2026 MANPOWER & WAGES EDITION

National Business Survey

REPORT CONTENT

ABOUT THE STUDY

The National Business Survey (NBS) is the flagship survey of the Singapore Business Federation (SBF).

Administered quarterly, the **SBF National Business Survey 2026 – 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 the Singapore business community may face.

RESPONDENT PROFILE

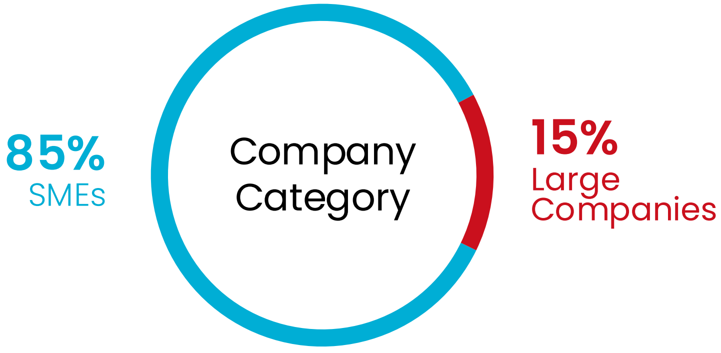
The survey was carried out from 1 July 2026 to 1 Aug 2026 and drew responses from 511 businesses across all key industries.

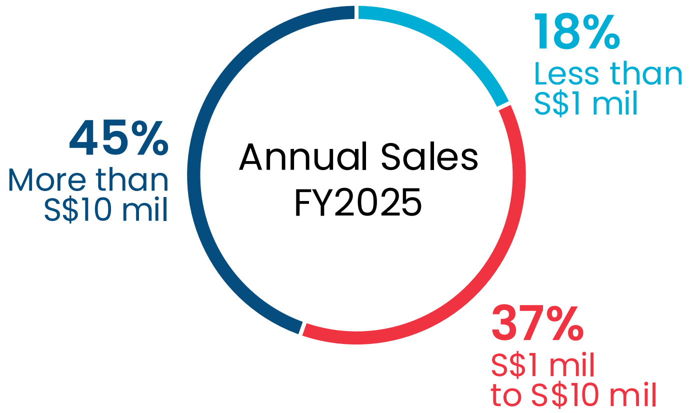
The sample included both SMEs (85%) and large companies (15%) and broadly mirrors SBF's membership base.

	SBF Database	Q2 2026
Wholesale Trade	21%	23%
Other Financial and Insurance Activities (e.g. Holding/Investment companies)	14%	11%
Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	16%	14%
Professional Services	10%	10%
IT & Related Services	6%	6%
Construction and Civil Engineering	9%	11%
Banking & Insurance	3%	3%
Logistics & Transportation	6%	6%
Administrative and Support Service Activities	4%	5%
Retail Trade	3%	2%
Hotels, Restaurants & Accommodations	2%	1%
Real Estate Activities	2%	1%
Education	1%	2%
Health and Social Services	1%	0.4%
Other Service Activities	1%	1%
Others*	1%	2%
TOTAL	**100%**	**100%**

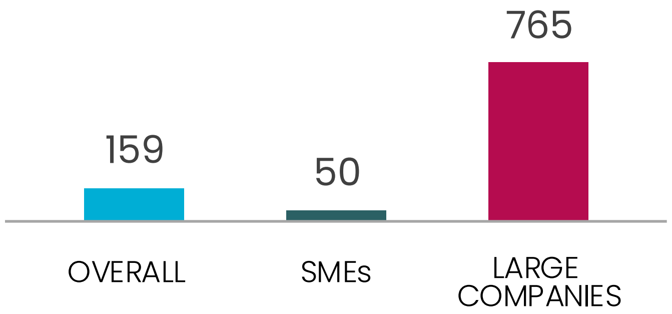
*Others (e.g. Agriculture and Fishing/Mining and Quarrying/Water Supply, Sewerage, Waste management/Public Administration and Defence/Arts, Entertainment and Recreation/ Electricity, Gas and Air-Conditioning Supply)

COMPANY PROFILE

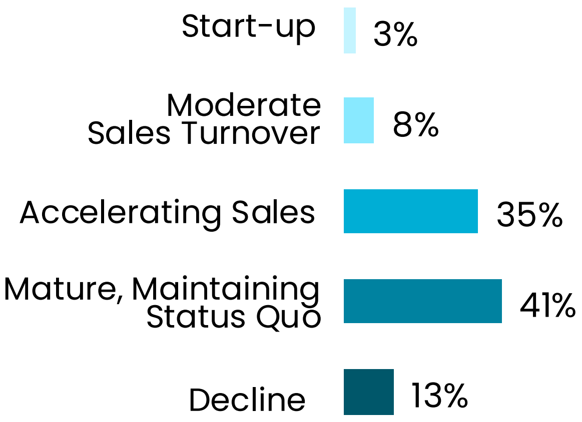




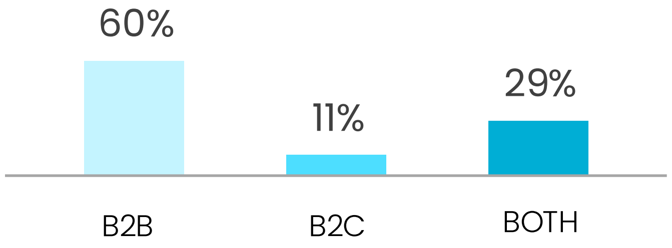
Avg. Employee Size



Stage of Development



Main Mode of Business



EXECUTIVE SUMMARY (1/9) – Manpower Challenges & Support Needed

- Skills shortages are becoming a more prominent manpower challenge in 2026, with difficulty finding candidates with relevant skill sets rising into the top five manpower challenges. Rising manpower costs remained the top challenge, increasing from 63% in 2025 to 68% in 2026, followed by foreign manpower policies that raise costs (47%, up by 2 percentage points).

- SMEs and large companies face the same top manpower challenges, although concerns over rising manpower costs were more prevalent among large companies (76%) than SMEs (67%).

- Businesses welcome the simplification of levy structure for Work Permit Holders in Manufacturing and Services sector from 2028, introduction of AI and Tech track under Overseas Networks & Expertise (ONE) pass, Dormitory Transition Scheme Grant and expansion of non-traditional source occupation list to include 8 new roles. Conversely, the increases in S Pass and Employment Pass qualifying salary for new and renewal applications are rated as having the most negative impact on businesses.

- Hotels, Restaurants & Accommodations (75%), IT & Related Services (61%) and Professional Services (53%) sectors are most negatively impacted by the increase in S pass qualifying salary for new applications, while Hotels, Restaurants & Accommodations (75%), Real Estate Activities (67%) and IT & Related Services (61%) sectors are most negatively impacted by the increase in S pass qualifying salary for renewal applications.

- Real Estate Activities (67%), IT & Related Services (61%) and Professional Services (56%) sectors are most negatively impacted by the increase in Employment pass qualifying salary for new applications, while Real Estate Services (67%), IT & Related Services (61%) and Professional Services (56%) sectors are most negatively impacted by the increase in Employment pass qualifying salary for renewal applications.

EXECUTIVE SUMMARY (2/9) – Manpower Challenges & Support Needed

- To cope with the negative impact from foreign workforce policy changes, companies are expanding recruitment to hire locals (39%), redesigning business processes with adoption of automation or AI to reduce manpower needs (31%) and redesigning jobs and task mix so employees can alongside digital or AI tools (31%).

- 1 in 2 businesses (53%) have made changes to their work processes in the last 12 months. Key changes in work processes include automating or digitalising specific tasks (54%), introducing AI-enabled tools (49%) and redesigning end-to-end processes (33%). Key impacts on workforce include increasing productivity per worker (47%) and requiring reskilling or upskilling of existing employees (41%).

- Key manpower support required by businesses include integration of technology adoption (including AI) with job redesign and skills upgrading (47%), seeking single advisory touchpoint to help companies multiple government schemes and avoid fragmentation (47%) and redesigning end-to-end business processes together with workforce changes (37%).

- Workforce development programmes that upskill and reskill employees (41%) are most widely used by businesses. Support programmes have primarily helped businesses in training without major job or process change (45%), adoption of digital, automation or AI solutions (37%) and hiring support (32%). Key impacts of support programmes include improved employee skills or job readiness (56%) and improved productivity or workforce efficiency (44%).

EXECUTIVE SUMMARY (3/9) – Hiring & Retention of Workforce

- Hiring sentiments edged down slightly, with 35% of businesses expecting to increase employment over the next 12 months, compared with 36% in 2025.

- Key reasons for reducing headcount include increase in business costs (47%), anticipated decline in business (42%) and economic uncertainties (42%).

- 17.2% of companies experienced an increase in headcount in the last 12 months and expect to further increase in the next 12 months. The top 3 sectors in this category are Banking & Insurance (58%), Health & Social Services (50%), and Hotels, Restaurants & Accommodations (40%). Conversely, 6.1% of companies experienced a decrease in headcount in the last 12 months and expect to further decrease in the next 12 months. The top 3 sectors in this category are IT & Related Services (21%), Manufacturing (17%) and Retail Trade (17%).

- The key challenges for hiring fresh graduates include limited practical work experience (62%), insufficient industry-specific knowledge (58%) and not having the required skills or competencies (54%), while the key challenge for hiring mid-career employees and mature employees (aged 50 and above) is compensation expectations exceed the company's budget.

- To cope with the hiring challenges, key hiring strategies adopted include providing competitive employee salary and benefits package, providing professional development and training opportunities and strengthening the company's employer brand. For mature employees, the top hiring strategy adopted by companies is offering flexible work arrangement.

EXECUTIVE SUMMARY (4/9) – Hiring & Retention of Workforce

- 21% of businesses have fully adopted skills-first hiring practices, increasing by 3%-points from 18% in 2025. Among the businesses that did not fully implement skills-first hiring, the key barriers are uncertainty over whether candidates with adjacent skills are able to perform the tasks (38%) and unsure how to assess the candidate for the required skills without relying on work experience or qualifications (34%).

- Key support measures needed include financial grants to implement skills-first hiring (37%) and skills-first recruitment portals for skills-matching between employers and job seekers (33%).

- The top human resources practices adopted include recognition for employee's skills (87%), clearly defined job roles in terms of tasks and skills required (86%) and consideration of employee's demonstrated skills when deciding progression (86%).

EXECUTIVE SUMMARY (5/9) – Wage Practices & Policies

- More businesses expect to raise employees' wages over the next 12 months, with 62% planning to do so, up from 59% in 2025. The percentage of businesses intending to freeze wages in the next 12 months has decreased from 41% in 2025 to 38% in 2026.

- 56.9% of companies had increased wages in the last 12 months and will continue to increase wages in the next 12 months. Higher proportion of businesses in Real Estate Activities, Banking & Insurance and Health & Social Services sector plan to increase wages.

- The proportion of businesses that have not fully implemented the Flexible Wage System (FWS) has declined, from 90% in 2025 to 86% in 2026. The main reason cited was that wages are already sufficiently variable without the FWS.

- The support needed to advance FWS adoption include financial incentives to offset potential increase in variable wages (43%), more guidance, technical and compliance support for implementing FWS (38%) and more resources to help companies communicate FWS to employees (31%).

- Nearly 2 in 3 businesses (61%) have adopted the National Wages Council's guidelines. Concern about high cost of implementing wage guidelines (28%), lack of awareness or limited understanding of the wage guidelines (26%) and insufficient resources to implement the wage guidelines (26%) are the key barriers among the 39% of businesses that have not adopted the NWC guidelines. Support required include incentives to offset other business costs in other areas (45%) and financial assistance and subsidies (44%).

- Reducing or withholding variable bonuses or Annual Wage Supplement (37%) and freezing or deferring planned wage increments (36%) are the key cost management measures during severe business downturn.

EXECUTIVE SUMMARY (6/9) – Support for Lower-Wage Workers

- 61% of businesses intend to raise wages for lower-wage workers in the next 12 months, down from 66% in 2025, while 38% plan to keep wages steady for lower-wage workers, up from 34% in 2025.

- More large companies (66%) plan to increase wages for lower-wage workers than SMEs (60%).

- 55.5% of companies had increased wages for the lower-wage workers in the last 12 months and will continue to increase wages for them in the next 12 months. Higher proportion of businesses in Real Estate Activities, Banking & Insurance and Health & Social Services sector plan to increase wages for the lower-wage workers.

- 56% of businesses have adopted the National Wages Council's recommended wage increase for lower-wage workers, a slight dip of 1%-point from 57% in 2025. The top reasons for not giving the recommended wage increase are the company not performing well (45%) and concerns over the impact on business costs (45%).

- Financial assistance and subsidies (56%) and incentives to offset other business costs in other areas (52%) are the key support needed for implementation of wage increases for all lower-wage workers.

EXECUTIVE SUMMARY (7/9) – Workforce Skills Development

- 7 in 10 businesses (71%) have trained/upskilled/reskilled their staff in the last 12 months, up from 66% in 2025. Among these businesses, 57% provided structured training from Government-related programmes, 64% provided structured training from non-Government-related programmes and 72% provided nonstructured/informal training.
- In the next 12 months, 72% of businesses plan to train/upskill/reskill their staff, up from 70% in 2025. Among these businesses, 62% plan to provide structured training from Government-related programmes, 67% plan to provided structured training from non-Government-related programmes and 75% plan to provide nonstructured/informal training.
- Specialised skills required for specific job roles (63%) were identified as the top area for skills upgrading, followed by leadership and management skills (51%), and analytical, conceptual, evaluative and problem-solving skills (47%).
- 56% of businesses review future workforce skills needs only when specific requirements arise. Only 10% of businesses have integrated assessment of future workforce skills needs as part of regular strategic planning.
- The top challenges faced by businesses when investing in employee training are concern about cost of training (51%), limited manpower to cover for staff who are undergoing training (46%), difficulty in measuring the Returns on Investment (ROI) on training programmes (31%), training programmes not tailored to industry or workforce needs (30%) and concern that employees may leave before training yields benefits (30%).
- Key areas of support needed to mitigate the challenges for training staff include support schemes that defray the cost of training (42%) and financial assistance or incentives to offset business costs in other areas (38%).

EXECUTIVE SUMMARY (8/9) – Human Resource Practices & Strategies

- 35% of businesses have provided career planning to their employees in the last 12 months, up from 31% in 2025. Businesses that have offered structured career planning in the last 12 months reported better employee morale or engagement (79%), more effective workforce planning (64%) and higher retention rates (56%).

- 65% of businesses used structured career planning to discuss potential future changes in job scope and wages. When job scopes and wages are adjusted, most companies (63%) benchmark against the full-scope role and adjust wages proportionately based on workload metrics other than time, such as the number of projects or staff managed.

- The primary reasons for not offering structured career planning are uncertainty over how to conduct/implement structured career planning (22%), perceive it as not useful because employees are not interested (22%) and lack of awareness of the need for structured career planning (20%).

- The key support needed for implementing structured career planning include provision of subsidised training on structured career planning (45%), financial assistance and subsidies (44%), financial assistance to offset business costs in other areas (42%) and guidance on how to effectively implement (41%).

- 32% of businesses have implemented job redesign in the last 12 months. Among these businesses, they have redesigned roles, tasks or job scope (74%) and digitalised or automated tasks or workflows (39%).

EXECUTIVE SUMMARY (9/9) – Human Resource Practices & Strategies

- Among businesses that have engaged in job redesign, 82% of businesses have taken steps to prepare employees before implementation. Key preparations include communication and engagement to build openness towards technology, AI and new ways of working (50%), early identification of employees for reskilling or redeployment (48%) and career planning discussions to align employee aspirations with business transformation needs (46%).

- The key challenges to job redesign are employees may be resistant to change (41%), need to upskill staff to meet new or revised job scope (30%) and the company lacking the resources for successful implementation (28%).

- 68% of local employees express a positive attitude towards foreigners in 2026, up from 67% in 2025, with 58% describing interactions as welcoming and inclusive or collaborative. Only 4% feel that foreigners are viewed by their local employees as competitive.

- Key policies to integrate foreign and local workforce include cross-functional teams (44%), diversity, equity and inclusion HR policies (22%) and community and cultural integration activities (21%).

SECTION 1

MANPOWER CHALLENGES & SUPPORT NEEDED

Difficulty finding candidates with relevant skill sets is becoming a growing manpower challenge, rising into the top five challenges in 2026.

Skills shortages and challenges in hiring younger workers rose as key workforce pressures in 2026, alongside persistent concerns over rising manpower costs.

Attracting and retaining younger workers (42%) emerged as the third most prominent manpower challenge in 2026, while difficulty finding candidates with relevant skills (41%) rose to the Top 5.

Top 5 Manpower Challenges

	2026		2025	2024
1	68% (+5% vs. 2025)	**Rising Manpower cost**	63% Rising Manpower cost	75% Rising Manpower cost
2	47% (+2%)	**Foreign manpower policies that raise cost**	47% Challenges in upskilling/reskilling	61% Limited pool of local high-skilled labour
3	42% (+6%)	**Attracting and/or retaining younger workers**	45% Foreign manpower policies that raise cost	53% New foreign manpower policies that raise costs
4	41% (+6%)	**Unable to find candidates with relevant skillsets**	41% Stricter policies that limit supply of foreign workforce	48% Stricter policies that limit supply of foreign workforce
5	38% (+6%)	**Unable to reduce dependence on foreign manpower**	36% Attracting and/or retaining younger workers	48% Unable to find candidates with matching skill sets

Other Manpower Challenges in 2026:

06 Challenges in upskilling or reskilling employees (37%)
07 Stricter policies that limit the supply of foreign manpower (35%)
08 Difficulty attracting and/or retaining local high-skilled labour (33%)
09 Limited pool of local high-skilled labour (27%)
10 Difficulty attracting and/or retaining local low-skilled labour (22%)

Base: All Respondents: n=796 (2024), n=555 (2025), n=511 (2026)
Q11. In your view, which of the following manpower challenges are key issues faced by your industry to operate in Singapore?

SMEs and Large Companies identify the same five leading challenges, signalling broad alignment in manpower pressures

However, Large Companies report stronger concerns over rising manpower cost (76%), compared to SMEs (67%).

Top 5 Manpower Challenges

SMEs
Base: 433

Challenge	2026	2025
Rising manpower cost	**67%**	(63%, 2025)
Foreign manpower policies that raise manpower cost	**46%**	(44%, 2025)
Difficulty attracting and/or retaining younger workers	**41%**	(35%, 2025)
Unable to find candidates with relevant skillsets	**41%**	(34%, 2025)
Unable to reduce dependence on foreign manpower	**37%**	(33%, 2025)

LARGE COMPANIES
Base: 78

Challenge	2026	2025
Rising manpower cost	**76%**	(65%, 2025)
Foreign manpower policies that raise manpower cost	**51%**	(46%, 2025)
Difficulty attracting and/or retaining younger workers	**45%**	(43%, 2025)
Unable to find candidates with relevant skillsets	**45%**	(38%, 2025)
Unable to reduce dependence on foreign manpower	**42%**	(26%, 2025)

Base: All Respondents: n=511 (2026)
Q11. In your view, which of the following manpower challenges are key issues faced by your industry to operate in Singapore?

Top 10 Manpower Challenges By Sectors

	OVERALL	Wholesale Trade	Manufacturing	Construction & Civil Engineering	Other Financial & Insurance Activities	Professional Services	IT & Related Services	Logistics & Transportation	Admin & Support Services
n=	511	119	71	58	54	52	32	29*	26*
Rising manpower cost	68%	69%	76%	59%	48%	67%	72%	69%	**81%**
Foreign manpower policies that raise manpower cost	47%	38%	56%	66%	22%	46%	50%	**66%**	58%
Difficulty attracting and/or retaining younger workers	42%	42%	44%	41%	15%	40%	31%	**55%**	**58%**
Unable to find candidate(s) with skill sets that fit the advertised role	41%	39%	**52%**	43%	24%	48%	47%	38%	38%
Unable to reduce dependence on foreign manpower	38%	31%	**62%**	**53%**	15%	35%	31%	48%	42%
Challenges in upskilling or reskilling employees	37%	**44%**	31%	38%	20%	33%	**44%**	41%	42%
Stricter policies that limit the supply of foreign manpower	35%	40%	37%	34%	19%	35%	**47%**	38%	38%
Difficulty attracting and/or retaining local high-skilled labour	33%	24%	38%	36%	28%	38%	25%	34%	**42%**
Limited pool of local high-skilled labour	27%	19%	35%	**41%**	22%	40%	19%	**41%**	23%
Difficulty attracting and/or retaining local low-skilled labour	22%	24%	**31%**	22%	13%	12%	16%	17%	19%

Base: All Respondents: n=511 (2026)
Q11. In your view, which of the following manpower challenges are key issues faced by your industry to operate in Singapore?

*Caveat: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*

Top 10 Manpower Challenges By Sectors

	OVERALL	Banking & Insurance	Retail Trade	Others	Education	Real Estate Activities	Hotels, Restaurants & Accomm	Other Service Activities	Health & Social Services
n=	511	16*	12*	12*	9*	7*	6*	6*	2*
Rising manpower cost	68%	75%	83%	83%	67%	86%	33%	67%	100%
Foreign manpower policies that raise manpower cost	47%	38%	33%	33%	78%	29%	50%	50%	50%
Difficulty attracting and/or retaining younger workers	42%	38%	58%	75%	44%	43%	33%	50%	100%
Unable to find candidate(s) with skill sets that fit the advertised role	41%	44%	42%	42%	33%	29%	0%	17%	50%
Unable to reduce dependence on foreign manpower	38%	6%	58%	33%	33%	29%	50%	50%	0%
Challenges in upskilling or reskilling employees	37%	13%	50%	42%	33%	71%	17%	67%	50%
Stricter policies that limit the supply of foreign manpower	35%	25%	17%	58%	44%	14%	17%	33%	50%
Difficulty attracting and/or retaining local high-skilled labour	33%	25%	33%	67%	44%	43%	33%	50%	50%
Limited pool of local high-skilled labour	27%	6%	0%	42%	11%	14%	0%	67%	50%
Difficulty attracting and/or retaining local low-skilled labour	22%	0%	25%	42%	11%	0%	50%	17%	50%

Base: All Respondents: n=511 (2026)
Q11. In your view, which of the following manpower challenges are key issues faced by your industry to operate in Singapore?

*__Caveat__: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*

Higher qualifying salaries are viewed as the most challenging foreign workforce policy change

Among **70%** of businesses that reported foreign workforce challenges...

Higher S Pass and Employment Pass qualifying salaries emerge as the key measures driving negative perceptions

Meanwhile, measures that improve workforce access, such as levy simplification, introduction of the ONE Pass, and expanded source occupation lists, are viewed more favourably.

NET POSITIVE PERCEPTIONS
(% Positive > % Negative)

Impact of Foreign Workforce Policy Changes on Businesses

	POSITIVE IMPACT	NONE	NEGATIVE IMPACT
Increase in S Pass qualifying salary for new applications	30%	27%	42%
Increase in Employment Pass qualifying salary for new applications	29%	33%	38%
Increase in Employment Pass qualifying salary for renewal applications	29%	32%	38%
Increase in S Pass qualifying salary for renewal applications	29%	27%	45%
Simplification of levy structure for Work Permit Holders in Manufacturing and Services sectors from 2028	26%	56%	18%
AI and Tech track under Overseas Networks & Expertise (ONE) pass	18%	76%	6%
Dormitory Transition Scheme Grant to help defray retrofitting costs	14%	78%	8%
Expansion of non-traditional source occupation list to include 8 new roles	12%	82%	6%
Raise levies for basic-skilled Work Permit Holders in Marine Shipyard and Process sectors	11%	73%	16%
Opening of Singapore's first government-built and owned dormitory	9%	85%	6%

Base: Those facing foreign manpower challenges, n=357, 2026
Q13a On a scale of 0 – 10, what impact do these recent changes in foreign workforce policy have on your company?
(Positive: Rated 6-10, None: Rated 5, Negative: Rated 0 to 4)

Top 10 Foreign Workforce Policy Changes By Sectors

		OVERALL	Wholesale Trade	Manufacturing	Construction & Civil Engr	Professional Services	Logistics & Transportation	IT & Related Services	Other Financial & Insurance	Admin Support Service
	n=	357	79	59	50	36	26*	23*	20*	19*
Increase in S Pass qualifying salary for new applications	Positive	30%	28%	31%	36%	22%	35%	17%	20%	37%
	None	27%	30%	29%	14%	25%	31%	22%	50%	32%
	Negative	42%	42%	41%	50%	53%	35%	61%	30%	32%
Increase in Employment Pass qualifying salary for new applications	Positive	29%	28%	34%	28%	22%	31%	17%	30%	47%
	None	33%	37%	37%	40%	22%	27%	22%	15%	32%
	Negative	38%	35%	29%	32%	56%	42%	61%	55%	21%
Increase in Employment Pass qualifying salary for renewal applications	Positive	29%	28%	34%	30%	22%	23%	22%	30%	42%
	None	32%	42%	31%	40%	22%	31%	17%	30%	32%
	Negative	38%	30%	36%	30%	56%	46%	61%	40%	26%
Increase in S Pass qualifying salary for renewal applications	Positive	29%	28%	34%	34%	19%	27%	17%	10%	37%
	None	27%	33%	24%	14%	25%	31%	22%	55%	21%
	Negative	45%	39%	42%	52%	56%	42%	61%	35%	42%
Reduce number of tiers based on for Work Permit Holders in Manufacturing and Services sectors from 2028	Positive	26%	19%	42%	20%	22%	31%	35%	5%	26%
	None	56%	59%	36%	60%	61%	46%	57%	80%	58%
	Negative	18%	22%	22%	20%	17%	23%	9%	15%	16%
AI and Tech track under Overseas Networks & Expertise (ONE) pass	Positive	18%	16%	19%	16%	19%	23%	22%	30%	16%
	None	76%	78%	76%	80%	72%	65%	74%	60%	79%
	Negative	6%	5%	5%	4%	8%	12%	4%	10%	5%
Dormitory Transition Scheme Grant to help defray retrofitting costs	Positive	14%	6%	20%	34%	6%	19%	9%	5%	5%
	None	78%	89%	71%	56%	86%	65%	91%	80%	84%
	Negative	8%	5%	8%	10%	8%	15%	0%	15%	11%
Expansion of non-traditional source occupation list to include 8 new roles	Positive	12%	11%	12%	10%	3%	31%	13%	5%	11%
	None	82%	84%	83%	86%	86%	58%	87%	75%	79%
	Negative	6%	5%	5%	4%	11%	12%	0%	20%	11%
Raise levies for basic-skilled Work Permit Holders in Marine Shipyard and Process sectors	Positive	11%	8%	17%	16%	3%	23%	4%	0%	5%
	None	73%	76%	61%	74%	86%	50%	78%	80%	68%
	Negative	16%	16%	22%	10%	11%	27%	17%	20%	26%
Opening of Singapore's first government-built and owned dormitory	Positive	9%	3%	15%	22%	3%	12%	9%	5%	5%
	None	85%	92%	80%	70%	92%	73%	91%	85%	84%
	Negative	6%	5%	5%	8%	6%	15%	0%	10%	11%

Base: Those facing foreign manpower challenges, n=357, 2026
Q13a On a scale of 0 – 10, what impact do these recent changes in foreign workforce policy have on your company?
(Positive: Rated 6-10, None: Rated 5, Negative: Rated 0 to 4)

*Caveat: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*

Top 10 Foreign Workforce Policy Changes By Sectors

		OVERALL	Retail Trade	Others	Banking & Insurance	Education	Hotels, Restaurants & Accomm	Other Service Activities	Real Estate Activities	Health & Social Services
	n=	357	9*	9*	8*	8*	4*	3*	3*	1*
Increase in S Pass qualifying salary for new applications	Positive	30%	44%	56%	50%	25%	0%	33%	33%	100%
	None	27%	22%	22%	50%	25%	25%	0%	33%	0%
	Negative	42%	33%	22%	0%	50%	75%	67%	33%	0%
Increase in Employment Pass qualifying salary for new applications	Positive	29%	33%	44%	50%	25%	0%	0%	0%	100%
	None	33%	56%	33%	13%	25%	75%	67%	33%	0%
	Negative	38%	11%	22%	38%	50%	25%	33%	67%	0%
Increase in Employment Pass qualifying salary for renewal applications	Positive	29%	33%	44%	50%	13%	25%	0%	0%	100%
	None	32%	44%	33%	0%	25%	25%	67%	33%	0%
	Negative	38%	22%	22%	50%	63%	50%	33%	67%	0%
Increase in S Pass qualifying salary for renewal applications	Positive	29%	44%	44%	38%	25%	0%	33%	33%	100%
	None	27%	22%	33%	50%	25%	25%	0%	0%	0%
	Negative	45%	33%	22%	13%	50%	75%	67%	67%	0%
Reduce number of tiers based on for Work Permit Holders in Manufacturing and Services sectors from 2028	Positive	26%	44%	33%	13%	13%	25%	33%	33%	0%
	None	56%	33%	56%	88%	75%	50%	67%	67%	100%
	Negative	18%	22%	11%	0%	13%	25%	0%	0%	0%
AI and Tech track under Overseas Networks & Expertise (ONE) pass	Positive	18%	11%	11%	13%	13%	0%	33%	0%	0%
	None	76%	78%	89%	88%	88%	100%	67%	100%	100%
	Negative	6%	11%	0%	0%	0%	0%	0%	0%	0%
Dormitory Transition Scheme Grant to help defray retrofitting costs	Positive	14%	11%	11%	0%	0%	50%	0%	33%	0%
	None	78%	89%	78%	100%	100%	50%	100%	67%	100%
	Negative	8%	0%	11%	0%	0%	0%	0%	0%	0%
Expansion of non-traditional source occupation list to include 8 new roles	Positive	12%	11%	11%	0%	13%	25%	0%	33%	100%
	None	82%	89%	89%	100%	88%	75%	100%	67%	0%
	Negative	6%	0%	0%	0%	0%	0%	0%	0%	0%
Raise levies for basic-skilled Work Permit Holders in Marine Shipyard and Process sectors	Positive	11%	22%	22%	0%	0%	25%	33%	0%	100%
	None	73%	78%	67%	100%	100%	75%	33%	100%	0%
	Negative	16%	0%	11%	0%	0%	0%	33%	0%	0%
Opening of Singapore's first government-built and owned dormitory	Positive	9%	0%	0%	0%	0%	0%	0%	33%	0%
	None	85%	100%	100%	88%	100%	100%	100%	67%	100%
	Negative	6%	0%	0%	13%	0%	0%	0%	0%	0%

Base: Those facing foreign manpower challenges, n=357, 2026
Q13a On a scale of 0 – 10, what impact do these recent changes in foreign workforce policy have on your company?
(Positive: Rated 6-10, None: Rated 5, Negative: Rated 1 to 4)

*__Caveat__: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*

Foreign workforce pressures are prompting businesses to strengthen local hiring alongside adoption of automation and AI to reduce manpower needs

Businesses are prioritising local recruitment (39%), process automation (31%) and redesign of work tasks (31%) through automation and AI as their main adaptation strategies.

Key Strategies to Manage Impact of Foreign Workforce Policies

- **39% Expand / Enhance** recruitment efforts to **hire locals**
- **31% Redesign** business **processes** with adoption of **automation / AI** to reduce manpower needs
- **31% Redesign** jobs and task mix so employees can **work alongside digital or AI tools**
- **29% Outsource** some of the functions to **third-party contractors** in Singapore
- **29% Increase wages** of jobs to make it more **attractive to locals**
- **28% Reduce manpower** without significant change to business processes
- **26% Delay** business **expansion** plans
- **24% Retrain / redeploy** existing employees

Base: Those facing foreign manpower challenges, n=204 (2026)
Q13b What does your company plan to do to cope with the negative impact from the foreign workforce policies?

Adoption of automation and AI rank as key strategies among SMEs, while Large Companies place greater emphasis on outsourcing to reduce manpower needs

Key Strategies to Manage Impact of Foreign Workforce Policies

SMEs
Base: 176

Expand / Enhance recruitment efforts to hire locals	36%
Redesign jobs and task mix with adoption of automation / AI	31%
Redesign business processes with digital / AI tools	30%
Reduce manpower without significant change to business processes	28%
Increase wages of jobs to make it more attractive to locals	27%

LARGE COMPANIES
Base: 28*

Expand / Enhance recruitment efforts to hire locals	61%
Outsource some of the functions to third-party contractors in Singapore	43%
Increase wages of jobs to make it more attractive to locals	39%
Redesign jobs and task mix with adoption of automation / AI	36%
Redesign business processes with digital / AI tools	32%

Base: Those facing foreign manpower challenges, n=204 (2026)
Q13b What does your company plan to do to cope with the negative impact from the foreign workforce policies?

*__Caveat__: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*

Around one in two businesses (53%) have changed their work processes, led by the adoption of automation and AI-enabled tools

Among businesses making changes, 47% report increased productivity and 41% identify reskilling needs, while 29% have reduced headcount in certain functions.

Key Changes in Work and Workforce in P12M:

53% 52% SME | 60% LC

of businesses have made **changes to work processes** in the past 12 months…

Key Changes in Work Processes:

Automated or digitalised **specific tasks**	54%	52% SME | 60% LC
Introduced AI-enabled tools that change how decisions or work are performed	49%	44% SME | 70% LC
Redesigned end-to-end **processes**	33%	34% SME | 28% LC
Consolidated or **removed roles** without major process change	32%	33% SME | 30% LC
Created new roles linked to **digital / data / AI capabilities**	21%	21% SME | 23% LC

Key Impacts on Workforce:

Increased productivity per worker	47%	48% SME | 45% LC
Required reskilling / upskilling of existing employees	41%	40% SME | 47% LC
Reduced headcount in certain functions	29%	29% SME | 30% LC
Increased demand for **higher-skilled** roles	18%	18% SME | 17% LC
No significant impact on workforce	18%	17% SME | 23% LC

Base: All Respondents: n=511 (2026)
Q14. In the past 12 months, which of the following changes has your company made to how work is carried out?
Base: Those who made changes to how work is carried out: n=271 (2026)
Q15. What impact did these changes have on your workforce?[

Technology integration and easier navigation of government support stand out as businesses’ leading manpower support priorities

SMEs and Large Companies share similar priorities for greater support for technology integration and easier navigation of government support schemes.

Key Manpower Support Priorities

47% seek

Support to **integrate technology adoption** (including AI) with job redesign and skills upgrading

48% SME | 44% LC

47% seek

A single advisory touchpoint to help companies navigate **multiple government schemes** and avoid fragmentation

48% SME | 43% LC

37% seek

Support to redesign end-to-end business processes together with workforce changes, including sequencing of actions

37% SME | 35% LC

Base: Those facing manpower challenges, n=460 (2026), SME n=388 | Large companies n=72
Q12 What kind of support does your company require to cope with the manpower challenges in the current economic situation?

Workforce development programmes aimed at upskilling and reskilling employees are the most widely used manpower support initiatives among businesses

Types of Manpower Support Programmes Used

41%
To **upskill** and **reskill employees**

15%
To hire **new employees**

12%
To **strengthen HR** capabilities for transformation

11%
For **job redesign** and **workforce transformation**

10%
For **workplace training** capabilities

Base: All Respondents: n=511 (2026)
Q16a. Has your company tapped on support programmes?

Businesses mainly use manpower support programmes to build workforce skills and accelerate technology adoption

More than half of programme users report improved employee skills or job readiness (56%), followed by improved productivity or workforce efficiency (44%).

Key Ways Support Programmes Helped Businesses

- 45% **Training** without major job or process change
- 37% Adoption of digital, automation or AI solutions
- 32% Hiring support
- 24% Job redesign linked to business process change
- 23% Multiple areas in an integrated way

Key Impact of Manpower Support Programmes

- 56% Improved employee skills or job readiness
- 44% Improved productivity or workforce efficiency
- 27% Supported adoption of digital, automation or AI solutions
- 24% Supported job redesign or process improvement
- 24% Improved hiring or retention outcomes

Base: Users of manpower support programmes, n=238, (2026)
Q16c. If your company has tapped any support programmes, what were they primarily used for?
Q16d. What outcomes were achieved from using the support programme(s)?

Across all manpower support programmes, the primary barrier to adoption is the perceived lack of relevance or applicability to business needs

Key Barriers to Usage of Support Programmes

	To **upskill** and **reskill employees**	To hire **new employees**	To **strengthen HR** capabilities for transformation	For **job redesign** and **workforce transformation**	For **workplace training** capabilities
Not helpful or relevant	**40%**	**48%**	**39%**	**44%**	**43%**
Lack of bandwidth to use	20%	16%	23%	18%	19%
Not aware of / do not understand these programmes	18%	18%	24%	20%	24%
Tedious to apply	12%	7%	6%	8%	7%

Base: Non-users of manpower support programmes,
(To upskill & reskill, n= 304; To hire new employees, n=432; To strengthen HR capabilities, n=450; For job redesign, n= 455; For workplace training, n=459)
Q16b. Why did your company not tap on the support programme?

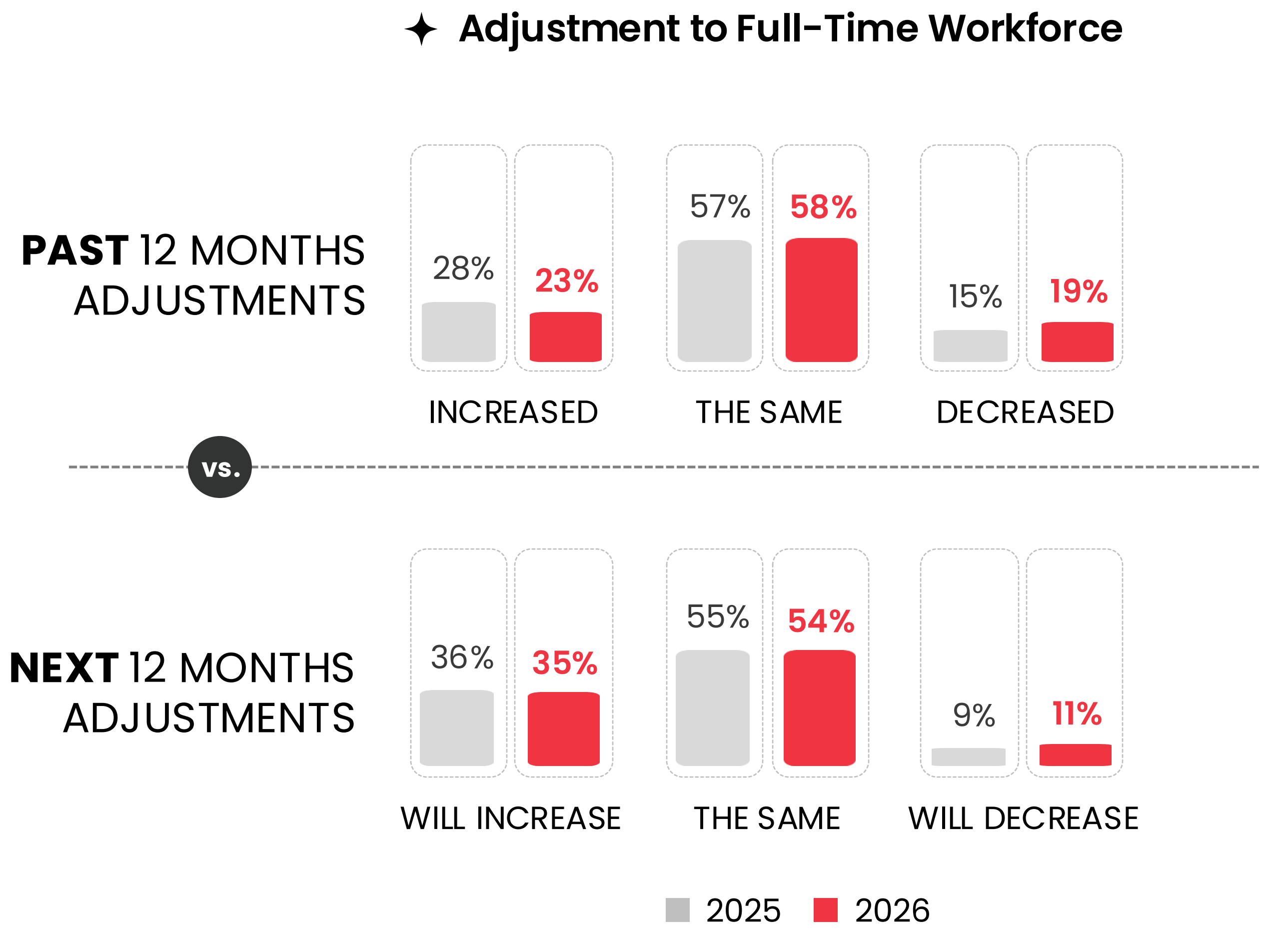
SECTION 2

HIRING & RETENTION OF WORKFORCE

Hiring outlook remains cautious, with most businesses planning to maintain current workforce levels rather than expand headcount over the next 12 months

Hiring momentum persists despite the emphasis on stability, with 35% of businesses planning to expand full-time workforce in the next 12 months

Meanwhile, 11% expect to reduce their full-time workforce over the coming year, slightly above 9% in 2025.

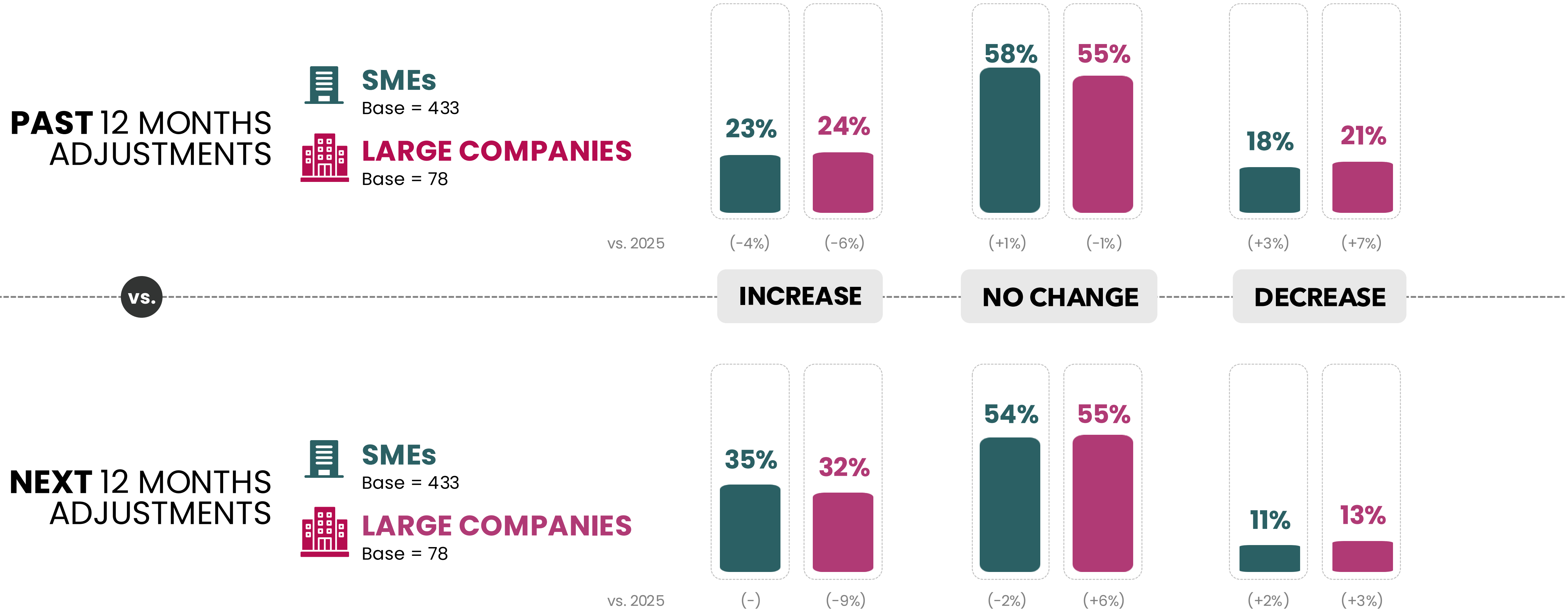


Base: All Respondents: n= 555 (2025), n=511 (2026)
Q17. What adjustments have you made to the number of full-time employees in the last 12 months and what adjustments will you be making to the number of full-time employees in the next 12 months?

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

Hiring outlook is broadly aligned across SMEs and Large Companies, with workforce stability remaining the key expectation across most businesses

Adjustment to Full-Time Workforce



Base: All Respondents: 2025: SME, n=473 | LC, n=82, 2026: SME, n=433 | LC, n=78
Q17. What adjustments have you made to the number of full-time employees in the last 12 months and what adjustments will you be making to the number of full-time employees in the next 12 months?

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

Business costs and economic uncertainty are the main pressures behind expected workforce reductions

Business restructuring is the leading consideration among Large Companies for workforce reductions, whereas SMEs are mainly driven by rising costs and economic uncertainty.

Key Reasons for Reducing Headcount in Next 12 Months

47% (39%, 2025)
Increase in business costs
(49% SME, 40% LC)

42% (63%, 2025)
Anticipated decline in business
(43% SME, 40% LC)

42% (41%, 2025)
Economic uncertainties
(45% SME, 30% LC)

39% (37%, 2025)
Business restructuring
(34% SME, 60% LC)

23% (29%, 2025)
Company downsizing
(23% SME, 20% LC)

19% (20%, 2025)
Functions eliminated due to **outsourcing** for cost management or operational efficiency
(19% SME, 20% LC)

Base: Decrease in headcount selected in the L12M, n= 49 (2025), n= 57 (2026)
Q18. What are the reason(s) for decreasing the number of full-time employees in the next 12 months?

Amid current economic uncertainty, workforce stability remains the prevailing outlook, with most businesses expecting to maintain current headcount levels

Around four in ten businesses (40.9%) maintained headcount and expect to keep it unchanged over the next 12 months.

Forward workforce movements nevertheless lean more towards expansion than contraction.
17.4% of businesses plan to move into workforce expansion compared to 5.1% moving into contraction, although persistent contraction has risen by 3.2 points to 6.1% compared to 2025.

Businesses Adjusting Full-Time Employee Size in **N12M**

Businesses Adjusting Full-time Employee Size in **P12M**	WILL DECREASE	NO CHANGE	WILL INCREASE
DECREASED	**6.1%** (+3.2% vs. 2025)	7.6% (-)	4.9% (+0.5%)
NO CHANGE	4.5% (+0.2%)	**40.9%** (+1.6%)	12.5% (-0.8%)
INCREASED	0.6% (-1.0%)	5.7% (-2.2%)	**17.2%** (-1.4%)

Value in brackets indicate increase or decrease versus 2025 survey data. Decimal points have been rounded up. The total may not add up to 100%.

Base: All Respondents: n=555 (2025), n=511 (2026), n=511 (2026)
Q17. What adjustments have you made to the number of full-time employees in the last 12 months and what adjustments will you be making to the number of full-time employees in the next 12 months?

Banking & Insurance sector shows stronger sustained demand to expand workforce, while most sectors report weaker outlook compared to 2025

WILL INCREASE IN N12M

INCREASE DIN P12M

17.2%
(-1.4%)

Increased full-time workforce in **P12M** and **will increase** full-time workforce in **N12M**

Base, 2026	% By Industry	2026	2025
7*	Banking & Insurance	**58%**	35%
1*	Health & Social Services	50%	75%
5*	Others*	50%	50%
2*	Hotels, Restaurants & Accommodations	40%	20%
8*	Administrative & Support Service Activities	38%	23%
13*	Construction & Civil Engineering	33%	45%
1*	Other Service Activities	33%	33%
6*	IT & Related Services	32%	17%
8*	Professional Services	31%	30%
9*	Other Financial and Insurance Activities (e.g. holding/investment companies)	26%	33%
11*	Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	24%	35%
14*	Wholesale Trade	17%	17%
1*	Retail Trade	17%	33%
2*	Logistics & Transportation	12%	47%
0*	Real Estate Activities	0%	14%
0*	Education	0%	0%

Base: Increased the number of full-time employees for the P12M and the N12MIncreased the number of full-time employees for the P12M and the N12M: n=103 (2025), n=511 (2026)
Q17. What adjustments have you made to the number of full-time employees in the last 12 months and what adjustments will you be making to the number of full-time employees in the next 12 months?

*Caveat: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*

High proportion of businesses in Real Estate Activities, Education, Logistics & Transportation and Wholesale Trade sectors plan to maintain headcount freeze for another 12 months

NO CHANGE IN N12M

NO CHANGE IN P12M

40.9%

(+1.6%)

No change in full-time workforce in **P12M** and **N12M**

Base, 2026	% By Industry	2026	VS. 2025
4*	**Real Estate Activities**	**100%**	86%
2*	**Education**	**100%**	67%
13*	**Logistics & Transportation**	**76%**	53%
62	**Wholesale Trade**	**76%**	81%
23*	**Other Financial and Insurance Activities** (e.g. holding/investment companies)	68%	65%
4*	**Retail Trade**	67%	44%
2*	**Other Service Activities**	67%	67%
3*	**Hotels, Restaurants & Accommodations**	60%	60%
23*	**Construction & Civil Engineering**	59%	42%
27*	**Manufacturing** (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	59%	59%
12*	**Administrative & Support Service Activities**	57%	69%
14*	**Professional Services**	54%	70%
1*	**Health & Social Services**	50%	25%
5*	**Others***	50%	50%
9*	**IT & Related Services**	47%	72%
5*	**Banking & Insurance**	42%	65%

Base: No change in the number of full-time employees for the last P12M and the N12M: n=218 (2025), n=209 (2026)
Q17. What adjustments have you made to the number of full-time employees in the last 12 months and what adjustments will you be making to the number of full-time employees in the next 12 months?

*__Caveat__: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*

Relatively higher proportions of businesses looking to continue workforce contraction in IT & Related Services, Manufacturing and Retail Trade sectors

DECREASE IN N12M

DECREASE IN P12M

6.1%
(+3.2%)

Reduced full-time workforce in **P12M** and **will reduce** full-time workforce in **N12M**

Base, 2026	% By Industry	2026	VS. 2025
4*	IT & Related Services	**21%**	11%
8*	Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	**17%**	6%
1*	Retail Trade	**17%**	22%
4*	Professional Services	15%	0%
2*	Logistics & Transportation	12%	0%
3*	Construction & Civil Engineering	8%	13%
6*	Wholesale Trade	7%	2%
2*	Other Financial and Insurance Activities (e.g. holding/investment companies)	6%	2%
1*	Administrative & Support Service Activities	5%	8%
0*	Hotels, Restaurants & Accommodations	0%	20%
0*	Real Estate Activities	0%	0%
0*	Banking & Insurance	0%	0%
0*	Other Service Activities	0%	0%
0*	Health & Social Services	0%	0%
0*	Education	0%	33%
0*	Others*	0%	0%

Base: Decrease in the number of full-time employees for the IP12M and the N12M: n=16* (2025) n=31* (2026)
Q17. What adjustments have you made to the number of full-time employees in the last 12 months and what adjustments will you be making to the number of full-time employees in the next 12 months?

*__Caveat__: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*

Limited experience, knowledge and job-ready skills are the top 2 challenges for hiring fresh graduates

Meanwhile, mismatch in salary expectations is the main challenge when hiring mid-career (63%) and mature (47%) employees.

✦ Hiring Challenges across Employees Types

	Fresh graduates	Mid-career employees	Mature employees (aged 50 and above)
Limited practical work experience	**62%**	21%	15%
Insufficient industry-specific knowledge	**58%**	34%	27%
Do not have the required skills or competencies for the role	**54%**	**39%**	**33%**
Compensation expectations exceed the company's budget	52%	**63%**	**47%**
Job roles are perceived as unattractive	48%	34%	24%
Difficulty in assessing candidates' suitability and cultural fit	38%	**36%**	**30%**
Limited awareness of available government support programmes	20%	19%	21%
Management resistance to hiring from this demographic segment	9%	10%	17%
	No challenge: 10%	No challenge: 10%	No challenge: 17%

Base: Those who hire employees within this category
(Fresh Graduates, n=325; Mid-career employees, n=364; Senior employees, n=316)
Q20. What challenges does your company face in hiring these employees?

Competitive salaries and benefits, alongside professional development opportunities, are the key talent-attraction strategies businesses apply across employee groups

Flexible work arrangements (55%) stand out as the leading strategy for attracting mature employees.

Hiring Strategies across Employees Types

	Fresh graduates	Mid-career employees	Mature employees (aged 50 and above)
Provide competitive employee salary and benefits package	58%	65%	47%
Provide professional development & training opportunities	55%	58%	40%
Strengthen the company's employer brand	52%	51%	34%
Articulate clear career progression prospects	44%	49%	23%
Offer flexible work arrangement	41%	48%	55%
Redesign jobs to make them more attractive	30%	38%	32%
Align employee value proposition with ESG strategies	25%	31%	19%
Transform the business through manpower planning and development	25%	39%	26%

Base: Those who hire employees within this category
(Fresh Graduates, n=325; Mid-career employees, n=364; Senior employees, n=316)
Q19. How does your company intend to attract the following types of employees?

Businesses are progressing towards skills-first hiring; the proportion of non-adopters fell to 16% in 2026, down from 28% in 2025

Majority of businesses are implementing partial adoption of skills-hiring approaches, (63%), led by adoption of skills-first hiring in technical or specialised roles at 41%.

✦ Implementation of Skills-First Hiring

21% (18%, 2025)
Fully implemented across all roles

(82%, 2025) **79%**
Did not fully implement skills-first hiring

63% (54%, 2025)
Partially implemented across…

16% (28%, 2025)
Did not implement at all

41%
Technical or **specialised** roles
(31%, 2025)

21%
Entry-level roles but not leadership positions
(22%, 2025)

13%
Project-based or **contract** roles
(11%, 2025)

Base: All Respondents, n=555 (2025), n=511 (2026)
Q23. To what extent has your company implemented skills-first hiring practices?
Skills-first hiring refers to hiring based on transferable skills rather than direct work experience or academic qualifications.

Confidence in skills assessment remains the key barrier to fully implementing skills-first hiring

Businesses remain uncertain whether adjacent skills translate into job performance (38%) and how to assess candidate suitability without relying on qualifications or experience (34%).

Key Barriers to Implementing Skills-First Hiring

Among the **79%** of businesses that **did not fully implement skills-first hiring…**

(82%, 2025)

38%

Unsure if candidates with adjacent skills are able to **perform the task**

(42%, 2025)

34%

Unsure how to assess the candidate for the required skills without relying on work experience or qualifications

(29%, 2025)

33%

Difficult to implement skills-first hiring practices compared to hiring based on work experience or qualifications

(30%, 2025)

26%

More training required for a candidate with **adjacent skills** than one hired based on experience

(32%, 2025)

22%

Lack of manpower to implement skills-first hiring practices

(27%, 2025)

21%

Skills-first hiring is not commonly practised in my industry

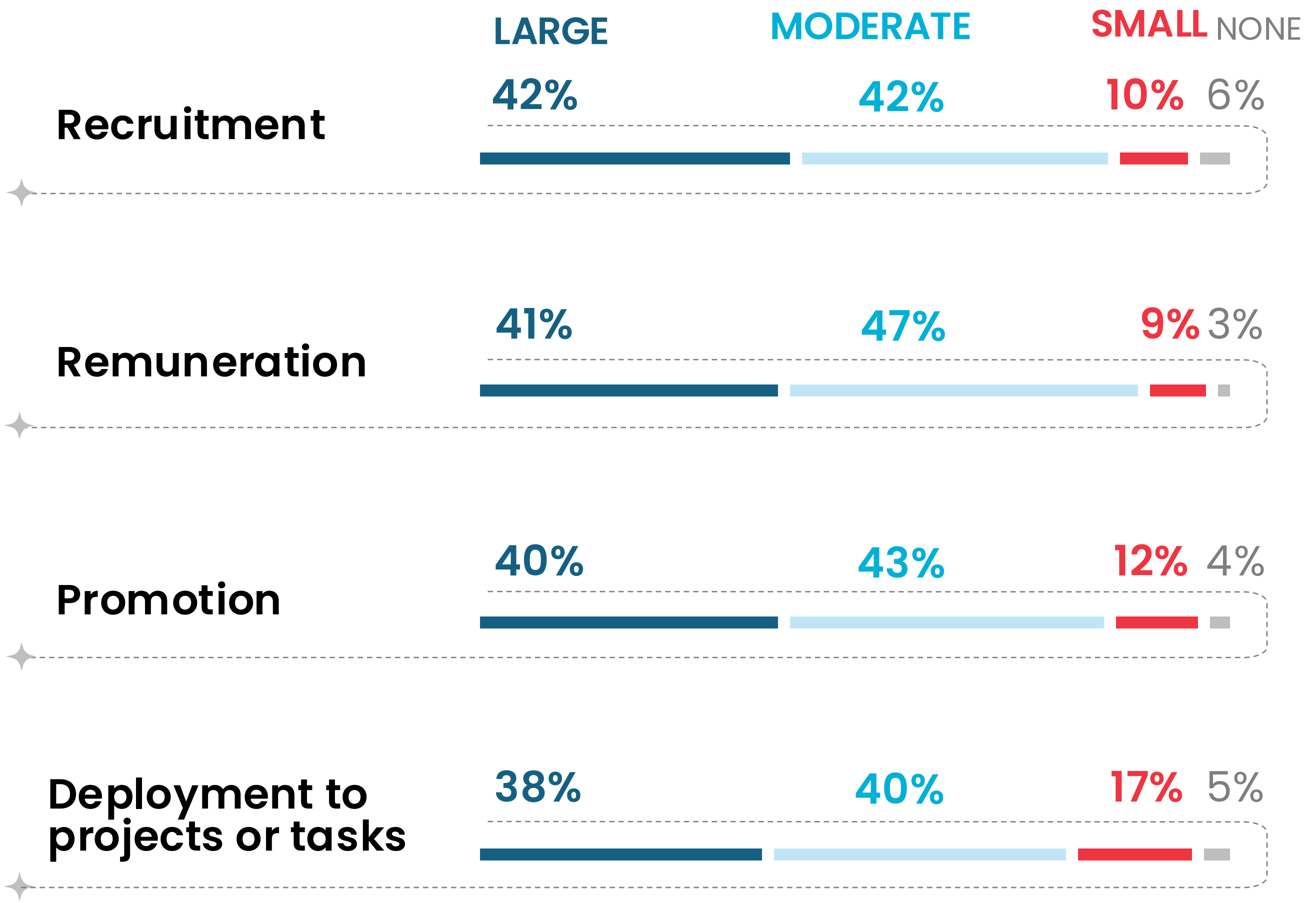
(25%, 2025)

Base: Did not fully implement skills-first hiring, n=457 (2025), n=405 (2026)
Q24 What are the barriers that prevent your company from implementing skills-first hiring across all roles?

Businesses are integrating skills considerations across recruitment, remuneration, promotion and deployment

Formal consideration is most widespread in remuneration decisions (88%), while deployment to projects or tasks see relatively lower adoption at 79%.

Extent to which employees' skills and competencies formally considered in…



Base: All Respondents, n=511 (2026)
Q22a To what extent are employees' skills and competencies formally considered in the following HR practices?

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

Skills-based HR practices are widely adopted, with businesses most strongly embedding skills in job design and progression decisions

Businesses implement skills-based HR practices mainly by providing recognition for employee skills (87%), clearly defining skills requirements in job design (86%), and giving consideration to employee's demonstrated skills when deciding progression (86%).

✦ Top 10 Human Resources Practices Adopted

Adopted to a Moderate to Large Extent:

Overall	Practice	Adopted to a Moderate to Large Extent
87%	**Recognition for employee's skills**	68%
86%	Clearly **defined job roles** in terms of tasks and the skills required	73%
86%	Considers employee's **demonstrated skills** when deciding progression	72%
84%	Give opportunities to **apply new skills through real work projects**	66%
83%	Links **rewards** to employee's **demonstrated skills**	65%
82%	**Skills needs** are considered early when making **business decisions**	63%
82%	Maintains an **up-to-date record** of employees' skills	62%
82%	Assign projects based on **employee skills instead of formal titles**	66%
81%	Has processes to assess or validate **employees' skills proficiency**	59%
80%	Assess **changes in job requirements** and **skills needs** when planning for business changes	57%

Base: All Respondents, n=511 (2026)
Q21 To what extent does your company currently practice the following?

Financial assistance is the top form of support businesses seek for implementing skills-first hiring practices

Beyond financial support, businesses also seek skills-matching portals (33%), and nationally recognised skills frameworks (30%) to facilitate identifying and validating of candidate skills.

Key Support Measures Needed to Implement Skills-First Hiring

37%
Financial grants to implement skills-first hiring
(44%, 2025)

33%
Skills-first recruitment portals for skills-matching between employers and job seekers
(33%, 2025)

30%
Tools **simplifying the process** of skills identification, validating, and matching, using a **nationally recognised skills framework**
(29%, 2025)

29%
A **nationally recognised skills framework** that is understood and accepted within the industry
(26%, 2025)

23%
Consultancy, **advisory** support, **training** on how to conduct hiring based on skills
(20%, 2025)

21%
Skills-first hiring related **resources** (e.g. guidebook, infographics, case studies)
(21%, 2025)

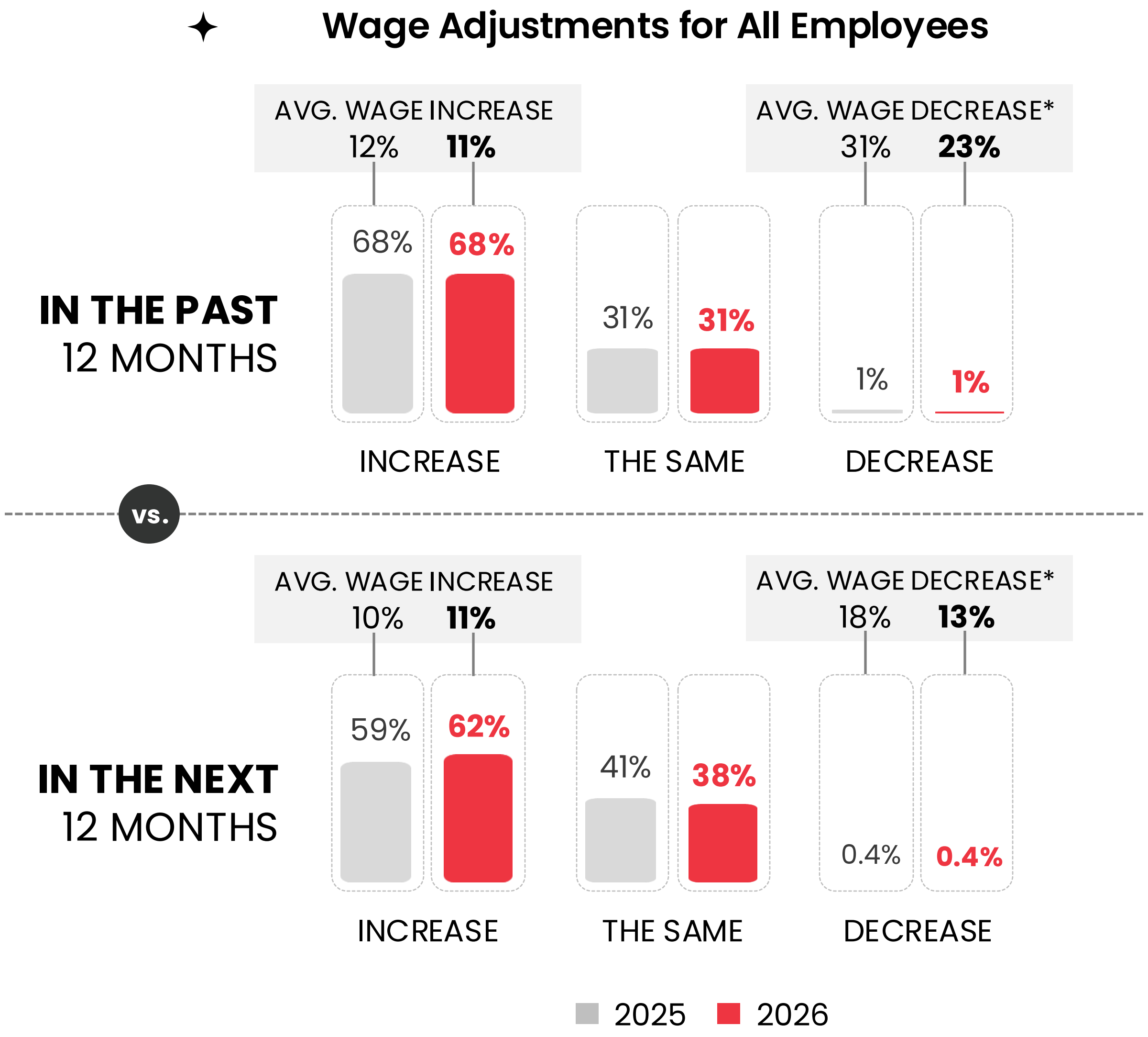
Base: All Respondents, n= 555 (2025), n=511 (2026)
Q25 What kind of support or resources does your company require to better implement skills-first hiring?

SECTION 3

WAGE PRACTICES & POLICIES

62% of businesses intend to increase employee wages in the next 12 months

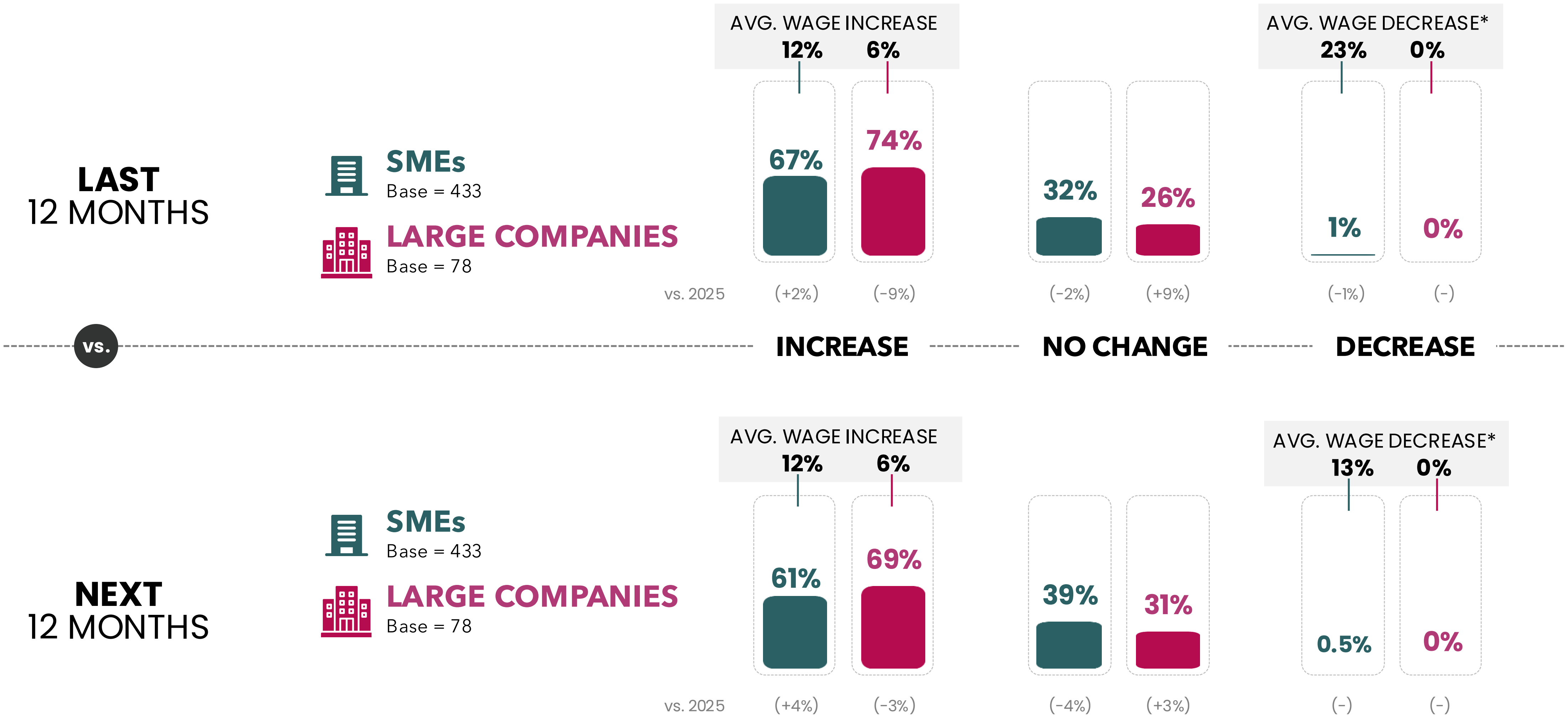
While most businesses maintain a positive wage outlook and are prepared to increase wages over the next 12 months, 38% plan to maintain existing wage levels.



Base: All Respondents, n=555 (2025), n=511 (2026)
Q41axa What wage adjustments have your company made in the last 12 months?
Q42axa What wage adjustments will your company make for the next 12 months?

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

Large Companies show stronger intentions to raise wages at 69%, while more SMEs (39%) compared to large companies (31%) plan to maintain current levels over the next 12 months



Base: All Respondents: 2025: SME, n=473 | LC, n=82, 2026: SME, n=433 | LC, n=78
Q41axa What wage adjustments have your company made in the last 12 months?
Q42axa What wage adjustments will your company make for the next 12 months?

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

Around 1 in 2 businesses intend to continue increasing employee wages over the next 12 months, up by 3.4%-points from 2025

However, around a quarter (26%) of businesses are opting for wage restraint and plan to extend the freeze on employee wages for another 12 months.

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

Businesses Adjusting Wages for All Employees in **P12M**	WILL DECREASE	NO CHANGE	WILL INCREASE
DECREASED	**0.2%** (-0.2% vs. 2025)	0.4% (-0.1%)	0.2% (-0.2)
NO CHANGE	0.2% (+0.2%)	**26.0%** (-0.1%)	4.7% (-0.2%)
INCREASED	0.0% (-)	11.4% (+2.8%)	**56.9%** (+3.4%)

Value in brackets indicate increase or decrease versus 2025 survey data. Decimal points have been rounded up. The total may not add up to 100%.

Base: All Respondents, n=555 (2025), n=511 (2026)
Q41axa What wage adjustments have your company made in the last 12 months?
Q42axa What wage adjustments will your company make for the next 12 months?

High proportion of businesses in Real Estate Activities, Banking & Insurance, Health & Social Services, Administrative & Support Service Activities and Professional Services sectors plan to continue increasing employee wages in the N12M

INCREASE IN N12M

INCREASE IN P12M

56.9%
(+3.4%)

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

Base, 2026	% By Industry	2026	VS. 2025
4*	Real Estate Activities	**100%**	50%
14*	Banking & Insurance	**100%**	87%
2*	Health & Social Services	**100%**	75%
18*	Administrative & Support Service Activities	**82%**	65%
32	Professional Services	**80%**	73%
4*	Other Service Activities	80%	78%
3*	Hotels, Restaurants & Accommodations	75%	67%
35	Other Financial and Insurance Activities (e.g. holding/investment companies)	74%	57%
19*	IT & Related Services	73%	68%
39	Manufacturing	68%	80%
65	Wholesale Trade	63%	61%
17*	Logistics & Transportation	61%	72%
6*	Retail Trade	60%	67%
25	Construction & Civil Engineering	58%	49%
4*	Education	44%	63%
4*	Others	40%	67%

Base: Increased wags for the P12M and plan to increase salary for the N12M, n=297 (2025), n=291 (2026)
Q41axa What wage adjustments have your company made in the last 12 months?
Q42axa What wage adjustments will your company make for the next 12 months?

*

Caveat: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*

Education, Construction & Civil Engineering, Retail Trade and Logistics & Transportation sectors see more businesses intending to maintain wage freeze for another 12 months

NO CHANGE IN N12M

NO CHANGE IN P12M

26.0%
(-0.1%)

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

Base, 2026	% By Industry	2026	VS. 2025
6*	Others*	60%	33%
5*	Education	**56%**	38%
18*	Construction & Civil Engineering	**42%**	49%
4*	Retail Trade	**40%**	33%
11*	Logistics & Transportation	**39%**	28%
38	Wholesale Trade	37%	39%
18*	Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	32%	20%
7*	IT & Related Services	27%	32%
12*	Other Financial and Insurance Activities	26%	43%
1*	Hotels, Restaurants & Accommodations	25%	33%
8*	Professional Services	20%	27%
1*	Other Service Activities	20%	22%
4*	Administrative & Support Service Activities	18%	30%
0*	Real Estate Activities	0%	50%
0*	Banking & Insurance	0%	13%
0*	Health & Social Services	0%	25%

Base: Increased wags for the P12M and plan to increase salary for the N12M, n=297 (2025), n=291 (2026)
Q41axa What wage adjustments have your company made in the last 12 months?
Q42axa What wage adjustments will your company make for the next 12 months?

*__Caveat__: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*

Flexible Wage System adoption is improving, but most businesses have yet to implement it fully

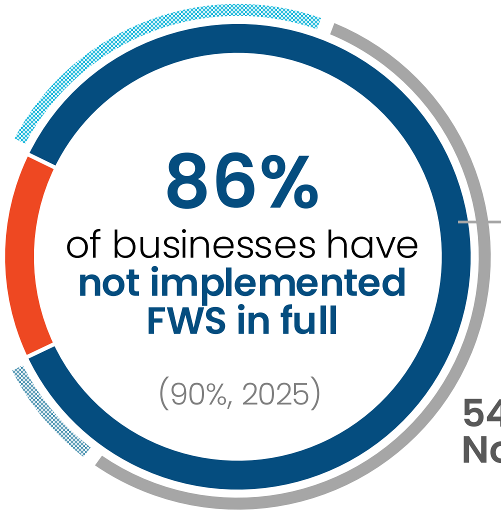
The proportion with no FWS fell from 61% to 54%, while full implementation rose from 10% to 14% in 2026. The primary reason cited for not fully adopting FWS practices is the belief that existing wage structures already offer sufficient variability.

Implementation of Flexible Wage System

(21%, 2025) **23%**
Using **AVC Only**

(10%, 2025) **14%**
Using **Full FWS**

(8%, 2025) **8%**
Using **MVC Only**



54% (61%, 2025)
No FWS At All

Reasons For Not Fully Implementing FWS:

- **29%** **Wages are already sufficiently variable** without the FWS (42%, 2025)
- **19%** **Not aware/limited understanding** of FWS (19%, 2025)
- **19%** Already have **informal or ad-hoc variable pay** practices (e.g. red packet) (16%, 2025)
- **16%** **Employees** or unions prefer a **higher fixed wage** (N.A. 2025)
- **13%** **Unsure how to** implement (14%, 2025)

15% indicated 'Other Reasons'

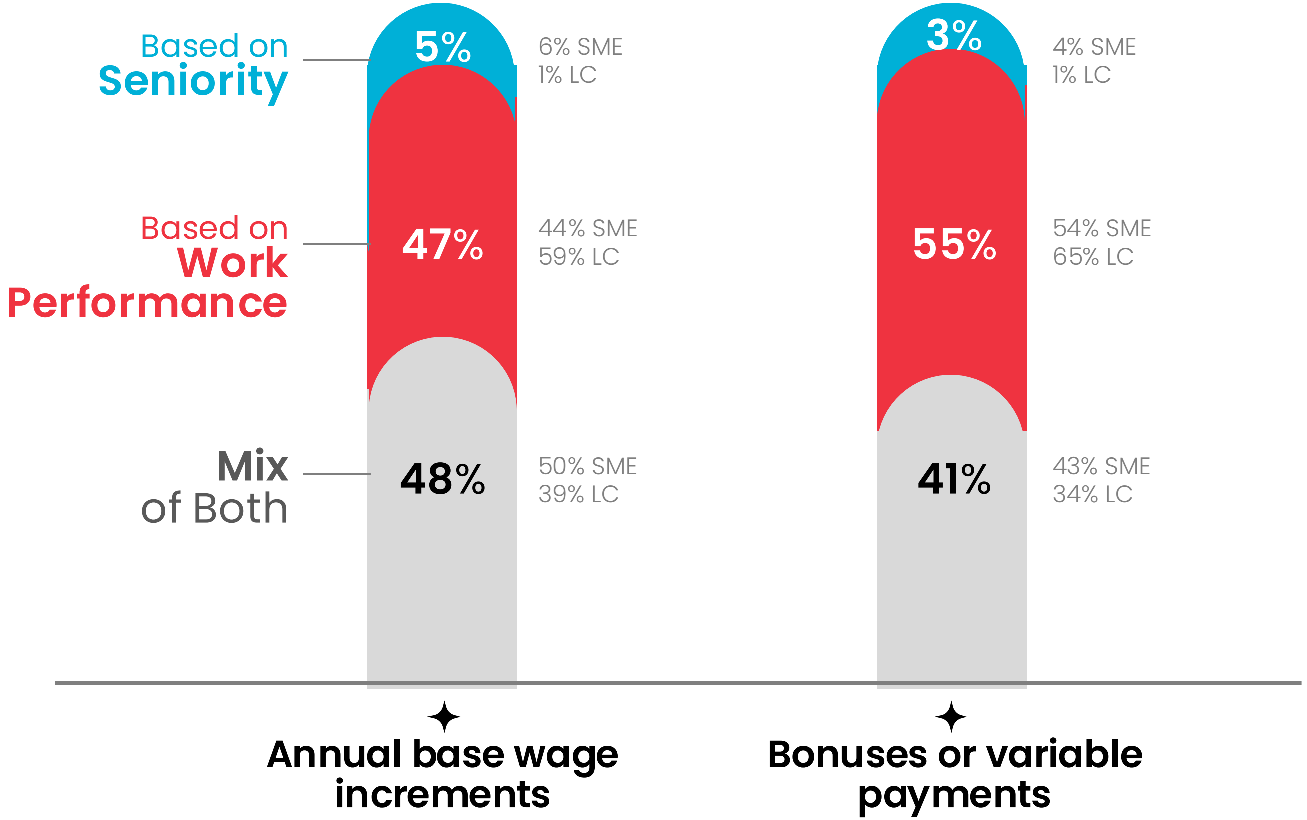
Base: All Respondents, n=555 (2025), n=511 (2026)
Q43 Has your company implemented the Flexible Wage System (FWS) [i.e. Monthly Variable Component (MVC), Annual Variable Component (AVC)]?
Base: All Respondents, n= 502 (2025), n=438 (2026)
Q44 What are the reasons your company has not fully implemented the Flexible Wage System (FWS)?

Businesses favour performance-led wage and bonuse increments over relying only on seniority

Work performance plays a key role in determining both wage increments and bonuses, while seniority is mostly considered alongside performance factors

Large Companies place greater emphasis on performance when determining wage increments (59%) and bonuses (65%) compared to SMEs at 44% and 54% respectively.

Strategy for Determining Wage Increments & Bonuses



Base: All Respondents, n=511, SME n=433 | Large companies n=78
Q46 How does your company typically determine the following for employees?

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

Businesses need both financial and implementation support to advance Flexible Wage System adoption

Apart from cost support (43%), businesses seek more technical guidance (38%), employee communication resources (31%) and greater sharing of industry best practices (26%) to facilitate their implementation of FWS.

Support Needed to Implement FWS

43% SME:44% Large Co : 35%

Financial incentives to offset potential increase in variable wages

38% SME:37% Large Co : 43%

More guidance, **technical** and **compliance** support for implementing FWS

31% SME:28% Large Co : 46%

More resources to help companies communicate FWS to employees

26% SME:24% Large Co : 34%

Industry collaboration to share best practices and experience

16% SME:14% Large Co : 28%

More recognition for companies who implement FWS

Base: Those who have implemented MVC, AVC or none, n=502 (2025), n=438, 2026
Q47. How can companies be better supported to implement the Flexible Wage System (FWS) [both Annual Variable Component (AVC) and Monthly Variable Component (MVC)]?

61% of businesses have adopted the National Wages Council's annual wage adjustment recommendations in 2026

Among the NWC's recommendations, rewarding employees through built-in wage increases has gained the most traction (36%).

Adoption of National Wages Council (NWC) 2025/2026 guidelines

61% (60% SME, 69% LC) — **Have Adopted NWC guidelines**

39% (41% SME, 31% LC) — **Have Not Adopted**

In the forms of…

All Employers

14%
Adopt the Flexible Wage System (FWS) to enhance resilience and manage rising costs
(14% SME, 18% LC)

Among Employers who Have Done Well

36%
Reward employees with **built-in wage increases** and **variable payments**
(36% SME, 37% LC)

11%
Provide **lower-wage workers** with a built-in wage increase at the higher end of 5.5%-7.5% of gross monthly wage, or a wage increase of at least $105-$125, whichever is higher.
(10% SME, 14% LC)

Among Employers who Have Not Done Well

27%
May exercise **moderation in built-in wage increases** but should **still reward** employees with variable payments
(27% SME, 32% LC)

14%
Provide **lower-wage workers** with a built-in wage increase at the lower end of 5.5%-7.5% of gross monthly wage.
(14% SME, 14% LC)

9%
Provide **lower-wage workers** with a built-in wage increase at the middle to lower end of 5.5%-7.5% of gross monthly wage, or a wage increase of at least $105-$125, whichever is higher.
(7% SME, 17% LC)

Base: All Respondents, n=511 (2026)
Q48a Which of the following National Wages Council (NWC) 2025/2026 guidelines has your company adopted[?

Among businesses that did not adopt the NWC guidelines, cost, awareness and resource constraints are the main barriers to implementation of the guidelines

Adoption of National Wages Council (NWC) 2025/2026 guidelines

61% (60% SME, 69% LC) **Have Adopted NWC guidelines**

39% (41% SME, 31% LC) **Have Not Adopted**

Reasons for Lack of Adoption:

28%	26%	26%	25%	13%	13%
Concern about high cost of implementing wage guidelines	Not aware or limited understanding of the wage guidelines	Do not have enough resources to work on the wage guidelines	Placing priority on other business aspects of the company	Concern about losing business competitiveness with wage increase	Skills and productivity of workers do not justify wage increase
(28% SME, 29% LC)	(28% SME, 17% LC)	(25% SME, 33% LC)	(25% SME, 29% LC)	(12% SME, 21% LC)	(12% SME, 17% LC)

Base: Those who have not adopted NWC guidelines, n=201 (2026)
Q48b If you have not adopted any of the wage guidelines, why is that so?

Businesses need both financial relief and practical guidance to implement NWC wage recommendations

Businesses prioritise incentives to offset other costs (45%) and financial assistance for implementation (44%), followed by technical and compliance guidance (35%).

Support Needed to Adopt NWC Guidelines

45% 42% 2025
Incentives to offset other **business costs** in other areas

44% 43% 2025
Financial assistance and subsidies for implementing wage guidelines

35% 41% 2025
More **guidance, technical** and **compliance** support

24% 29% 2025
Training programmes to ensure skills and productivity justify the increase

22% 22% 2025
Industry collaboration to share best practices and experience

14% 19% 2025
Increase **recognition initiatives** for companies

Base: Base: All Respondents, n= 555 (2025), n=511 (2026)
Q49. What kind of support does your company require in adopting the wage guidelines?

Businesses would prioritise variable pay and wage adjustments before workforce reductions during a severe downturn

Reducing bonuses or AWS (37%) and deferring wage increments (36%) are the leading measures, while only 14% would consider retrenchment.

✦ Key Cost Management Measures During Severe Business Downturn

Reduce or withhold variable bonuses or Annual Wage Supplement	37%	(37% SME, 40% LC)
Freeze or defer planned **wage increments**	36%	(36% SME, 36% LC)
Reduce overtime or allowances	21%	(22% SME, 16% LC)
Negotiate a temporary wage reduction or freeze with employees directly	16%	(17% SME, 14% LC)
Retrench workers	14%	(15% SME, 12% LC)
Implement **short work weeks** or **reduce working hours** temporarily	12%	(12% SME, 9% LC)
Offer voluntary **no-pay leave**	11%	(11% SME, 16% LC)

No mechanism in place: 28%

Base: Those who have implemented AVC or none, n=397, 2026
Q45. How would your company manage costs during a sudden and severe business downturn?

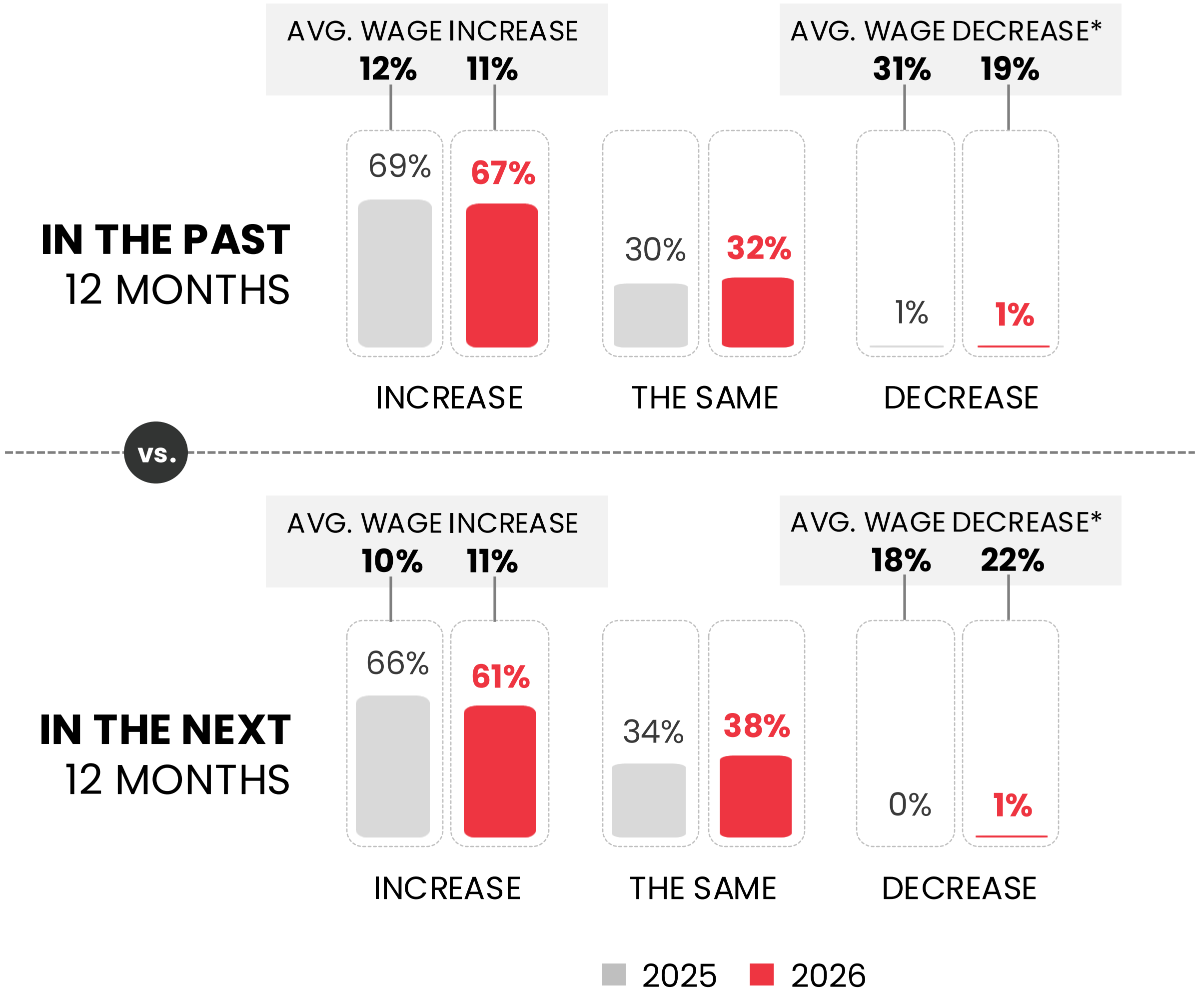
SECTION 4

SUPPORT FOR LOWER-WAGE WORKERS (LWW)

Among businesses employing Lower-Wage Workers (LWWs), most plan to expand wages over the next 12 months, despite softening momentum compared to last year

61% intend to raise wages, down from 66% in 2025. While the proportion of businesses expecting to maintain wages of the LWWs rose from 34% to 38%.

Wage Adjustments for Lower-Wage Workers (LWWs)

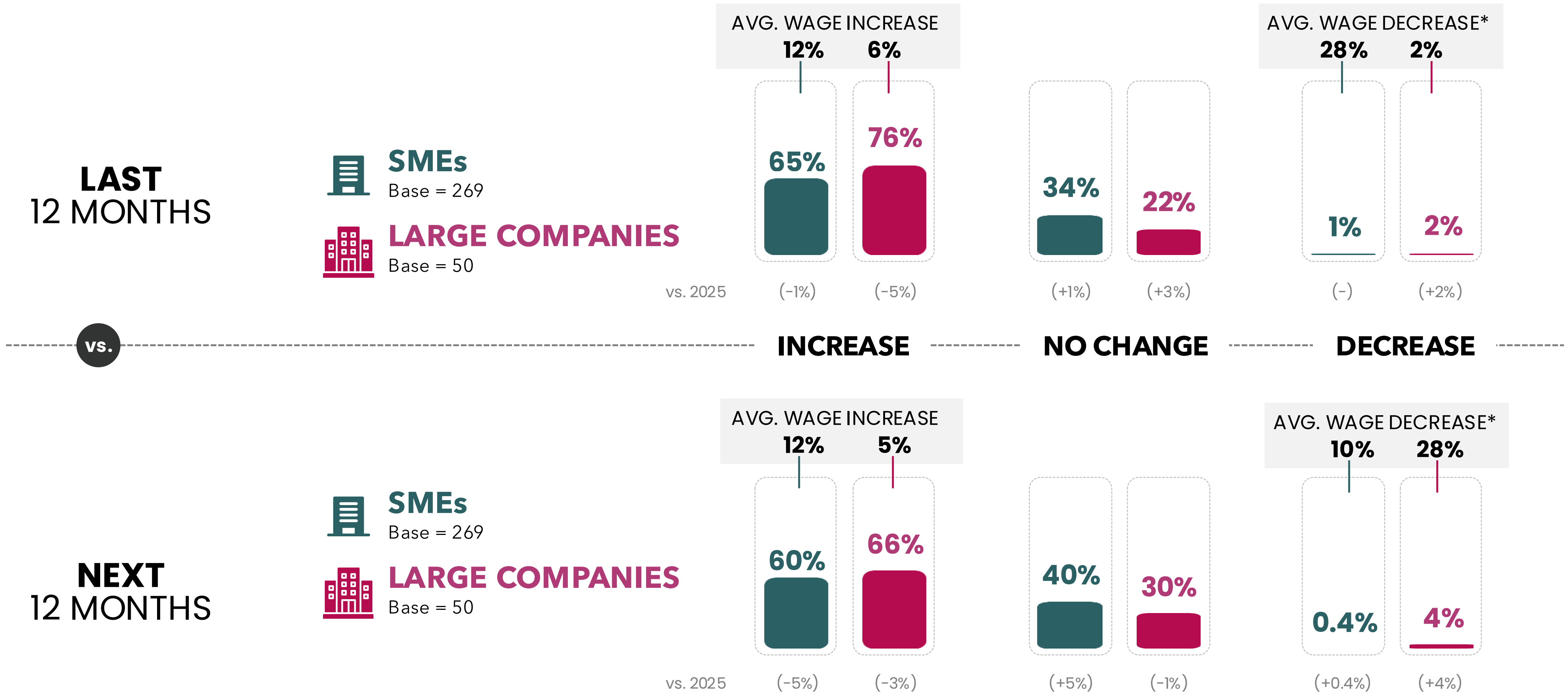


Base: Businesses hiring LLWs, n=155 (2025), n=319 (2026)
Q41axa What wage adjustments have your company made in the last 12 months?
Q42axa What wage adjustments will your company make for the next 12 months?

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

Majority of SMEs and Large Companies intend to increase wages for LLWs in the N12M

A higher share of large Companies indicated plans to increase wages of LLWs in the next 12 months, while 40% of SMEs plan to maintain current wage levels compared with 30% of Large Companies.



Base: Those hiring LLWs, 2025: SME, n=128 | LC, n=27*, 2026: SME, n=269 | LC, n=50
Q41axb What wage adjustments have your company made in the last 12 months?
Q42axb What wage adjustments will your company make for the next 12 months?

More than half of businesses employing LWWs indicate positive outlook on wages and expect to continue increasing their wages over the next 12 months

55.5% raised LWW wages and plan to continue doing so, although this group has declined by 3.3%-points from 2025.

Businesses Adjusting Wages for LWWs in **N12M**

Businesses Adjusting Wages for LWWs in **P12M**	WILL DECREASE	NO CHANGE	WILL INCREASE
DECREASED	**0.3%** (+0.3%)	0.3% (+0.3%)	0.3% (+0.3%)
NO CHANGE	0.6% (+0.6%)	**26.6%** (+1.4%)	5.0% (+0.4%)
INCREASED	0.0% (-)	11.3% (-0.2%)	**55.5%** (-3.3%)

Base: Businesses hiring LLWs, n=270 (2025), n=319 (2026)
Q41axa What wage adjustments have your company made in the last 12 months?
Q42axa What wage adjustments will your company make for the next 12 months?

Value in brackets indicate increase or decrease versus 2025 survey data.
Decimal points have been rounded up. The total may not add up to 100%.

More businesses in Real Estate Activities, Banking & Insurance, Health & Social Services, and Professional Services sectors expect to continue expanding wages for LWWs over the next 12 months

INCREASE IN N12M

INCREASE IN P12M

55.5%
(-3.3%)

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

Base, 2026	% By Industry	2026	VS. 2025
4*	Real Estate Activities	**100%**	33%
4*	Banking & Insurance	**100%**	75%
3*	Other Service Activities	**100%**	100%
2*	Health & Social Services	**100%**	100%
14*	Professional Services	**82%**	67%
8*	IT & Related Services	80%	50%
4*	Education	80%	0%
14*	Administrative & Support Service Activities	78%	100%
5*	Retail Trade	71%	100%
23*	Construction & Civil Engineering	70%	74%
29*	Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	69%	83%
4*	Hotels, Restaurants & Accommodations	67%	67%
10*	Logistics & Transportation	67%	50%
42	Wholesale Trade	59%	58%
9*	Other Financial and Insurance Activities (e.g. holding/investment companies)	50%	67%
2*	Others*	25%	0%

Base: Increased wages for LWWs in P12M and plan to increase wages in N12M, n=77 (2025), n=177 (2026)
Q4Q41axa What wage adjustments have your company made in the last 12 months?
Q42axa What wage adjustments will your company make for the next 12 months?

*__Caveat__: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*

More businesses in Other Financial and Insurance Activities (e.g. holding/investment companies) and Wholesale Trade sectors intend to hold wages steady among LWWs for another 12 months

NO CHANGE IN N12M

NO CHANGE IN P12M

26.6%
(+1.4%)

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

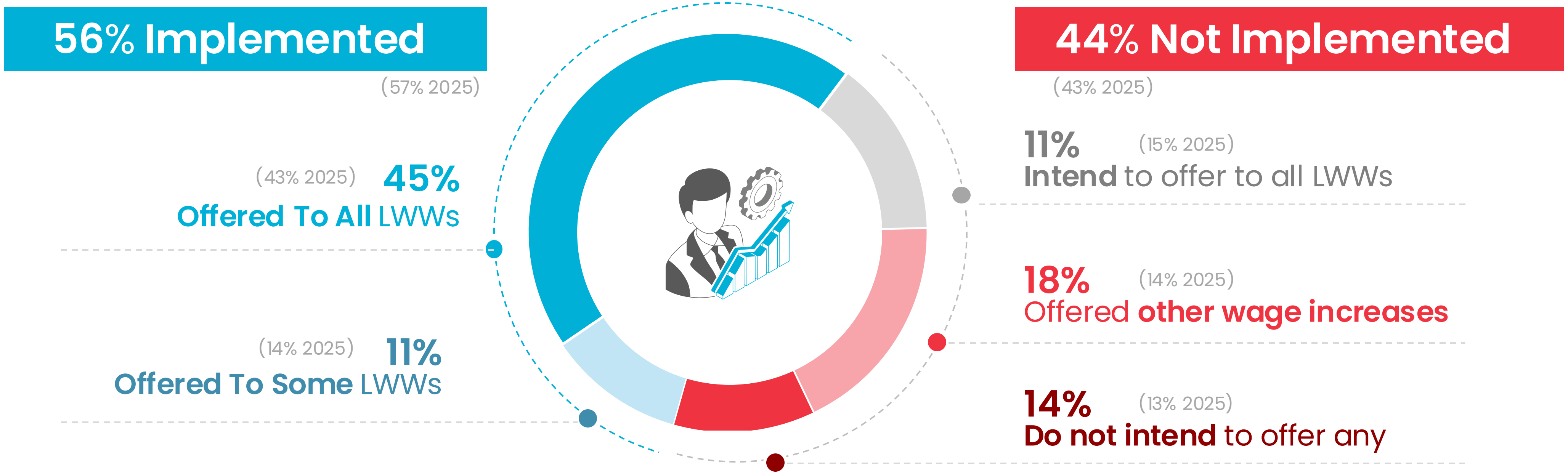
Base, 2026	% By Industry	2026	VS. 2025
6*	**Others***	75%	100%
9*	**Other Financial and Insurance Activities** (e.g. holding/investment companies)	**50%**	33%
29*	**Wholesale Trade**	**41%**	42%
2*	**Hotels, Restaurants & Accommodations**	33%	33%
5*	**Logistics & Transportation**	33%	50%
13*	**Manufacturing** (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	31%	17%
10*	**Construction & Civil Engineering**	30%	26%
2*	**Retail Trade**	29%	0%
4*	**Administrative & Support Service Activities**	22%	0%
1*	**Education**	20%	0%
3*	**Professional Services**	18%	33%
1*	**IT & Related Services**	10%	50%
0*	**Real Estate Activities**	0%	67%
0*	**Banking & Insurance**	0%	25%
0*	**Other Service Activities**	0%	0%
0*	**Health & Social Services**	0%	0%

Base: Maintained wages for LWWs in P12M and plan to maintain wages in N12M, n=33 (2025), n=85 (2026)
Q41axa What wage adjustments have your company made in the last 12 months?
Q42axa What wage adjustments will your company make for the next 12 months?

*__Caveat__: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*

56% of businesses have adopted the NWC's recommended wage increases for Lower-Wage Workers in 2026, with most adopters extending the wage increase to all LWWs

✦ Implementation of Recommended Wage Increase for Lower-Wage Workers (LWWs)



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

Base: All Respondents, n=555 (2025), n=511 (2026)
Q50 Did your company give a wage increase at 5.5% to 7.5% of their gross monthly wage, or wage increase of at least S$100 to S$120 (whichever is higher), in the period since 1 December 2024?
Data rebased to exclude businesses that do not hire LLWs.

Selective implementation of the recommended wage increases is primarily due to employee performance considerations

Among the 11% offering increases to selected LWWs, 48% indicated wage increase was not applied due to employee performance and work targets.

Reasons for Giving Recommended Wage Increase To Some Lower-Wage Workers (LWWs) Only

11% provided the recommended wage increase to **some LWWs only**

(14% 2025)

48% Wage increases are based on **eligibility criteria**
54% 2025

Key Eligibility Criteria:*

- 80% Performance and work targets
- 27% Salary in-line with the market rate

13% Prioritised **lower-earning LWWs**
11% 2025

10% **Unable to increase** wages due to contracts
14% 2025

10% Provided **other forms of wage increase**
9% 2025

Other Wage Increases:*

Additional bonus **100%**
(e.g. new variable component, higher bonus than last year)

Base: Those who provided the recommended wage increase to some LWWs only, n=35 (2025), n=31 (2026)
Q51a Why did your company only provide the recommended wage increase to some lower-wage workers, but not all?
Base: Those who used a set of criteria to allocate wage increase to LWWs, n=19* (2025), n=15* (2026)
Q51b What is the set of criteria used by your company?
Base: Those who provided other forms of wage increase to LWWs, n=3* (2025), n=3* (2026)
Q51c What is the other form(s) of wage increase provided by your company?
***Caveat**: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*

Business performance and cost pressures are the leading reasons for not providing the recommended wage increase

Beyond market-rate pay, operational challenges such as poor business performance (45%) and cost pressures (45%) also impacted the decision not to implement the recommended wage increase

32%
have not provided the recommended increase to LWWs
(27% 2025)

Reasons For Not Giving the Recommended Wage Increase

45% (36% 2025) Company not performing well	**45%** (34% 2025) Business cost will be impacted	**20%** (19% 2025) Provided other forms of wage increase
13% (13% 2025) Poor work performance	**7%** (7% 2025) Locked-in wage under existing contracts	**4%** (NA) Already increased LWW wages last year, above the NWC recommendations

Other forms of wage increase…*

67% Additional bonus
22% Additional allowance
22% One-off Payment

Base: Those who have not provided the recommended wage increase, n=67 (2025), n=91 (2026)
Q52a Why did your company not provide the recommended wage increase to all lower-wage workers?
Base: Those who provide other forms of wage increase, n=13* (2025), n=18* (2026)
Q52b What is the other form(s) of wage increase provided by your company?
*__Caveat__: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*

Businesses prioritise financial relief to support wage increases for all LWWs

Apart from cost support, around 27% businesses also look for training programmes to improve worker productivity and 21% seek greater recognition for businesses that have implemented wage increases.

Support Needed to Implement Wage Increases for All LWWs

56%
Financial assistance and **subsidies**

52%
Incentives to offset other business costs in other areas

27%
Training programmes to ensure skills and productivity justify the increase

21%
More recognition for companies that implement wage increases

Base: Applicable to adopt the recommended wage increase for LLWs, n=279 (2026)
Q53. How can companies be better supported to provide the recommended wage increases for all lower-wage workers?

SECTION 5

WORKFORCE SKILLS DEVELOPMENT

Around 7 in 10 businesses have invested in employee training over the past year

Large Companies reported stronger engagement in employee training than SMEs, particularly in the usage of structured training programmes

The gap suggests that SMEs may face greater cost, manpower and administrative barriers in leveraging structured training, reinforcing the need for more accessible programmes and easier navigation of available support.

✦ Implementation of Employee Training in P12M

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

(66% 2025)

69% SMEs | **81%** Large Comp.

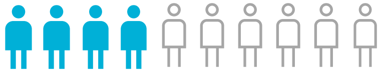
57% of businesses provided structured training from **Government-related programmes**

55% SMEs | **63%** Large Comp.

... of which **3.7 in 10** employees received training.

64% of businesses provided structured training from **non-Government-related programmes**

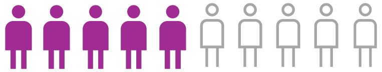
61% SMEs | **79%** Large Comp.



... of which **4.0 in 10** employees received training.

72% of businesses provided **non-structured / informal training**

71% SMEs | **78%** Large Comp.



... of which **5.6 in 10** employees received training.

Base: All Respondents, n=555 (2025), n=511 (2026) | SMEs= 433, LC=78 (2025)
Q27 Did your company provide training to your employees in the last 12 months?
Base: Those that provided training n=361, SMEs= 298, LC=63 (2026)
Q28 Of the employees who received company training in the last 12 months, please indicate what percentage of these employees will receive each of the following:

Willingness to provide employee training in the next 12 months remain strong in 2026

Employee training remains a workforce priority, with 72% planning to provide training over the next 12 months, led by stronger preference for non-structured training formats

Large Companies maintain stronger training intentions than SMEs, especially in the use of structured training programmes.

Implementation of Employee Training in N12M

72% of businesses plan to train/upskill/reskill their staff in the N12M.
(70% 2025)

70% SMEs | **83%** Large Comp.

62% of businesses intend to provide structured training from **Government-related programmes**

59% SMEs | **74%** Large Comp.

… of which **4.1 in 10** employees to receive training.

67% of businesses intend to provide structured training from **non-Government-related programmes**

66% SMEs | **75%** Large Comp.

… of which **4.1 in 10** employees to receive training.

75% of businesses intend to provide **non-structured / informal training**

74% SMEs | **82%** Large Comp.

… of which **5.7 in 10** employees to receive training.

Base: All Respondents, n=555 (2025), n=511, 2026 | SMEs= 433, LC=78 (2026)
Q29a. Does your company intend to provide training to your employees in the next 12 months?
Base: Those who plan to provide training to their employees, n=369, 2026 | SMEs= 304, LC=65 (2026)
Q29b. In the next 12 months, does your company plan to provide any of the following training for your employees?

Businesses point to developing specialised, job-specific skills as the top priority for employee training

Businesses prioritise specialised job skills (63%), leadership and management skills (51%) and analytical and problem-solving skills (47%) as key areas for employee skills upgrade.

Key Areas Requiring Skills Upgrade

63% (61% 2025)
Specialised skills needed in their job role

51% (47% 2025)
Leadership and management skills

47% (45% 2025)
Analytical, conceptual, evaluative and problem-solving skills

43% (41% 2025)
Interpersonal skills

31% (26% 2025)
Specialised digital skills

29% (26% 2025)
General IT skills

9% (10% 2025)
Academic qualifications

Base: All Respondents, n=555 (2025), n=511 (2026)
Q30 Based on the list below, which of the following areas do you think are most important for your employees to upgrade in order to better support your company's needs?

Large Companies report higher demand for interpersonal skill, while SMEs place stronger emphasis on analytical and problem-solving skills

Key Areas Requiring Skills Upgrade

SMEs (Base: 433)		LARGE COMPANIES (Base: 78)	
Specialised skills needed in their job role	61% (61% 2025)	Specialised skills needed in their job role	76% (65% 2025)
Leadership and management skills	48% (44% 2025)	Leadership and management skills	69% (62% 2025)
Analytical, conceptual, evaluative and problem-solving skills	47% (43% 2025)	Interpersonal skills	62% (50% 2025)
Interpersonal skills	40% (39% 2025)	Analytical, conceptual, evaluative and problem-solving skills	51% (61% 2025)
Specialised digital skills	29% (27% 2025)	Specialised digital skills	41% (22% 2025)

Base: All Respondents, n=555 (2025), n=511 (2026)
Q30 Based on the list below, which of the following areas do you think are most important for your employees to upgrade in order to better support your company's needs?

56% of businesses review future workforce skills needs only when specific requirements arise

Most businesses have yet to embed future workforce skills assessments into regular strategic planning. Large Companies take a more structured approach to future workforce planning with 18% integrating skills assessments into strategic planning, compared with only 8% of SMEs.

Frequency of Assessing Future Workforce Skills Needs

Never

15%

16% SME | 9% LC

Occasionally / ad-hoc

56%

57% SME | 53% LC

i.e. Only when specific needs arise, such as hiring, restructuring, new projects or business chang

Periodically

19%

18% SME | 21% LC

i.e. Annually or every few years, but not necessarily as part of formal strategic planning

As part of regular strategic planning

10%

8% SME | 18% LC

i.e. Integrated into formal business, workforce, HR or talent development planning

Base: All Respondents, n=511, SME n=433 | Large companies n=78
Q26 How regularly does your company assess future workforce skills needs?

Cost burden and lack of manpower to cover for staff who undergo training remain as key challenges to implementing employee training

Beyond cost and manpower, difficulty measuring ROI (31%), programmes not tailored to workforce needs (30%), and concern that employees may leave before benefits materialise (30%) are also key business concerns.

Challenges Businesses Face When Investing in Employee Training

51% Concern about cost of training
(48% 2025)

46% Limited manpower to cover for staff who are undergoing training
(48% 2025)

31% Difficult to measure the Returns on Investment (ROI) on training programmes
(31% 2025)

30% Training programmes are not tailored to industry or workforce needs
(27% 2025)

30% Concern that employees may leave before training yields benefits
(31% 2025)

27% Training programmes do not offer practical business applications /outcomes
(26% 2025)

25% Lack of non-monetary resources to support training
(25% 2025)

21% Concern that trained employees may be poached by competitors
(23% 2025)

Base: All Respondents, n=511 (2026)
Q31 What are some of the challenges your company face when investing in training for staff?

Cost of training is the leading challenge for SMEs, while limited manpower to cover employees undergoing training is the top challenge for Large Companies

Challenges Businesses Face When Investing in Employee Training

SMEs (Base: 433)		LARGE COMPANIES (Base: 78)	
Concern about cost of training	**51%** (51% 2025)	Limited manpower to cover for staff who are undergoing training	**59%** (39% 2025)
Limited manpower to cover for staff who are undergoing training	**43%** (50% 2025)	Concern about cost of training	**48%** (36% 2025)
Concern that employees may leave before training yields benefits	**30%** (33% 2025)	Difficult to measure the Returns on Investment (ROI) on training programmes	**42%** (45% 2025)
Difficult to measure the Returns on Investment (ROI) on training programmes	**29%** (29% 2025)	Training programmes are not tailored to industry or workforce needs	**38%** (26% 2025)
Training programmes are not tailored to industry or workforce needs	**29%** (28% 2025)	Concern that employees may leave before training yields benefits	**30%** (21% 2025)

Base: All Respondents, n=555 (2025), n=511 (2026)
Q31 What are some of the challenges your company face when investing in training for staff?

Businesses seek financial relief and operational support to overcome the cost and manpower barriers to employee training

Support to defray cost of training leads at 42%, followed by incentives to offset other business costs (38%), flexible and accessible programmes (37%) and manpower support (36%).

Key Areas of Support for Investing in Employee Training

42%
Support schemes that **defray the cost of training**
(41% 2025)

38%
Financial assistance / incentives to offset business costs in other areas
(39% 2025)

37%
More flexible and accessible training programmes
(39% 2025)

36%
Manpower support when staff goes for training
(32% 2025)

34%
Financial assistance for implementing **training in-house**
(34% 2025)

27%
Better access to information on relevant training programmes
(27% 2025)

15% **do not require support for investing in employee training**
(18% 2025)

Base: All Respondents, n=555 (2025), n=511 (2026)
Q32 What kind of support does your company need to help mitigate the challenges for training staff?

SMEs prioritise direct training-cost support, while Large Companies place greater emphasis on manpower relief

Key Areas of Support for Investing in Employee Training

SMEs
Base: 433

Support area	2026	2025
Support schemes that defray the cost of training	41%	(41% 2025)
Financial assistance / incentives to offset business costs in other areas	36%	(40% 2025)
More flexible and accessible training programmes	36%	(40% 2025)
Manpower support when staff goes for training	34%	(32% 2025)
Financial assistance for implementing training in-house	34%	(33% 2025)

LARGE COMPANIES
Base: 78

Support area	2026	2025
Financial assistance / incentives to offset business costs in other areas	50%	(35% 2025)
Manpower support when staff goes for training	47%	(34% 2025)
Support schemes that defray the cost of training	45%	(43% 2025)
More flexible and accessible training programmes	42%	(37% 2025)
Financial assistance for implementing training in-house	37%	(37% 2025)

Base: All Respondents, n=555 (2025), n=511 (2026)
Q32 What kind of support does your company need to help mitigate the challenges for training staff?

SECTION 6

HUMAN RESOURCE PRACTICES & STRATEGIES

Around 1 in 3 businesses have provided career planning to their employees over the last 12 months

Among the businesses that have offered career planning, most are relying on informal career planning approaches

Meanwhile, 37% of businesses have provided both structured and informal career planning to employees in the past 12 months.

Implementation of Career Planning in P12M

35% of businesses have provided career planning to their staff in the P12M.

(31% 2025)

34% SMEs | **40%** Large Comp.

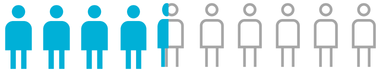
22% of businesses provided employees with **structured career planning only**

19% SMEs | **35%** Large Comp.

... of which **5.9 in 10** received career planning.

41% of businesses provided employees with **Informal career planning only**

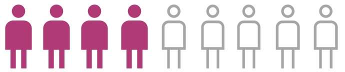
44% SMEs | **29%** Large Comp.



... of which **4.3 in 10** received career planning.

37% of businesses provided employees with **both forms of career planning**

37% SMEs | **35%** Large Comp.



... of which **4.0 in 10** received career planning.

Base: All Respondents, n=555 (2025), n=511 (2026) | SMEs= 433, LC=78 (2026)
Q33a Did your company offer career planning for your employees in the last 12 months?Base Received training n=361

Structured career planning is evolving beyond employee development into a tool for job and wage redesign

Better morale and engagement leads adoption (79%), followed by more effective workforce planning (64%) and higher employee retention (56%) are the key reasons for adopting structured career planning. 65% of businesses also used career-planning discussions to explore future job-scope and wage changes.

Key Reasons for Adopting Structured Career Planning

Reason	Total	SME / LC
Better employee morale/engagement	**79%**	78% SME | 82% LC
More effective workforce planning	**64%**	62% SME | 73% LC
Higher retention rates	**56%**	50% SME | 77% LC
Lower business cost due to lower attrition rates	**22%**	20% SME | 32% LC

Expansion of Structured Career Planning

65%

63% SME | 73% LC

Of businesses used **structured career planning** to discuss potential future changes in **job scope and wages**

In the forms of…

63% – **Benchmark** to the full-scope role and adjust proportionately by a **workload metric other than time** (e.g., number of projects, number of staff)

62% SME | 64% LC

26% – **Re-calculate** the **wage** for the smaller role based on the market rate for the new role

27% SME | 23% LC

24% – **Benchmark** to the full-scope role and adjust proportionately by the number **of hours worked**

23% SME | 27% LC

Base: All Respondents, n=104 (2026) | SMEs= 82, LC=22* (2026)
Q33b Why did your company offer structured career planning for your employees in the last 12 months?
Q33c Does your company use structured career planning to discuss potential future changes in job scope and wages?
Q33d When adjusting job scope and wages are adjusted, which of the following methods does your company use?

Awareness and implementation capability remain key gaps in structured career planning adoption

Uncertainty over implementation (22%), limited perceived usefulness (22%), lack of awareness of its need (20%) and insufficient non-monetary resources (19%) are the key reasons limiting adoption of structured career planning.

Top 5 Reasons for Not Offering Structured Career Planning

22%

Not sure how to conduct or **implement**

22% SME | 23% LC

22%

Do not find it useful because employees are **not interested**

22% SME | 23% LC

20%

Not aware of the need for structured career planning

20% SME | 20% LC

19%

Lack of non-monetary resources to provide structured career planning

(e.g. lack of time or expertise)

18% SME | 23% LC

19%

Unaware of the government grants or programmes available

19% SME | 16% LC

Base: Those who did not offer structured career planning in P12M, n=407 (2026) | SMEs= 351, LC=56* (2026)
Q33e Why did your company not offer structured career planning for your employees in the last 12 months?

Beyond financial assistance, businesses seek hands-on training and guidance to overcome uncertainty around structured career planning implementation

Businesses look for stronger support to operationalise structured career planning. 45% seek subsidised training and 41% look for more implementation guidance to facilitate the successful adoption of structure career planning.

Support Needed for Implementing Structured Career Planning

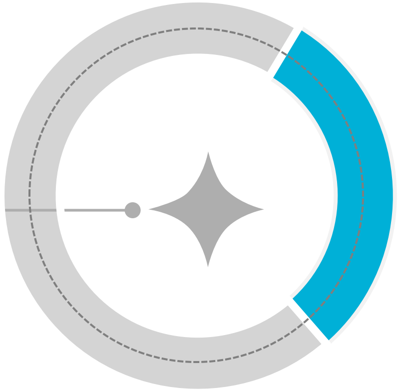
- 45% — **Provide subsidised training** on structured career planning (43% 2025)
- 44% — **Financial assistance** and subsidies to implement structured career planning (43% 2025)
- 42% — **Financial assistance** to offset business costs in other areas (42% 2025)
- 41% — More **guidance** on how to effectively implement **career planning** (46% 2025)
- 27% — More **public education** for **employees to support employers** and play their part (25% 2025)
- 26% — **Industry collaboration** to share best **practices** and **experiences** (28% 2025)
- 19% — **More recognition for companies** who implement structured career planning (22% 2025)

Base: All Respondents, n=555 (2025), n=511 (2026)
Q34. How can companies be better supported to implement structured career planning?

Around one in three businesses implemented Job Redesign in the past 12 months, primarily by reshaping roles, tasks and job scope

Among adopters, 74% redesigned roles or tasks, followed by digitalisation and automation (39%), productivity and innovation initiatives (38%) and AI-enabled process changes (24%).

Implementation of Job Redesign in P12M



32% (30% 2025)

of businesses have **implemented Job Redesign** in P12M, **in areas such as…**

31% SME | 36% LC

74%
Redesign of roles, tasks or job scope
74% SME | 71% LC

39%
Digitalisation/ automation of tasks or workflows
34% SME | 64% LC

38%
Productivity / Innovation
35% SME | 54% LC

24%
AI-enabled changes to work processes or decision-making
24% SME | 25% LC

17%
Incorporating a new **strategic priority**
(e.g. internationalisation, sustainability)
17% SME | 18% LC

Most businesses undertaking Job Redesign have taken steps to prepare employees for change, with 76% reporting positive impact on employee's ability to adapt to changes

Among those taking steps to prepare the workforce, key measures applied include communication and engagement to build openness to change (50%), identify employees for reskilling or redeployment (48%) and conducting career planning to align career aspirations with transformation needs (46%).

Key Steps Taken to Prepare Employees for Job Redesign

Among businesses that have engaged in Job Redesign…

82%

84% SME | 75% LC

of businesses have **taken steps to prepare employees** before implementing **job redesign**

76% of businesses believe the **preparation efforts** have **helped employees** to **adapt** to job redesign to a large or moderate extent

75% SME | 81% LC

Key preparations include…

50%
Communication & **engagement** to **build openness** towards technology, AI and new ways of working
46% SME | 71% LC

48%
Early identification of employees for **reskilling** or redeployment
42% SME | 81% LC

46%
Career planning discussions to **align employee** aspirations with business transformation needs
43% SME | 62% LC

42%
Structured career conversations to explain upcoming job or role changes
40% SME | 52% LC

33%
Support for employees to assess their **career health** and development pathways
31% SME | 43% LC

Base: n=135 (2026) | SMEs= 114, LC=21* (2026)
Q37 To what extent have these efforts helped employees adapt to job redesign or workforce transformation?
Base: n=164 (2026) | SMEs= 136, LC=28* (2026)
Q36. Before implementing job redesign or workforce transformation initiatives, which of the following does your company put in place to prepare employees?

Successful job redesign requires businesses to build employee understanding, skills and confidence in change

Resistance to change is the leading barrier to job redesign (41%), highlighting the importance of building employee readiness for workforce transformation

Skills and job certainty are also key considerations, with 30% highlighting the need to upskill employees and 26% anticipating challenges arising from job uncertainty among the workforce.

Key Challenges to Job Redesign

Challenge	2026	2025
Employees may be resistant to change	41%	(42% 2025)
Need to upskill staff to meet new or revised job scope	30%	(29% 2025)
The company **lacks the resources** for successful implementation	28%	(27% 2025)
It will **create job uncertainties** among employees	26%	(24% 2025)
High implementation costs	20%	(22% 2025)
Productivity challenges in the initial stages of implementation	20%	(23% 2025)
May result in **high turnover**	19%	(18% 2025)

Base: All Respondents, n=555 (2025), n=511 (2026)
Q38. What are some challenges you faced or potentially foresee in implementing job redesign in your company?

Building employee readiness to change is the key Job Redesign challenge for both SMEs and Large Companies

Key Challenges to Job Redesign

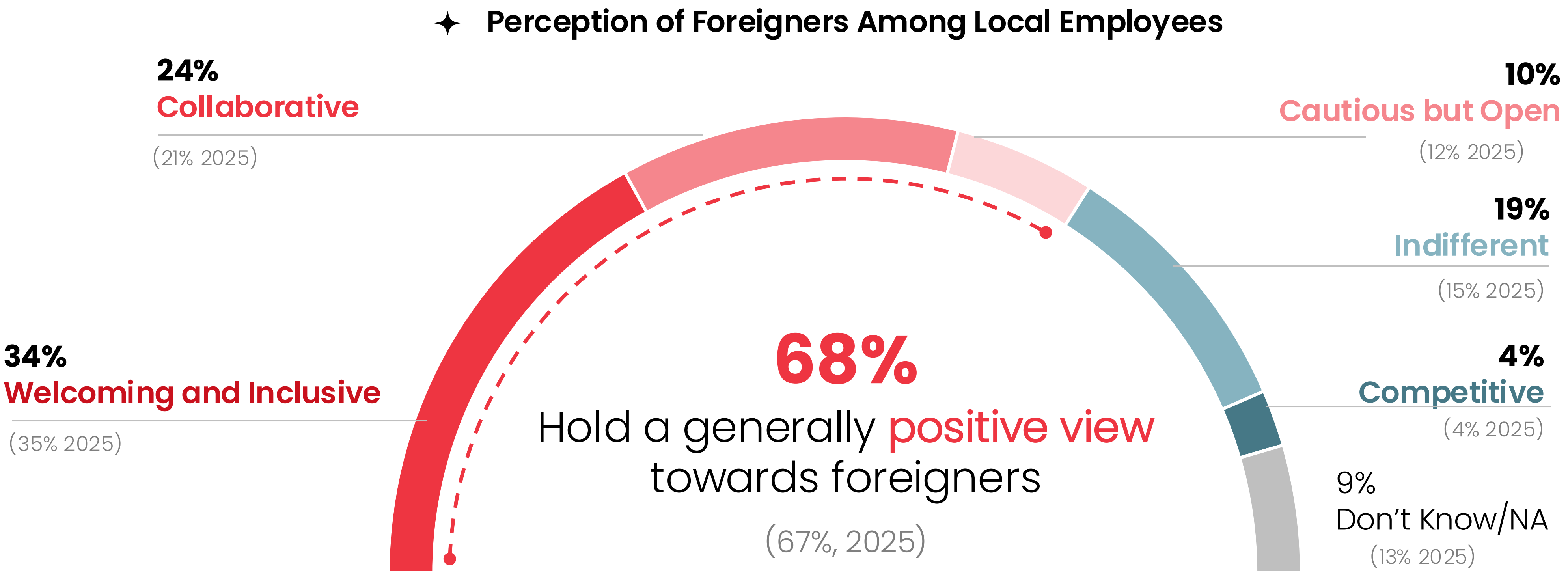
SMEs
Base: 433

Challenge	2026	2025
Employees may be resistant to change	40%	(42% 2025)
Need to upskill staff to meet new or revised job scope	29%	(28% 2025)
The company lacks the resources to successfully implement Job Redesign	28%	(27% 2025)
It will create job uncertainties among employees	25%	(24% 2025)
High implementation costs	20%	(22% 2025)

LARGE COMPANIES
Base: 78

Challenge	2026	2025
Employees may be resistant to change	46%	(40% 2025)
Need to upskill staff to meet new or revised job scope	40%	(34% 2025)
It will create job uncertainties among employees	32%	(27% 2025)
Productivity challenges in the initial stages of implementation	32%	(35% 2025)
The company lacks the resources to successfully implement Job Redesign	29%	(29% 2025)

Local employee perceptions of foreigners remain broadly positive in 2026, with 68% demonstrating broadly positive attitudes towards foreigners



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

Base: All Respondents, n=555 (2025), n=511 (2026)
Q39. Which of the following best describes how local employees in your firm perceive foreigners?

Having cross-functional teams remains the key approach businesses use to foster integration between local and foreign employees

Other measures adopted include diversity, equity and inclusion in HR policies, and creating opportunities to build integration through participation in community and cultural activities.

Key Policies to Integrate Foreign & Local Workforce

44%	Cross-functional teams	(41% 2025)
22%	Diversity, Equity and Inclusion HR policies	(25% 2025)
21%	Community and cultural integration activities	(30% 2025)
16%	Mentorship programmes	(15% 2025)
15%	Cultural awareness training	(14% 2025)
14%	Leadership training to manage diverse teams	(14% 2025)

28% have not implemented any integration policies
(28% 2025)

Base: Those who hire foreign employees, n=483 (2025), n=470 (2026)
Q40. What company policies did your business put in place to integrate your foreign and local workforce?

Thank You.

Survey conducted by:

Research & Publishing
Advocacy & Policy Division
Singapore Business Federation

If you have any enquiry, kindly contact:

research@sbf.org.sg .

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AmChamSG

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AIPRO ASSOCIATION OF INDEPENDENT PRODUCERS SINGAPORE

ASME

AustCham SINGAPORE Your Australian Business Connection

CDAS

DASL Dormitory Association Singapore Limited

EuroCham SINGAPORE

Global Compact Network Singapore

JCCI SINGAPORE

NATAS NATIONAL ASSOCIATION OF TRAVEL AGENTS SINGAPORE

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SCIC SINGAPORE CHEMICAL INDUSTRY COUNCIL

新加坡中華總商會 Singapore Chinese Chamber of Commerce & Industry

SCS Singapore Computer Society

新加坡建築商公會有限公司 THE SINGAPORE CONTRACTORS ASSOCIATION LTD

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SFA SINGAPORE FINTECH ASSOCIATION

SINGAPORE GREEN BUILDING COUNCIL

SID SINGAPORE INSTITUTE OF DIRECTORS

SINGAPORE LOGISTICS ASSOCIATION

SMCTA

SMF

SRA SINGAPORE RETAILERS ASSOCIATION Empower Business | Build Connections | Transform Retail

SSA SINGAPORE SHIPPING ASSOCIATION

SICC Singapore International Chamber of Commerce

STAS SPECIALISTS TRADE ALLIANCE OF SINGAPORE

SWEDCHAM Swedish Chamber of Commerce Singapore

abs The Association of Banks in Singapore