

# 2019 Manpower Survey Results

SINGAPORE



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The balance of welcoming foreign labor with the cultivation of local talent remains complex. In the 2019 Budget speech in February 2018, Finance Minister Heng Swee Keat remarked “What we need is to have a sustainable inflow of foreign workers to complement our workforce, while we upgrade our Singaporean workers and build deep enterprise capabilities [...]. We must enhance the complementarities of our local and foreign workers.”<sup>1</sup> As American companies have long made Singapore a stepping stone into both ASEAN and the broader Asia-Pacific region, how these manpower issues are addressed can have consequences for businesses and economies beyond Singapore.

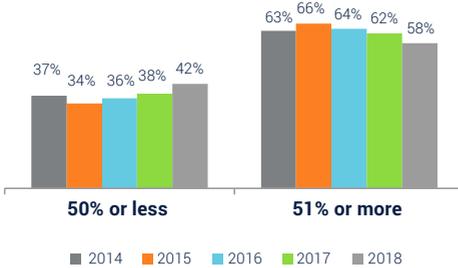
## Workforce Composition

American companies are committed to hiring locally at all levels of employment. Since at least 2014, consistently over half of American companies responding to the survey report predominately Singaporean workforces (*figure 1*), while an increasing percentage of companies report *senior-level* workforces that are majority Singaporean (*figure 2*).

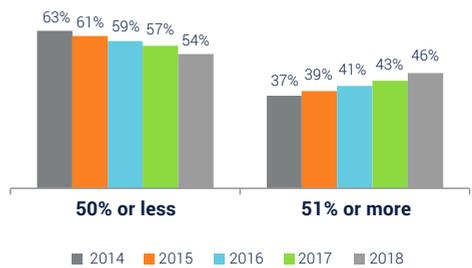
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<sup>1</sup> Finance Minister Heng Swee Keat, “Budget 2019: Building a Strong, United Singapore.” ([https://www.singaporebudget.gov.sg/budget\\_2019/budget-speech](https://www.singaporebudget.gov.sg/budget_2019/budget-speech))

**Figure 1: % of Total Singapore-based Workforce Comprised of Singapore Citizens (excluding PRs)**



**Figure 2: % of Senior-Level Singapore Workforce Comprised of Singapore Citizens (excluding PRs)**



## Attracting Talent

In response to recent manpower policy changes outlined in the Budget 2019, Manpower Minister Josephine Teo remarked “There will always be expertise or specialist skills that are in demand globally, but in short supply in Singapore. Our policies must enable Singapore-based businesses to assemble the best international teams to compete on the world stage, and create more quality jobs for our people while we build the local pipeline.”<sup>2</sup> In this context, American companies seem to be increasingly satisfied with this “local pipeline” at the university level, including the preparedness of fresh graduates<sup>3</sup> for the demands of the current workplace.

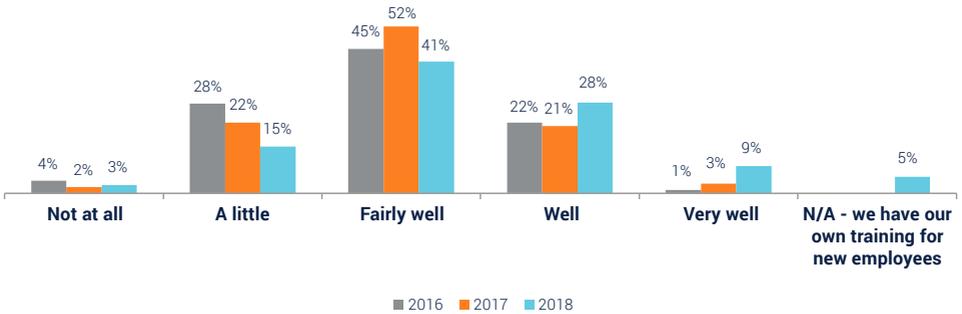
Compared to 2016 (*figure 3*), when the question was first asked, the percentage of companies reporting that Singaporean universities are graduating students who are “well” or “very well” prepared for the workforce has gone up (23% in 2016, 24% in 2017, and 37% in 2018). Conversely, fewer companies over the same timeframe report dissatisfaction in this regard – the percentage of companies reporting little or no satisfaction with the preparation of graduates has drastically declined (32% in 2016, 24% in 2017, and 18% in 2018).

2 Joanna Seow, Straits Times, “Stiffer salary rules for firms to hire foreign workers.” (<https://www.straitstimes.com/politics/stiffer-salary-rules-for-firms-to-hire-foreign-workers>)

3 For the purposes of this survey, “fresh graduates” refers to those who have graduated from university not more than a year ago.

**Figure 3: Please indicate the extent to which you think Singaporean universities prepare fresh graduates for work.<sup>4</sup>**

By year



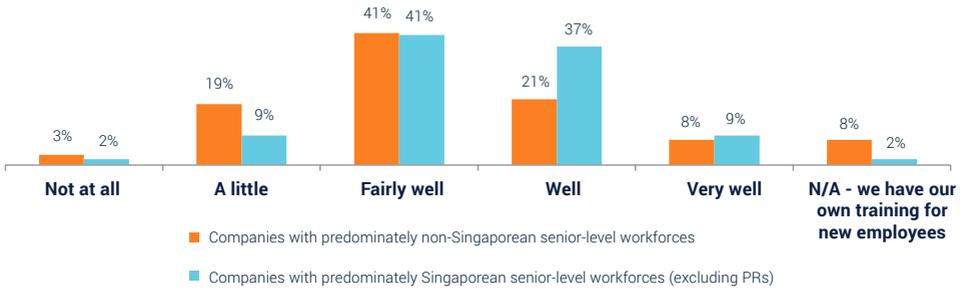
What is notable, is that of companies whose senior-level employees are predominately Singaporean<sup>5</sup>, the plurality of those companies (46%) believe local universities prepare their graduates “well” or “very well” for work (*figure 4*). Conversely, only 29% of companies with predominately *foreign* senior-level workforces believe the same.

4 “N/A – we have our own training for new employees” was not an answer option in the 2016 and 2017 surveys.

5 For the purposes of this question, the definition of Singapore citizens excludes Permanent Residents (PRs). Conversely, the definition used here of “non-Singaporean” or “foreign” includes Singaporean PRs.

**Figure 4: Please indicate the extent to which you think Singaporean universities prepare fresh graduates for work.**

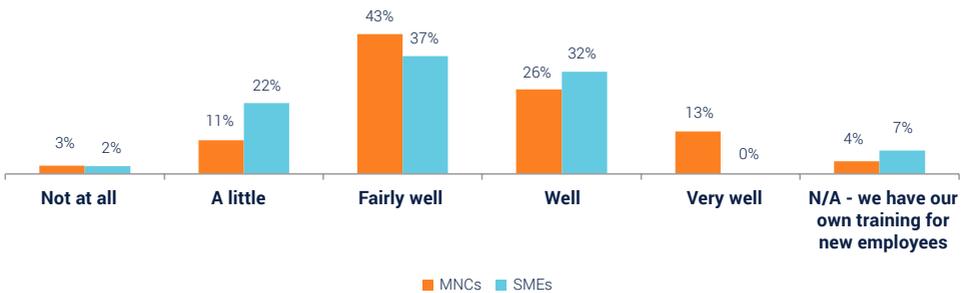
By companies with predominately Singaporean or non-Singaporean senior-level workforces



Multi-National Companies (MNCs) are generally more positive than Small and Medium-Sized Enterprises (SMEs) about the extent to which local universities prepare the future workforce (*figure 5*). 39% of MNCs responded “well” or “very well” to the same question, while 32% of SMEs thought the same. This result correlates with the lower percentage of SMEs (34%) than MNCs (53%) with a predominantly senior-level Singaporean workforce.

**Figure 5: Please indicate the extent to which you think Singaporean universities prepare fresh graduates for work.**

By company size



At the same time, respondents find management roles the most difficult to **recruit** Singaporeans for, despite the relatively high satisfaction with the university system in preparing graduates for the workforce (*figure 6*). While current education curriculums excel at preparing workers for entry-level roles, more needs to be done to prepare Singaporeans for careers in management.

**Figure 6: Which business functions are the most difficult to recruit Singaporeans for? Rank the following from 1 (most difficult to recruit for) to 4 (easiest to recruit for).**

Weighted averages



Despite the rising confidence of American companies towards the preparation of graduates entering the workforce, there are other aspects which have room for growth. Regardless of size or industry, companies find a willingness to take risks, creativity, and leadership skills the most difficult attributes to find in Singaporean professionals, which results in the company's hiring of foreigners for professional roles (*figure 7*).

**Figure 7: What are the skillsets / attributes that are difficult to find among Singaporean professionals (including PRs) that result in your company's hiring of foreigners for professional roles?**

**Rank from 1 (most difficult to find) to 10 (easiest to find).**

Ranked by weighted averages by company size and industry

All	MNCs	SMEs	Manufacturing	Services
1. Willingness to take risks / entrepreneurial spirit	1. Willingness to take risks / entrepreneurial spirit	1. Willingness to take risks / entrepreneurial spirit	1. Willingness to take risks / entrepreneurial spirit	1. Willingness to take risks / entrepreneurial spirit
2. Creativity / Critical thinking				
3. Leadership				
4. Adaptability to new challenges / resilience	4. Adaptability to new challenges / resilience	4. Overseas experience	4. Overseas experience	4. Adaptability to new challenges / resilience
5. Overseas experience	5. Technical skills & knowledge essential for the job	5. Adaptability to new challenges / resilience	5. Adaptability to new challenges / resilience	5. Technical skills & knowledge essential for the job
6. Technical skills & knowledge essential for the job	6. Overseas experience	6. Technical skills & knowledge essential for the job	6. Technical skills & knowledge essential for the job	6. Overseas experience
7. Willingness to stay with the company	7. Knowledge of target market / customers	7. Willingness to stay with the company	7. Willingness to stay with the company	7. Willingness to stay with the company
8. Communication skills	8. Communication skills	8. Ability to match salary expectations	8. Knowledge of target market / customers	8. Communication skills
9. Ability to match salary expectations	8. Willingness to stay with the company	9. Communication skills	9. Communication skills	9. Ability to match salary expectations
10. Knowledge of target market / customers	10. Ability to match salary expectations	10. Knowledge of target market / customers	10. Ability to match salary expectations	10. Knowledge of target market / customers

This has been a trend since at least 2015, when the question was first asked of survey respondents (*figure 8*). The top three skillsets most in demand among Singaporean professionals have remained the same, although in slightly different orders of difficulty in terms of finding candidates with these skillsets from year to year. Notably, for the first time since 2015, risk-taking ranked as the most difficult skillset to find, out-ranking creativity.

**Figure 8: Top three most difficult skillsets / attributes to find among Singaporean professionals (including PRs) that result in the company's hiring of foreigners for professional roles (ranked from 1 (most difficult to find) to 10 (easiest to find))**

Ranked by weighted averages by year

Year	1 (most difficult to find)	2	3
<b>2018</b>	Willingness to take risks / entrepreneurial spirit	Creativity / Critical thinking	Leadership
<b>2017 (C-Suite respondents)<sup>6</sup></b>	Creativity / Critical thinking	Leadership	Willingness to take risks / entrepreneurial spirit
<b>2017 (General)</b>	Creativity / Critical thinking	Willingness to take risks / entrepreneurial spirit	Leadership
<b>2016</b>	Creativity / Critical thinking	Leadership	Willingness to take risks / entrepreneurial spirit
<b>2015</b>	Creativity / Critical thinking	Leadership	Willingness to take risks / entrepreneurial spirit

6 In 2017, the survey was bifurcated into two groups of respondents, who received slightly different versions of the same survey. One version was sent to C-Suite executives, and the second was sent to the rest of the AmCham membership.

# Recruitment, Training, and Retention Amid Technological Disruption

Manpower policies in Singapore are constantly calibrated to fit the ever-changing jobs market and workforce demands. This is no less obvious than in technology-related industries. The Singapore Government offers many training schemes and funding assistance for companies to upskill current workers and train new recruits, but as Manpower Minister Teo recently remarked, the reality is that there is a global skills shortage in areas such as artificial intelligence and data science, and Singapore still must welcome professionals from overseas to complement local talent.<sup>7</sup>

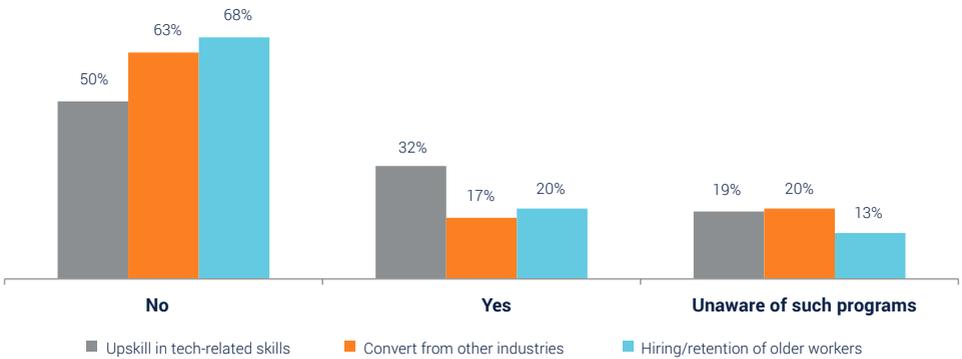
In fact, over the next three years, SGD\$3.6 billion has been earmarked by the Manpower and Education Ministries to support workers amid technological disruption. Finance Minister Heng announced new Professional Conversion Programmes (PCPs) relating to blockchain, embedded software, and prefabrication, which will redirect resources towards these areas of growth. The Career Support Programme, launched in 2015 to support older workers, retrenched employees, and those stranded in long-term unemployment, will be extended until March 2021.

Specifically, the survey looked at the utilization rates of programs to upskill employees in technical skills, convert workers from other industries, and support the hiring or retention of older workers. Of the respondents polled, the majority were at least aware of existing government schemes (e.g. SkillsFuture, WorkPro, etc.) available to them. However, utilization rates have remained low.

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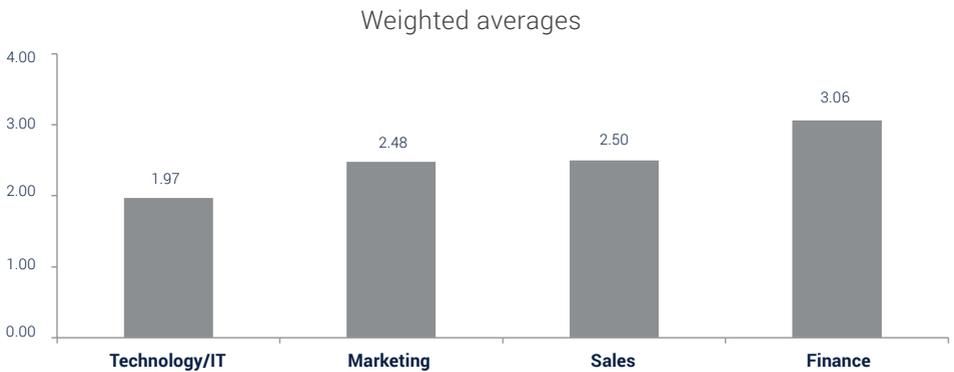
7 Joanna Seow, Straits Times, "Stiffer salary rules for firms to hire foreign workers." (<https://www.straitstimes.com/politics/stiffer-salary-rules-for-firms-to-hire-foreign-workers>)

**Figure 9: Has your company utilized any government programs for various purposes?**



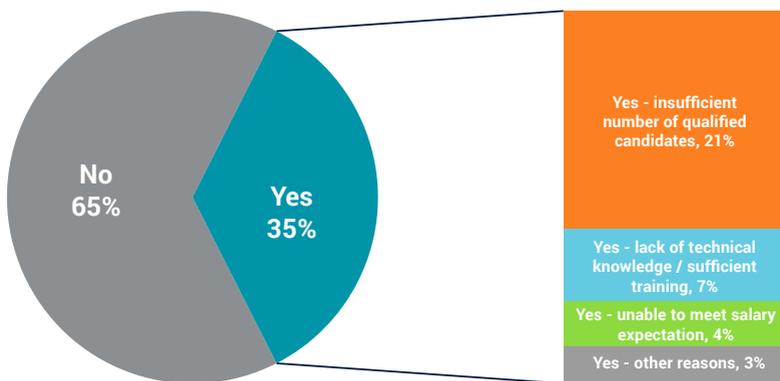
Despite the far-reaching implications of technological disruption to manpower issues, the jobs market is contending with an uneven supply-and-demand for candidates within the technology and IT sector; American companies have the most difficulty in *recruiting* Singaporeans for the technology and IT sector (*figure 10*). In comparison, employers in the Marketing, Sales, and Finance sectors are more easily able to recruit qualified candidates for those roles.

**Figure 10: Which sectors are the most difficult to recruit Singaporeans for? Rank from 1 (most difficult) to 4 (easiest).**



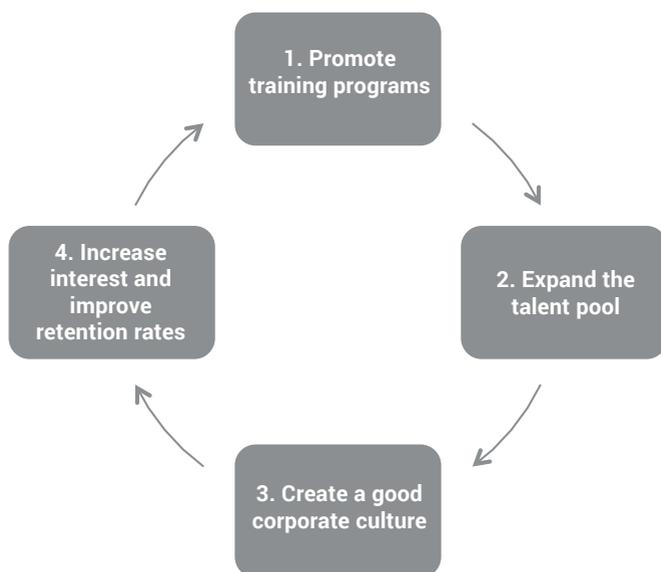
However – even among a sample size in which most companies are not in the technology space – almost two-thirds (65%) of companies report no problems with recruiting qualified Singaporeans for job functions that require experience with programming or data analysis (*figure 11*). Of the other 35% reporting difficulty in recruiting qualified applicants, the plurality cite an insufficient number of qualified candidates as the reason.

**Figure 11: Has your company had difficulty in recruiting Singaporeans (including PRs) with sufficient technology skills to fill job functions that require a background in programming and / or data?**



When asked how to better retain Singaporeans with sufficient technology skills, solutions generally centered on four complementary themes which feed into each other (*figure 12*):

**Figure 12**



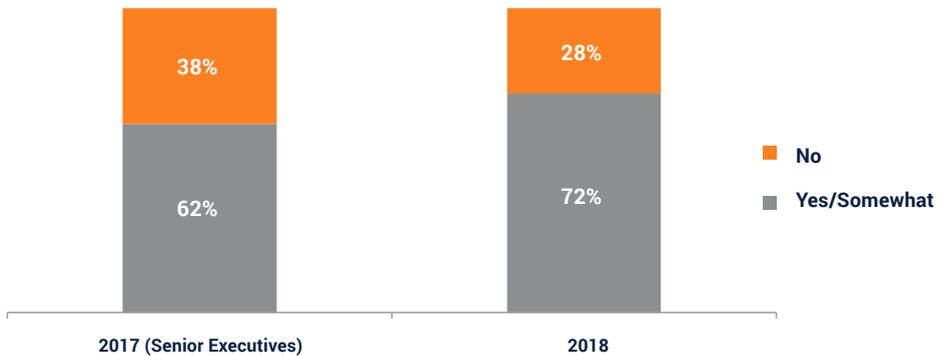
- 1. Promote training programs.** The first step is to better promote and improve upskilling and training programs for technical skills, such as the new PCPs and Career Support Programme.
- 2. Expand the talent pool.** Greater opportunities for training in technical skills would expand the local talent pool, increasing competitiveness and driving down costs, such as salary expectations. This would encourage companies to recruit Singaporeans, instead of outsourcing for cheaper and possibly lower quality labor.
- 3. Create good corporate culture.** One of the top ways respondents identified to increase competitiveness is for companies to develop a good corporate culture, which values career promotion and competitive benefits packages as incentives.
- 4. Increase interest and improve retention rates.** A good corporate culture will drive interest from prospective candidates to jobs and industries that require technical skills and create a pool of professionals with the expertise to train the next generation of technologically-savvy workers.

## Work Passes

The Fair Consideration Framework (FCF) is part of the Ministry of Manpower's (MOM) overall effort to enhance the Singaporean core in the workforce, and sets out expectations for companies to fairly consider Singaporeans for job opportunities before turning to a foreign labor force. American companies are generally aware of the FCF requirements - the majority of respondents in 2018 report at least some level of awareness of the Framework (*figure 13*), a number that has increased since the question was first asked in the 2017 survey, from 62% in 2017 to 72% in 2018.

**Figure 13: Are you familiar with the Fair Consideration Framework?<sup>8</sup>**

By year

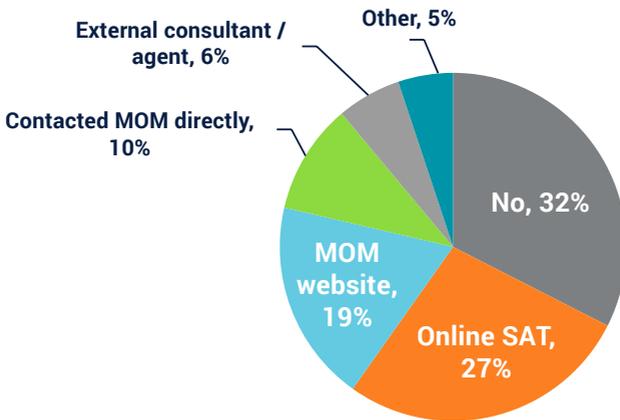


<sup>8</sup> In 2017, the survey was bifurcated into two groups of respondents, who received slightly different versions of the same survey. One version was sent to C-Suite executives, and the second was sent to the rest of the AmCham membership. The question was only asked of the C-Suite group.

Of those reporting at least some familiarity with the FCF, the majority (88%) reported no negative implications of the FCF on their company's ability to hire foreigners. Of the small proportion (12%) of respondents who believe the FCF hinders their ability to hire the foreigners needed to fill their company's vacancies, the majority came from the Software, IT & Telecommunications sector (33%).

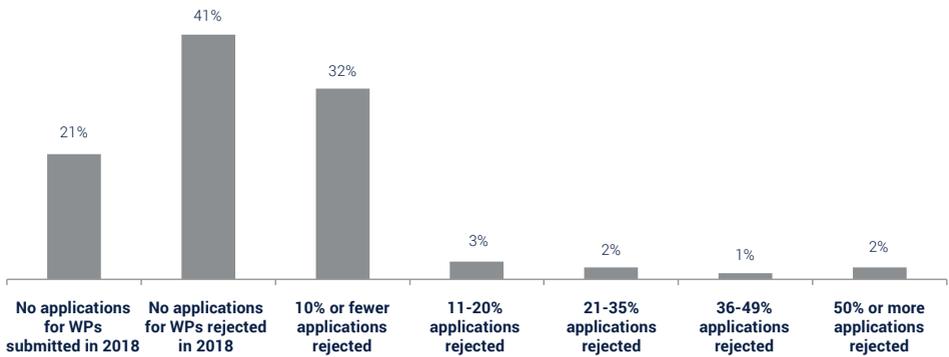
Despite increasing familiarity with the FCF requirements, companies remain hesitant to utilize MOM's resources to determine work pass eligibility to inform their hiring decisions (*figure 14*). The plurality of companies responding to the survey (32%) did not use any of MOM's online or in-person resources. A smaller percentage took advantage of the online resources, including the Self-Assessment Tool (SAT) (27%) and MOM's website (19%). 10% of companies contacted MOM directly with their work pass questions.

**Figure 14: Has your company used any of MOM's resources to determine eligibility of work pass applications in 2018?**



Despite relatively low utilization rates of MOM's resources to help companies determine work pass eligibility, a plurality of companies (41%) responding to the survey report that no applications for work passes were rejected in 2018 (*figure 15*). This heightened understanding among American companies of the requirements for successful work pass approval correlates to an increased awareness of the Fair Consideration Framework (*figure 13*). An even smaller number of companies (32%) reported a small percent of application rejections (10% or fewer applications were rejected).

**Figure 15: What percentage of your submitted work pass applications have been rejected in 2018?**

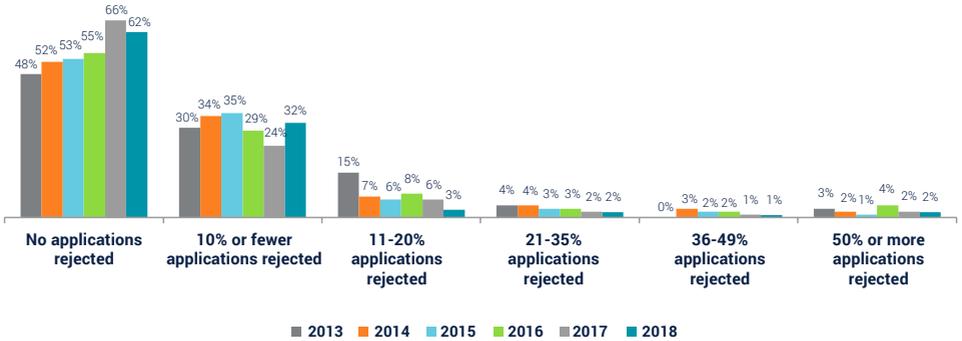


Of the 62% of companies that did not submit any work pass applications or have any rejections in 2018, companies reported no recruitment during the 2018 calendar year (28%), successful recruitment of Singaporeans to fill vacancies (24%), or an existing awareness that their company did not meet the FCF requirements and therefore they did not attempt to apply (15%).

Generally speaking, over a six year period since the question was first posed to survey respondents in 2013, the percentage of companies reporting no work pass application rejections has steadily gone up (*figure 16*). Conversely, the percentage of companies reporting one or more work pass rejections has to some extent declined.

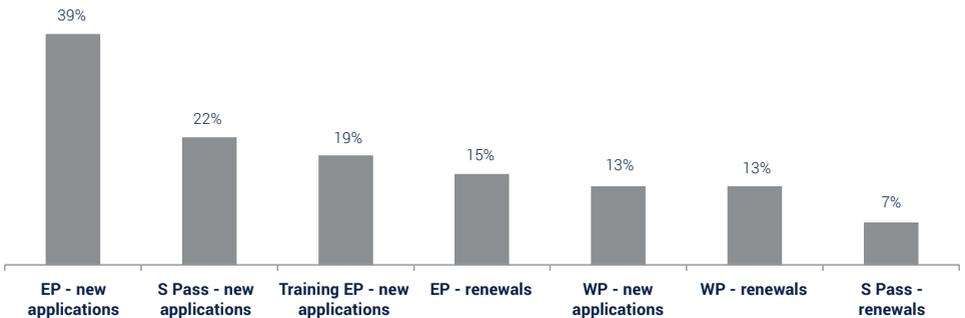
**Figure 16: What percentage of your submitted work pass applications have been rejected?<sup>9</sup>**

By year



Of those work pass applications that *were* rejected, the majority were for new applications, not renewals (*figure 17*). Specifically, this included new applications for Employment Passes (39%), S Passes (22%), and Training Employment Passes (19%).

**Figure 17: Which classifications of work pass applications were rejected this year? (Select all that apply).**



<sup>9</sup> Prior to 2018, “no applications for work passes submitted” and “no applications for work passes rejected” were not answer options in the survey; respondents were only given the option to select “no applications rejected”. In figure 16, for comparison across years, the percentages of respondents in 2018 selecting “no applications for work passes submitted” (21%) and “no applications for work passes rejected” (41%) were added together to create the percentage of companies with no applications rejected (62%).



## Conclusion

A growing number of Singaporeans in C-Suite level roles (*figure 2*) coupled with an increased faith in the preparation of local graduates for the evolving demands of the workforce (*figure 3*) bode well for a future-ready workforce. Local universities are not just academically rigorous, but sufficiently preparing their students for the demands of a dynamic workforce. Although still facing difficulty in recruiting from the local talent pool for management positions (*figure 6*), the results show that American businesses are still overcoming these obstacles to increasingly appoint Singaporeans to leadership roles within their companies.

Yet many companies from all industries and of all sizes face a common concern: technological disruption. In an effort to stay ahead of the curve, the Singapore Government is allocating resources to upskill employees in technical skills, convert personnel from other non-technical industries, and improve retraining and

retrenchment of older workers. Unfortunately, utilization rates of these schemes are low among American companies in Singapore and the technology and IT sector remains the hardest for companies to recruit for, suggesting that either other strategies should be explored to encourage use of the schemes or a reexamination of the current schemes should be considered. Outside of these sectors, the majority of companies in non-technical industries report no issues with finding candidates qualified in programming or data analytics, either because there is no demand from their firm for those skills or they do not face any issues with finding enough qualified candidates. However, as the demands for technical skills grow, the supply of qualified candidates must keep up. Promoting training programs and establishing a corporate culture that values career advancement will help improve recruitment and retention rates for workers with the technical skills for a future-ready workforce.

Despite American companies increasingly looking to local talent to fill their company's vacancies, especially at the managerial levels, many companies will still inevitably turn to foreign workers to complement their local workforces. While engagement with Singapore Government agencies, such as MOM, and manpower-related government schemes remain relatively underutilized, American companies are increasingly aware of the FCF requirements and strive to realize the government's efforts to enhance the Singaporean core. Either due to sufficient local hiring opportunities, awareness of the FCF requirements before applying, or simply no need for new hires within the company, well over half of companies (62%) either did not apply for work passes or report no rejections of applications in 2018 (*figure 15*).

With relatively high awareness of the Singaporean core and increasing confidence in the preparation of Singaporeans for the demands of the ever-changing jobs market, American businesses are boldly tackling the urgency of technological disruption.



## Profile of Respondents

117 senior executives from AmCham's membership completed the 2019 survey. Both MNCs and SMEs are represented in the survey, with the majority of respondents from the services sector. The survey was open for responses from November 1, 2018 – March 1, 2019.

### Company Size: <sup>10</sup>

MNCs:	SMEs:
<b>65%</b>	<b>35%</b>

### Primary Sector: <sup>11</sup>

Services:	Manufacturing:	Other:
<b>94%</b>	<b>43%</b>	<b>12%</b>

<sup>10</sup> The Singapore government defines SMEs by the following criteria: your company's group annual sales turnover not more than S\$100 million OR global employment size not more than 200 workers.

<sup>11</sup> Results do not add up to 100% as respondents were able to select business functions in more than one sector.

# Acknowledgements

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## About AmCham Singapore

Established in 1973, the American Chamber of Commerce in Singapore (AmCham Singapore) is the largest and the most active international business association in Singapore and Southeast Asia, with over 5,200 members representing more than 700 companies. Our Chamber is comprised of 13 industry specific committees, and conducts nearly 250 events per year.

AmCham is a forward-thinking, business-progressive association. Our mission is to create value for our members by providing advocacy, business insights, and connections. Our membership includes American companies and Singaporean and third-country companies with significant U.S. business interests. AmCham is an independent, non-partisan business organization. We are a member of the 28-chamber-strong organization AmChams of Asia.

Our goal is to provide the information and facilitate the access and connections that give members insight into the local, regional, and global operating environment, enhance their professional capabilities, and enable them to make well informed business decisions.



# 2019 Manpower Survey Results

SINGAPORE



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