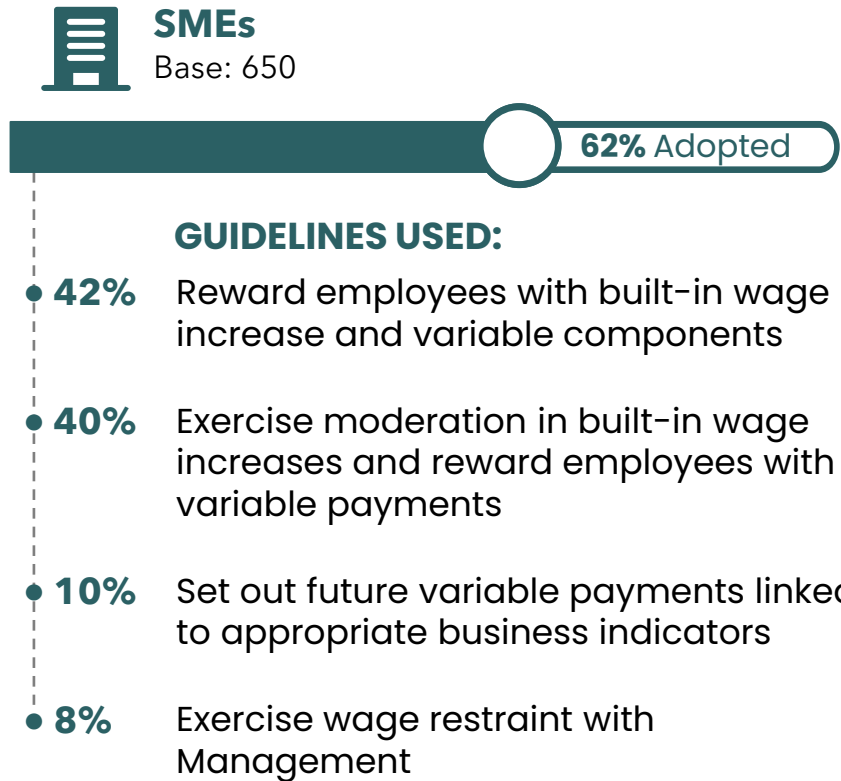
Businesses mainly followed guidelines on providing wage increases through both the built-in wage increase and the variable wage component. Lack of awareness and resources are the key barriers among the 36% of businesses that have yet to implement the guidelines.

Adoption of National Wages Council (NWC) Guidelines

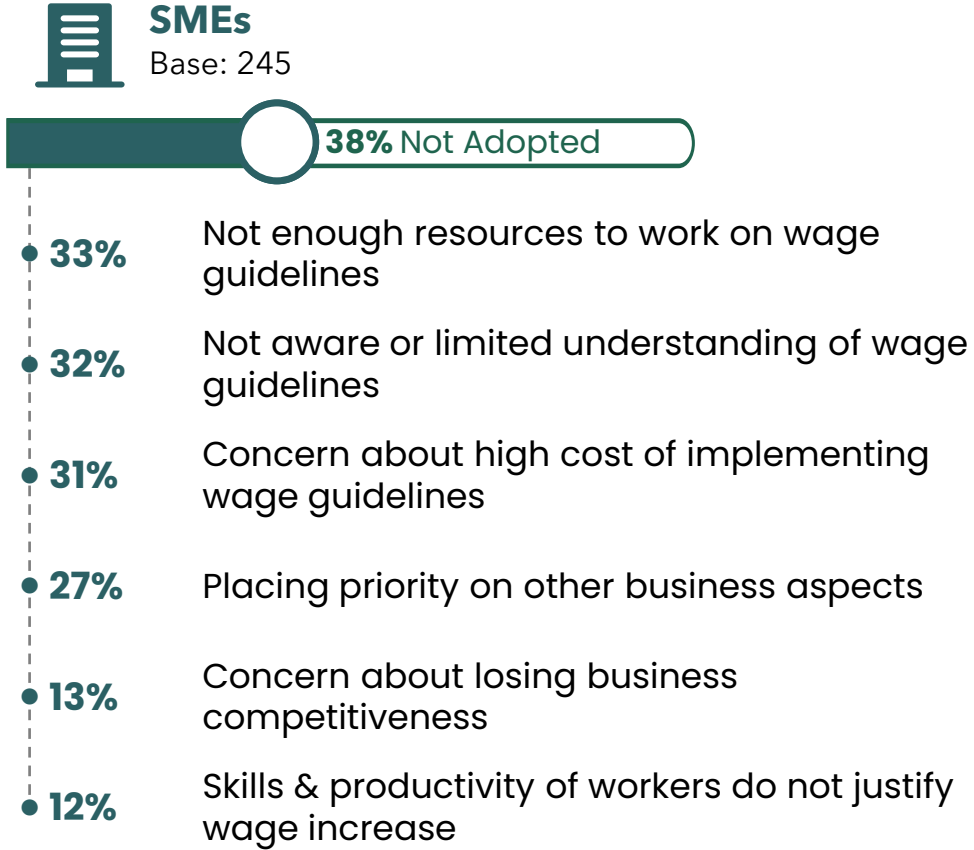


+ More Large Companies Have Adopted the National Wages Council's Guidelines

Three out of five SMEs (62%) have also adopted the Guidelines.



Reasons for Not Adopting National Wages Council's Guidelines



Incentives and **financial assistance** are the most sought-after support strategies for adopting the wage guidelines.

SMEs are more likely than large companies to seek additional guidance and compliance support (38%) to facilitate their implementation.

Meanwhile, large companies show a greater preference for knowledge-sharing opportunities within the industry (28%).

Support Needed for Adopting NWC Guidelines



51% **Incentives** to **offset other business costs** in other areas
SME:51% Large Co : 51%



49% **Financial assistance** and **subsidies** for implementing wage guidelines
SME:50% Large Co : 44%



36% **More guidance, technical** and **compliance support** on implementing wage guidelines
SME:38% Large Co : 29%



30% **Training programmes** to ensure skills and productivity of workers to justify wage increase
SME:30% Large Co : 29%



20% **Industry collaboration** to share **best practices** and experience on adoption for **cross learning**
SME:19% Large Co : 28%

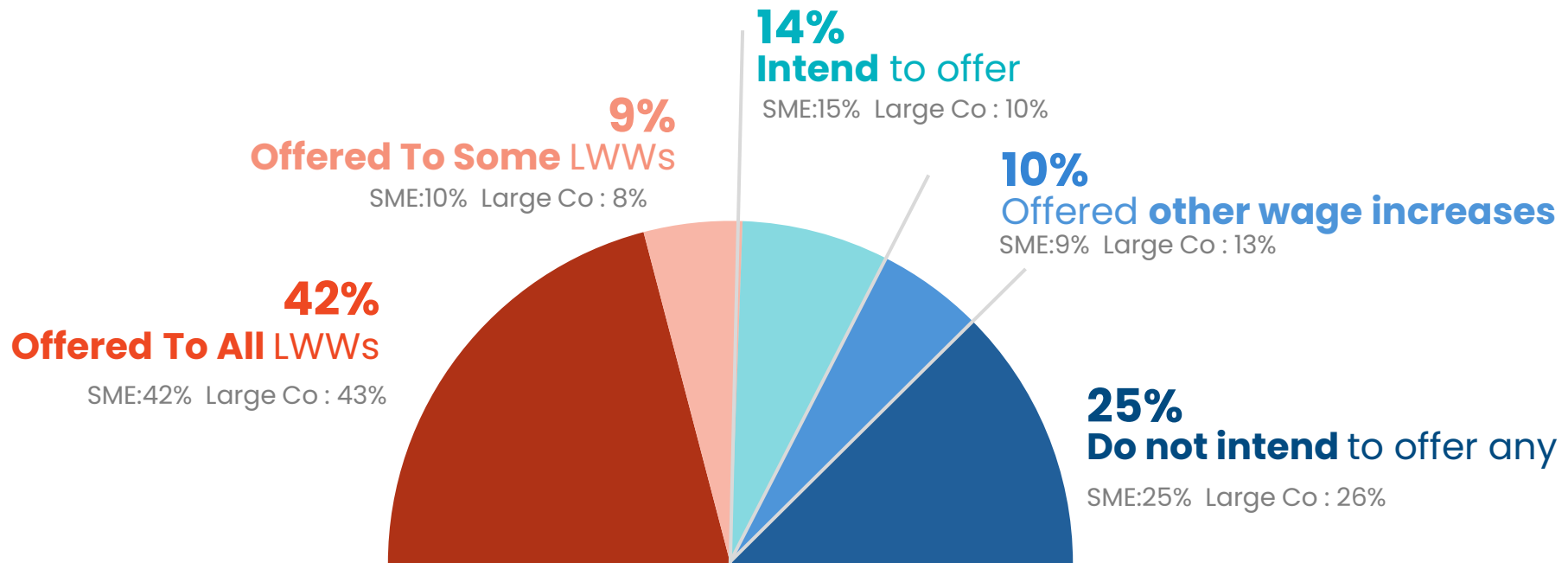


15% **Increase recognition** initiatives for companies that implement wage guidelines
SME:14% Large Co : 19%

+ 51% of Businesses Have Offered the Recommended Wage Increase to Lower-Wage Workers

35% of businesses have not applied the recommended wage increase for lower-wage workers, with 25% having no intention to offer any increases.

Implementation of Recommended Wage Increase for Lower-Wage Workers



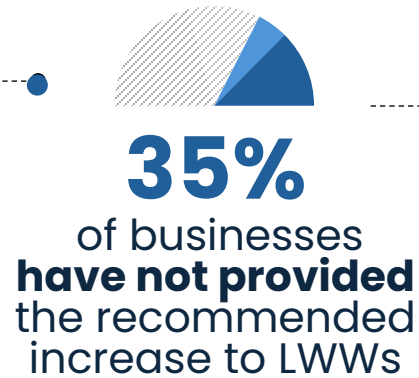
Performance-based criteria is the main method businesses apply when offering the recommended wage increase to lower-wage workers.

Reasons for Giving Recommended Wage Increase To Some LWWs Only



++ Poor Business Performance is the Top Reason for Not Offering Recommended Wage Increase

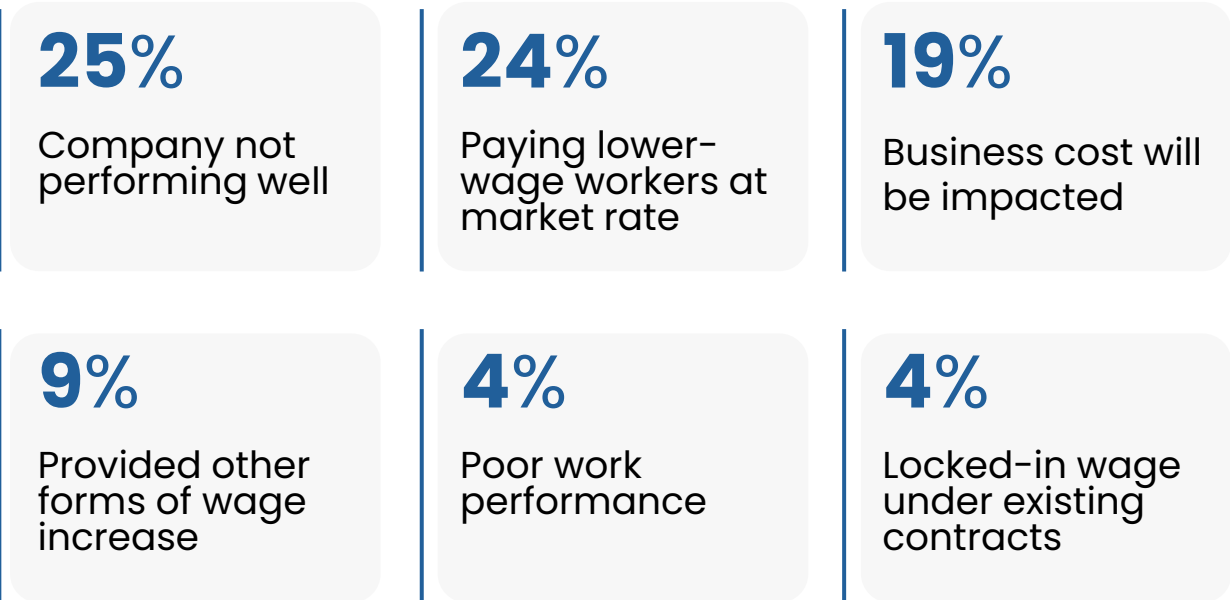
Additionally, some businesses believe **no further wage increase** is necessary since they are already **paying lower-wage workers at the market rate** (24%).



Other forms of wage increase...

- 72%** Additional bonus
- 40%** Additional allowance
- 16%** One-off Payment

Reasons For Not Giving the Recommended Wage Increase



Other reasons provided include:

- "Lack of resources" – SME, Manufacturing
- "Increment is standardized across all employees" – SME, Wholesale Trade
- "(It is the) board's decision" – SME, Manufacturing

34% indicated lack of applicable workers

Businesses primarily look for assistance to **offset** the **costs** of providing the **recommended wage increase** to Lower-Wage Workers.

Around one in three (33%) large companies also seek training programs for lower-wage workers to enhance their skills and productivity to match the pay increase.

Support Needed to Implement Wage Increases for All LWWs



60%

Financial assistance and subsidies

SME:62% Large Co : 54%



56%

Incentives to offset other business costs in other areas

SME:56% Large Co : 55%



28%

Training programmes to ensure skills and productivity justify the increase

SME:27% Large Co : 33%



19%

More recognition for companies that implement wage increases

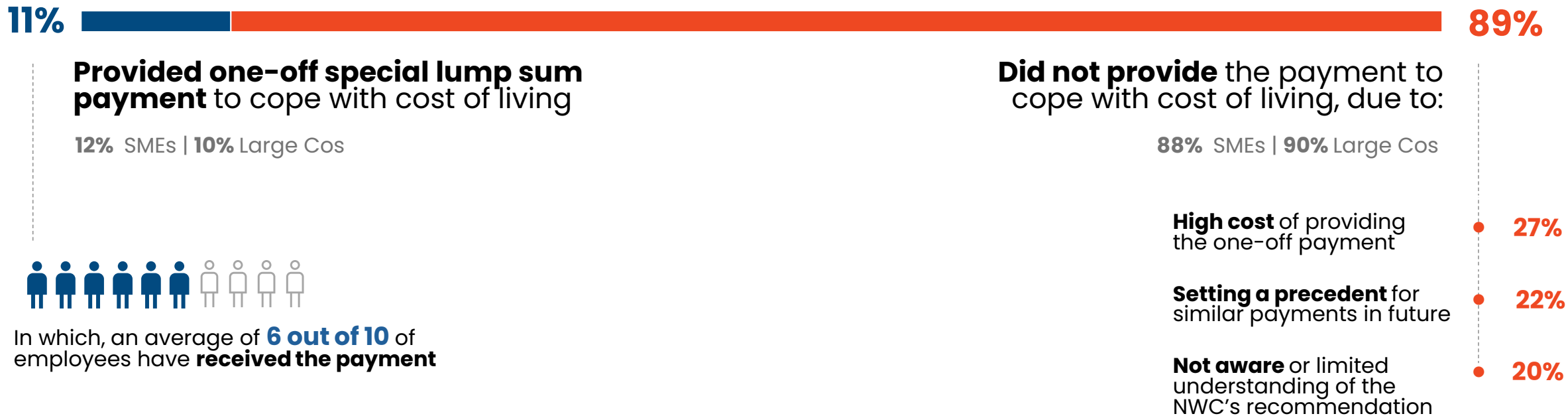
SME:19% Large Co : 18%

+ Most Businesses Did Not Offer Staff with the One-Off Payment For Managing Cost of Living

Only 11% of businesses have provided a one-off **cost of living payout** to employees, and even then, **not all employees** have received it.

Key barriers to providing the recommended one-time payment include cost implications (27%) and concern about setting a precedence (22%).

One-off Special Lump Sum Payment

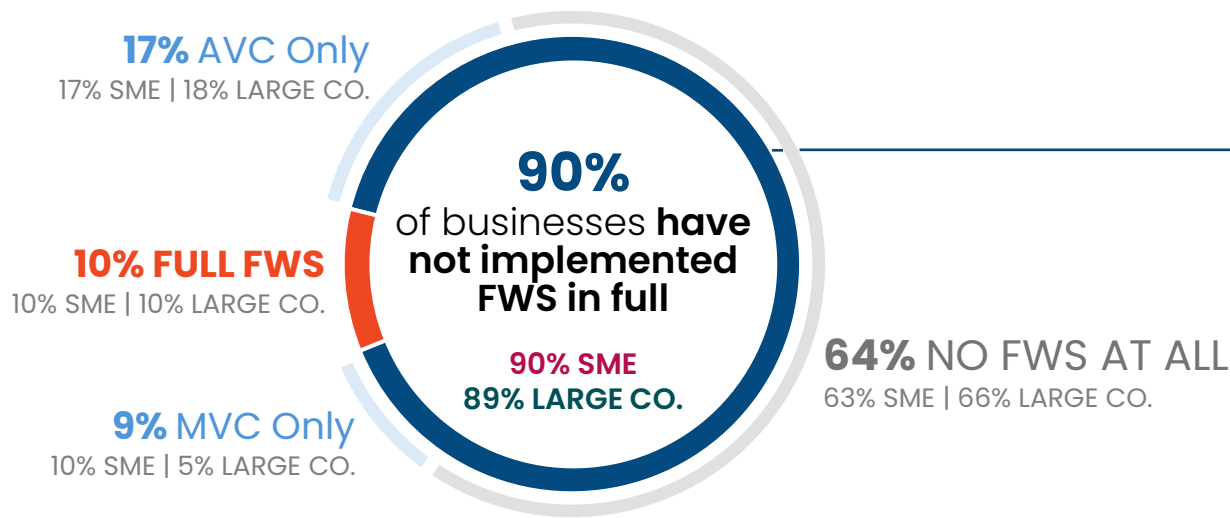


+ Majority of Businesses Have Not Fully Implemented the Flexible Wage System (FWS)

64% of businesses have not implemented FWS at all, whilst 26% have implemented either Annual Variable Component (AVC) or Monthly Variable Component (MVC).

The primary reason for the lack of adoption is that businesses do not believe FWS is useful (40%).

Implementation of Flexible Wage System



Reasons For Not Fully Implementing FWS:

- 40%** Do not think FWS is useful
SME: 40% | Large Co : 42%
- 27%** Not aware/limited understanding of FWS
SME: 27% | Large Co : 26%
- 18%** Too difficult to implement/unsure how to
SME: 19% | Large Co : 13%
- 11%** Too costly to implement
SME: 11% | Large Co : 9%

18% indicated 'Other Reasons'

Financial incentives to manage potential increase in cost of wages is especially important to **SMEs**, while both SMEs and Large Companies seek **technical** and **compliance** support for navigating the **implementation process**.

Around one in four businesses (25%) also wish for more opportunities for cross learning through sharing of best practices and experience with the industry.

Support Needed to Implement FWS



49% SME:51% Large Co : 40%

Financial incentives to offset potential increase in variable wages



48% SME:48% Large Co : 46%

More guidance, technical and compliance support for implementation



25% SME:24% Large Co : 29%

Industry collaboration for cross learning of best practices and experience



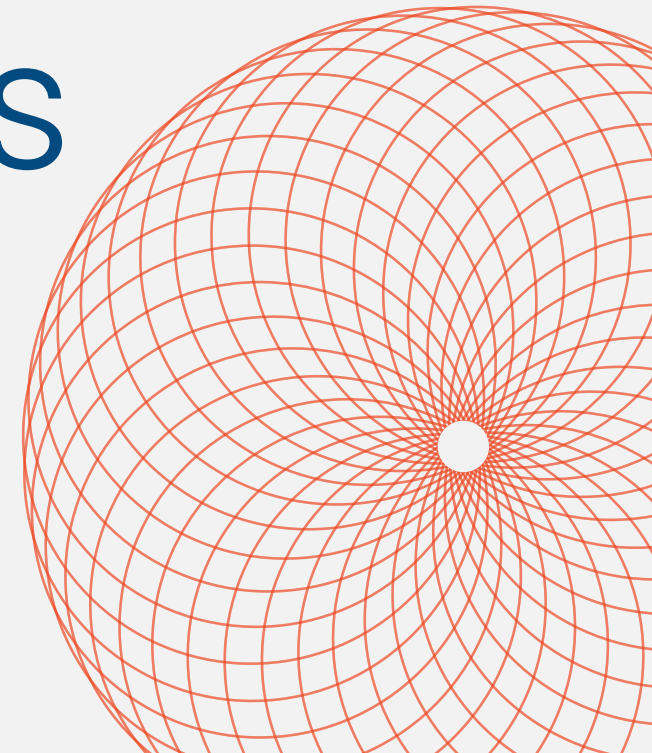
18% SME:18% Large Co : 19%

More recognition for companies that implement FWS



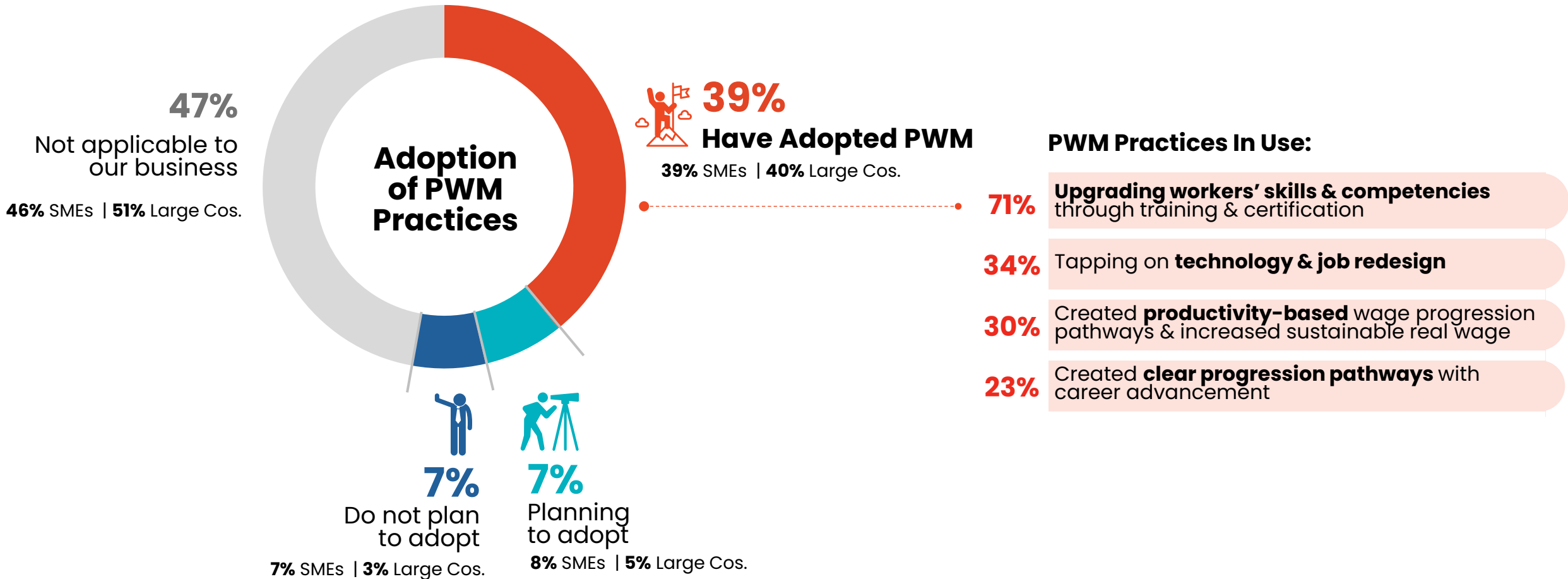
SECTION 6B

Other Manpower Policies & Guidelines (PWM & FWA)



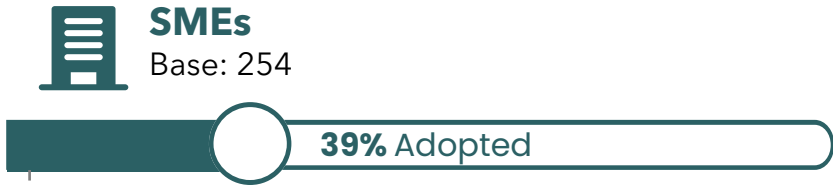
+ Around 2 in 5 Businesses Have Implemented Progressive Wage Model Practices

Upgrading employee skills through **training and certification** is the key Progressive Wage Model practice adopted by businesses (71%).



+ Large Companies Primarily Focus on Driving Skills Upgrade Through Training and Certifications

While SMEs are more likely to also explore PWM practices on technology and job redesign (36%) and implementing productivity-based wage progression pathways (33%).



GUIDELINES USED:

- **69%** Upgrading workers' skills & competencies through training & certification
- **36%** Tapping on technology & job redesign
- **33%** Implemented productivity-based wage progression pathways & increased sustainable real wage
- **22%** Instituted clear progression pathways



GUIDELINES USED:

- **83%** Upgrading workers' skills & competencies through training & certification
- **24%** Tapping on technology & job redesign
- **24%** Instituted clear progression pathways
- **19%** Implemented productivity-based wage progression pathways & increased sustainable real wage



Among businesses that have **implemented PWM**

Impact of Implementing PWM



41% SME:40% Large Co : 43%
have not observed any significant impact

+ Implementation Challenges include High Cost and Impact on Competitiveness

Businesses also face challenges such as a **lack of manpower**, **difficulty in getting support**, and **navigating reporting requirements** during implementation of PWM.

Top 5 PWM Implementation Challenges



Among businesses that have **implemented PWM...**

77% faced challenges in **implementing PWM**



47%

High PWM cost may increase expenses and **affect competitiveness**



33%

Lack of manpower makes it hard to find training time for workers



16%

Need support for PWM implementation but **unsure** where to find it or what schemes exist



15%

Difficulty sustaining PWM **reporting requirements**



10%

Unsure where to find **detailed PWM information** and training resources

+ Businesses Not Adopting PWM are Either Unsure How to Implement or Do Not Think it is Required

Concerns about high costs and lack of awareness of the PWM initiatives are also reasons for the lack of adoption.

Top 5 Barriers to PWM Adoption



Among businesses that have **not implemented PWM...**

84% faced challenges that **deterred adoption**



24%

No requirement for my sector / occupation to adopt PWM



24%

Unsure of how to implement PWM



21%

Difficulty in meeting **high cost involved**



20%

Not aware of PWM



20%

Satisfied with the status quo & do not see a need

With **implementation costs** as the top concern, businesses seek greater **financial support** to moderate the cost impact of PWM adoption.

Additionally, training (42%) and guided support (32%) are the next key measures businesses seek to help navigate the challenges of PWM implementation.

Key Support Needed to Meet PWM Implementation Challenges

More financial support schemes



Accessible and convenient training for workers



Guided support for companies implementing PWM



Toolkits for PWM implementation



Platform for providing feedback on adoption challenges



Platform for sharing best practices



Central reference for PWM information, schemes & training



Raise recognition, branding & benefits for user companies



+ Almost 3 in 4 Businesses Already Offer Flexible Work Arrangements

Flexi-Place is the most widely adopted form of **Flexible Work Arrangement**, especially among Large Companies.

Similarly, for businesses that intend to implement FWA practices, Flexi-place remains the top option they are looking to explore.

Flexible Work Arrangements Offered By Businesses

75% of businesses **already offer** flexible work arrangements:



58%
Flexi-place

SMEs 69% | Large Co. 77%



47%
Flexi-time

SMEs 57% | Large Co. 61%



12%
Flexi-load

SMEs 14% | Large Co. 14%

Top 3 Types Used:

- 68%** Staggered time
- 42%** Flexi-hours
- 24%** Choice of days off

Top 3 Types Used:

- 71%** Part-time work
- 34%** Project-based work
- 27%** Phasing in and out

7% of businesses **intend to offer** flexible work arrangements:



54%
Flexi-place

SMEs 51% | Large Co. 64%



41%
Flexi-time

SMEs 47% | Large Co. 18%



9%
Flexi-load

SMEs 7% | Large Co. 18%

18% of businesses do not think FWA applies for them

++ Majority of Businesses Do Not Foresee Impact from FWA Guidelines Due to Their Experience

Businesses that are concerned about FWA guidelines mainly worry that there are industry-specific constraints preventing adoption or such arrangements may negatively impact employee productivity.

35% FORESEE BUSINESS IMPACT

21% Business & Industry constraints

Job required physical person in office

LARGE CO., RETAIL TRADE

One size fit all approach is not relevant or appropriate in a dynamic tech industry.

SME, IT & RELATED SERVICES

16% Decline in Productivity

Flexible working hours may reduce the productivity of workers and more resources to supplement the work left behind by employees exercising FWA.

SME, IT & RELATED SERVICES

11% Manpower & Resource Concerns

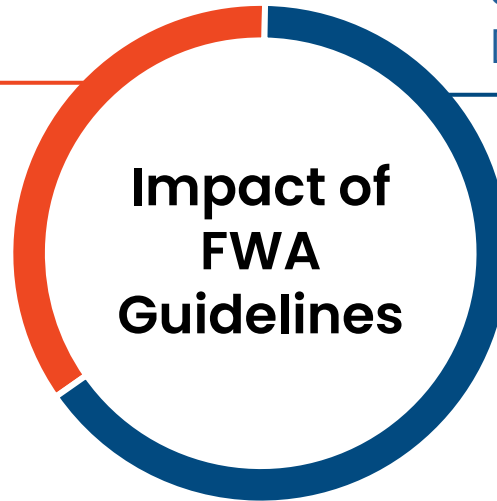
Even harder to hire talent if our FWA policy is not as competitive compared to larger companies that have stronger financial ability to support more FWA programs

SME, IT & RELATED SECTOR

11% Increased Costs

Implementing FWAs often requires investment in technology and infrastructure to support remote work, flexible hours, and other arrangements.

SME, CONSTRUCTION & CIVIL ENGINEERING



65% DO NOT FORESEE BUSINESS IMPACT

48% Already Experienced with FWA

This is not something new to the company as similar arrangements was done during the peak of COVID-19

LARGE CO., RETAIL TRADE

Some relevant flexibility method has already in progress such as flexi-time.

SME, OTHER SERVICES

10% Confident of Implementing FWA At Scale

Employees are well trained and equipped to handle their jobs remotely

SME, LOGISTICS & TRANSPORTATION

Our team is dynamic. Skeleton crew team members may still be essential but can still arrange for staggered working hours according if required.

SME, OTHER SERVICES

8% Business & Industry Reasons

No impact on business, cannot implement for operations due to business nature.

LARGE CO., HOTELS, RESTAURANTS, AND ACCOMMODATIONS

Businesses are also concerned about the impact on **engagement and sense of belonging**.

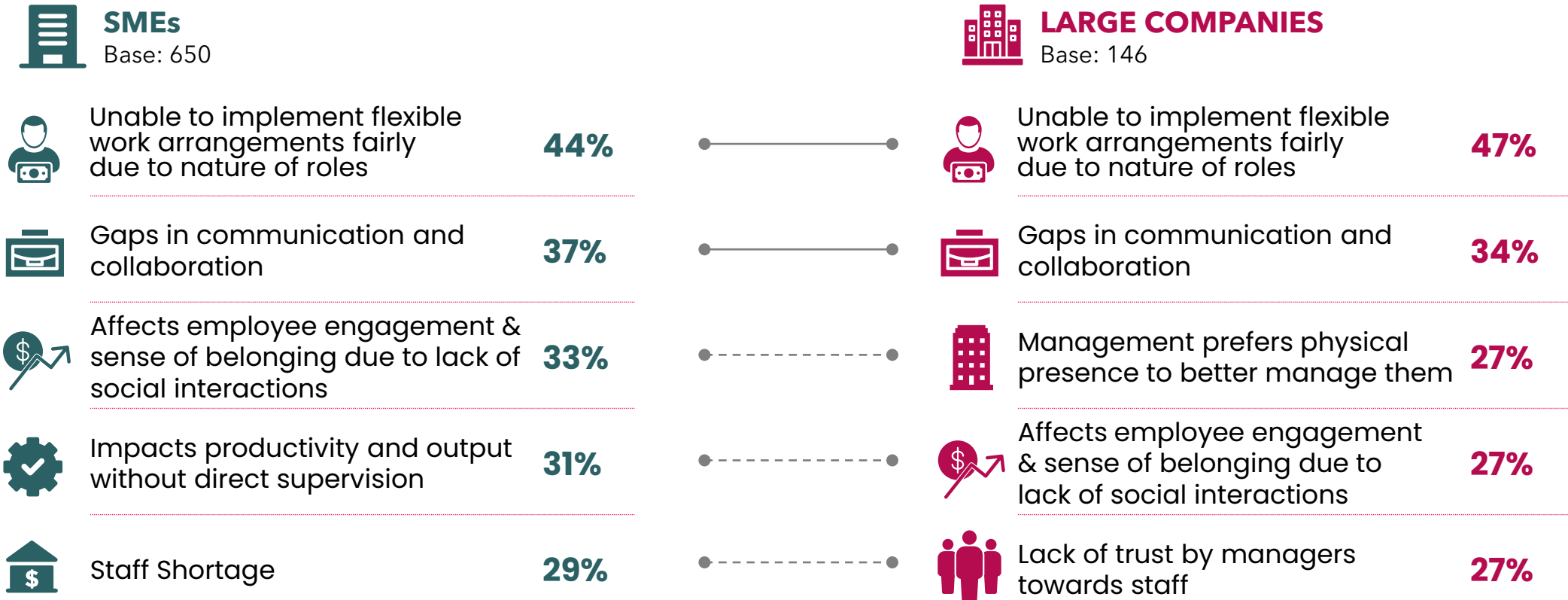
Additionally, businesses are worried about managing teams under FWA, as the lack of direct supervision (30%) and physical presence in the office (29%) may lead to management difficulties.

Key Challenges to Implementing FWA



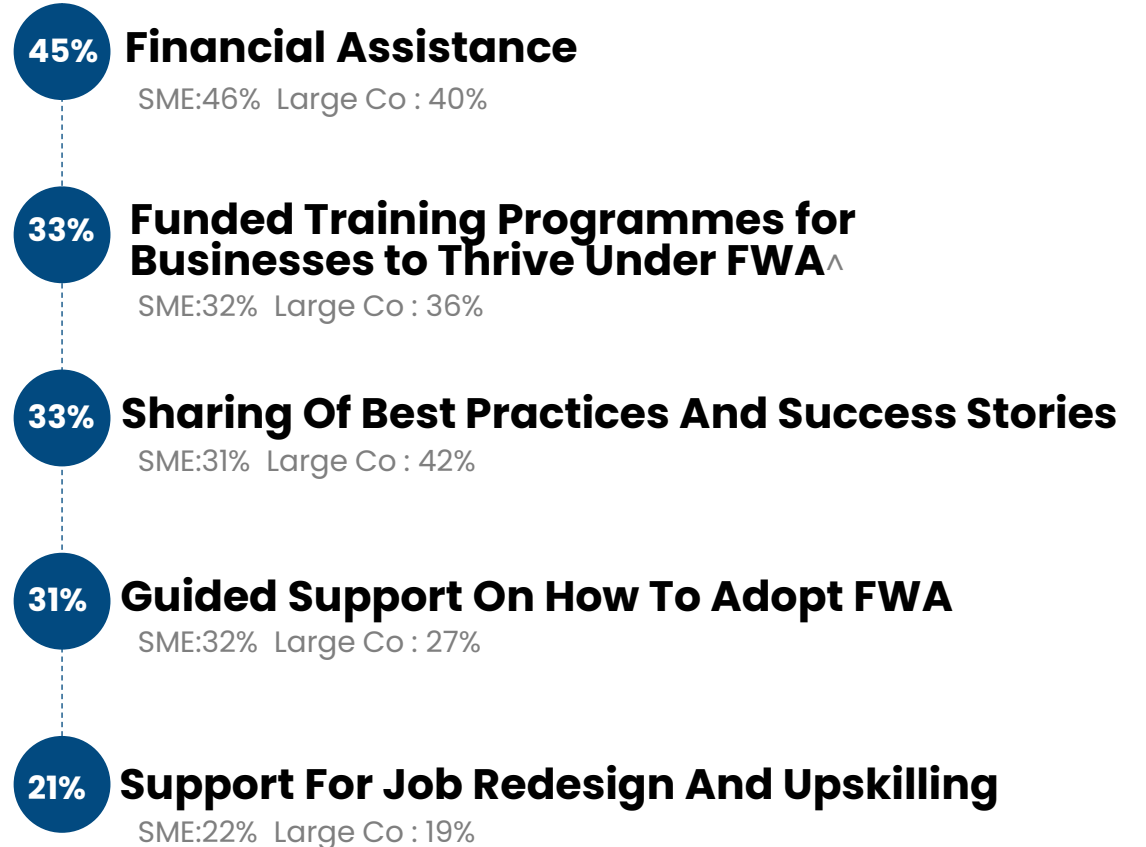
+ Large Companies Highlight Difficulties in Managing Teams among Top Concerns

While SMEs also highlight concerns with productivity and manpower impact arising from FWA.



Businesses look for **financial assistance, training support and success stories** to help them **navigate the challenges** of implementing FWA.

Key Support Needed for Implementing FWA



[^](e.g. use of remote working tools, digital literacy, effective time management, management skills for remote teams)

Thank You

