

National Business Survey 2024

Manpower & Wages Edition



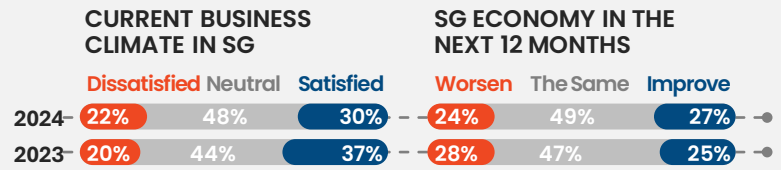
The National Business Survey (NBS) is the flagship annual survey of the Singapore Business Federation (SBF).

Into its 17th annual edition, the SBF National Business Survey 2024 – Manpower and Wages Edition provides fresh insights into the strategies and concerns related to manpower and wages among Singapore businesses. Conducted from 18 June to 16 July 2024, it gathered responses from 796 businesses across key industries.

SECTION 1 | BUSINESS SENTIMENTS

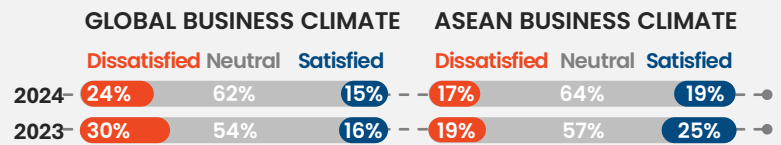
Business Sentiment Remains Steady but Cautious

Around half of businesses expect economic conditions to stay the same in the next 12 months. Nonetheless, there are some signs of optimism, as more businesses expect the economy to improve (27%) than worsen (24%).



Neutral Outlook on Global & Regional Business Climate

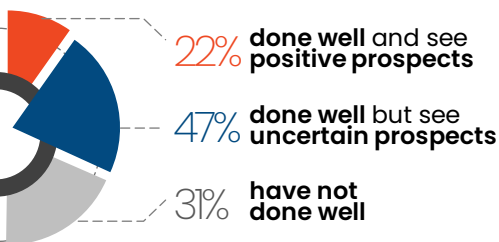
Neutral sentiment towards the global and regional economies has increased, while satisfaction with the ASEAN business climate has decreased to 19%, down from 25% last year.



Businesses Performed Well in the Past Year But Many Foresee Uncertainty Ahead

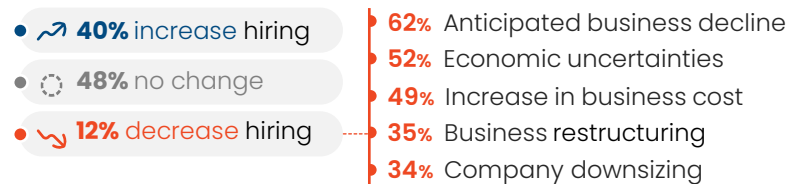
69% of businesses have performed well last year, but nearly half (47%) of all businesses are uncertain about their future prospects.

BUSINESS PERFORMANCE IN THE LAST 12 MONTHS



Despite Cautious Outlook, Businesses Are Regaining Confidence In Hiring Over The Coming Year

40% of businesses say they expect to expand hiring in the next 12 months, up from 29% in the same period last year. Anticipated business decline, economic uncertainties and cost management are key decision factors in reducing manpower.



Businesses Also Aim to Increase Investment in Training and Uplifting Their Workforce

Compared to the previous 12 months, more businesses will increase their investment in training in the next 12 months and fewer businesses will increase employees' salaries and non-salary staff costs.

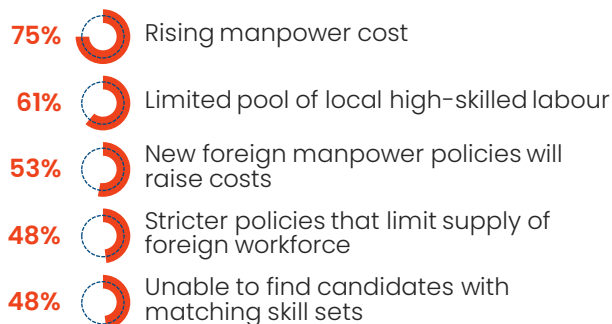
KEY INVESTMENT AREAS FOR BUSINESSES IN NEXT 12 MONTHS...



SECTION 2 | MANPOWER CHALLENGES

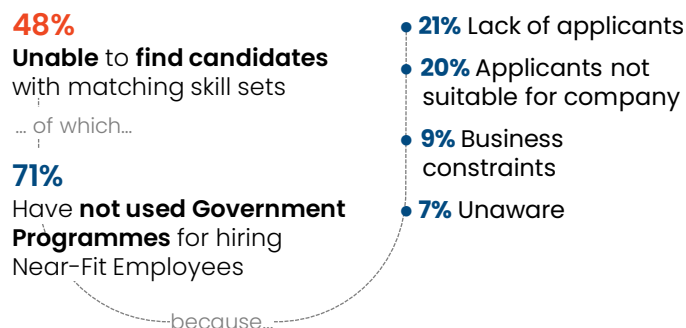
Rising Manpower Cost and Attracting Local Talent are among the Top Manpower Concerns

The number of businesses citing limited local talent as a challenge has risen sharply from 40% in 2023 to 61% in 2024 and is now the top manpower challenge after cost.



Majority of Businesses Have Not Tapped On Programmes to Hire Near-Fit Employees

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



Businesses Are Focused on Attracting Local Talent Through Benefits, Flexibility, and Training

Providing competitive salary and benefits (64%), implementing flexible work arrangement (53%) and providing professional training and development opportunities (46%) are the top strategies to attract and retain local talent.

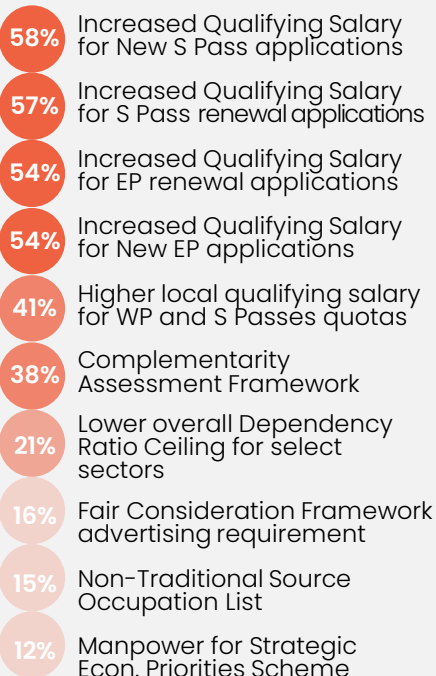
Talent Strategies



Increased Manpower Cost is the Primary Impact of Foreign Manpower Policies Amongst Businesses

Increased qualifying salary requirements for S and EP Pass applications are pushing up manpower costs, and are the top foreign manpower policies negatively impacting businesses.

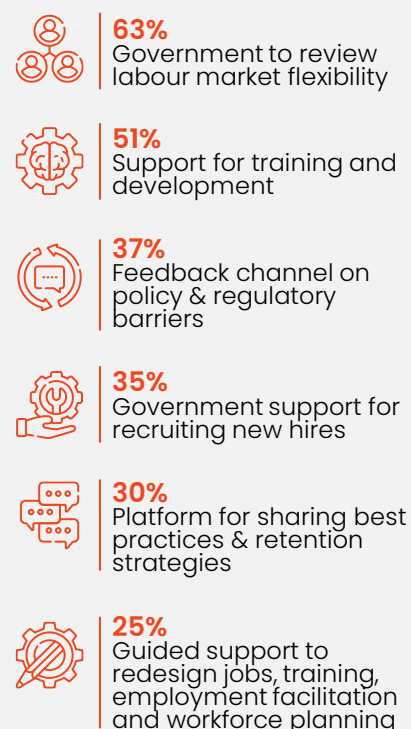
Impact of Foreign Work Policy Changes % negative



Labour Market Flexibility Tops the List of Business Support Needs

63% want government to review labour market flexibility, including foreign worker quotas and work permit regulations, to address manpower challenges.

Support Needed to Address Manpower Challenges

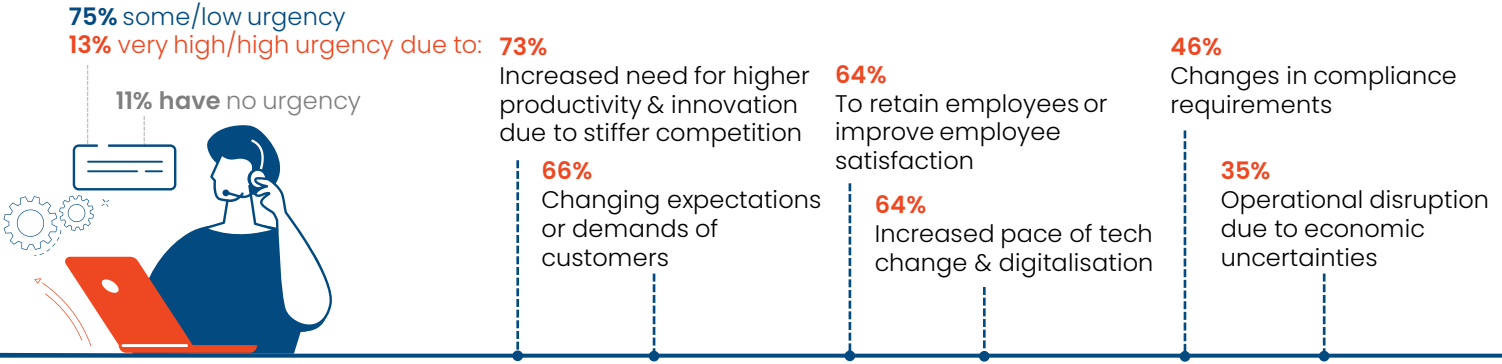


SECTION 3 | TRAINING & UPSKILLING OF WORKFORCE

Stiff Competition Is Pushing Businesses To Prioritise Upskilling With Greater Urgency

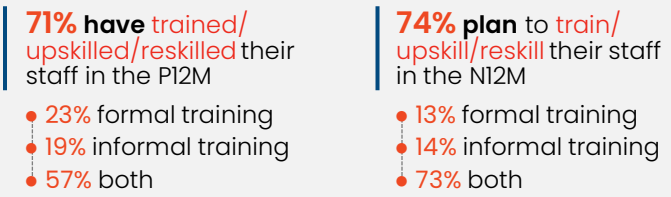
Most businesses (88%) recognise the need to upskill employees, but those with heightened urgency (13%) are driven by the need to increase productivity to stay competitive. Changing customer expectations are another impetus for training, especially amongst SMEs.

88% feel a sense of urgency to reskill/upskill employees, of which...



Most Businesses have Upskilled their Employees in the last 12 months

7 in 10 businesses have upskilled or reskilled their employees in the last 12 months, using a combination of formal and informal training. In the next 12 months, 74% of businesses plan to upskill or reskill their employees.



Businesses are Prioritising Digital Economy Skills to Ensure Long-term Success

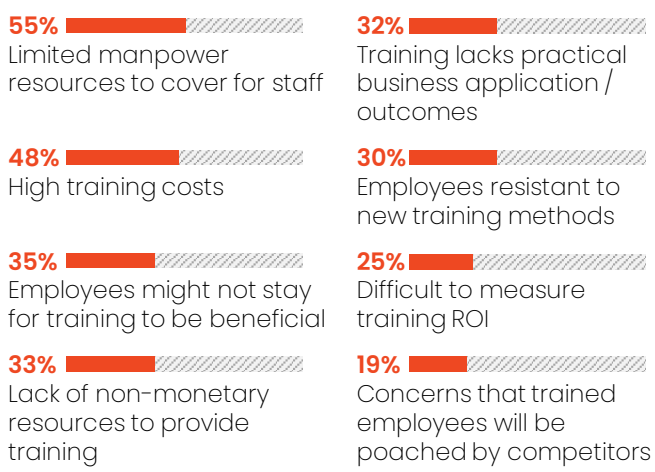
Amongst emerging skillsets needed, businesses prioritise digital economy skills (50%). Large companies also recognise green economy skills as a crucial emerging skillset.



Operational Disruptions and High Costs are the Main Barriers to Investing in Staff Training

Limited manpower resources and high training costs are the top two challenges to investing in training. Businesses also fear that they might not achieve the expected training benefits if employees leave the company after training, with this fear being higher among SMEs.

Challenges Faced When Investing in Staff Training



Skills Development Support Programmes Top the List as the Most Utilised Manpower Support

The top 3 government support programmes used by businesses for training and development are SkillsFuture Course Fee subsidies, SkillsFuture Enterprise Credit and WSG Career Conversion Programmes.

Usage of Support Programmes



SECTION 4 | WAGE POLICIES & FLEXIBLE WORK ARRANGEMENTS

Nearly 2 in 3 Businesses Have Adopted National Wages Council (NWC) Guidelines

Built-in wage increase and variable wage component is the most adopted guideline. Lack of awareness and resources are the key barriers among the 36% of businesses that have yet to implement the guidelines.

Adoption of National Wages Council Guidelines



64% adopted guidelines such as:

- 44%** Built-in wage increase and variable components
- 38%** Moderation in built-in wage increases and reward employees with variable payments
- 9%** Set future variable payments linked to business indicators
- 8%** Exercise wage restraint with management leading by example

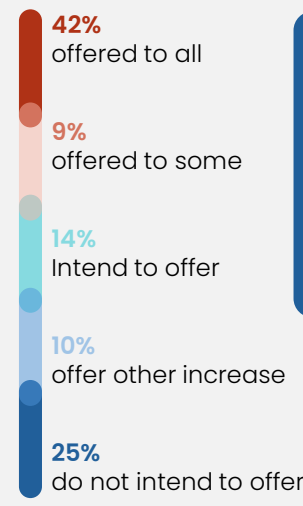
38% did not adopt guidelines because:

- 32%** Unware or limited understanding
- 31%** Not enough resources to work on wage guidelines
- 29%** High cost of implementing wage guidelines
- 26%** Placing priority on other business aspects
- 12%** Concern about losing business competitiveness
- 12%** Worker skills/productivity do not justify wage increase

Half of Businesses Have Complied With Efforts to Improve Wages for Low Wage Workers

Poor business performance is the main reason cited for not offering the recommended increase. Businesses cite financial assistance and incentives as the top types of support needed to implement wage increases for low-wage workers.

Implementation of Recommended Wage Increase for Low-Wage Workers



Support Needed for Implementation

- * 60%** Financial assistance & subsidies
- * 28%** Training programmes to ensure increase is justified
- * 56%** Incentives to offset other business costs
- * 19%** Recognition for companies that implement increases

Top Reasons

- Company not performing well (25%)
- Paying market rate (24%)
- Impacts business cost (19%)

Majority of Businesses are Experienced in Handling Flexible Work Arrangements

Almost 3 in 4 businesses already offer Flexible Work Arrangements (FWA), with flexi-place (58%) being the most widely adopted form of FWA. However, the challenge of applying FWA fairly across job roles is a top concern (45%). Businesses are also concerned about the impact on engagement and sense of belonging amongst employees.

75% of businesses already offer flexible work arrangements

CURRENTLY OFFER

58% Flexi-place

47% Flex-time

12% Flexi-load



7% of businesses intend to offer flexible work arrangements

INTEND TO OFFER

54% Flexi-place

41% Flex-time

9% Flexi-load



Key Challenges to Implementing FWA

- 45%** Unable to implement FWA fairly due to nature of roles
- 36%** Communication and collaboration gaps
- 32%** Lack of social interactions affecting employee engagement & sense of belonging
- 30%** Impact productivity and output without direct supervision
- 29%** Management prefers physical presence for better management
- 28%** Staff shortage
- 23%** Increased administrative and management burden
- 21%** On-site work due to data security and regulatory compliance

ABOUT SBF NATIONAL BUSINESS SURVEY 2024

Manpower & Wages Edition

	SBF Database	2024 Survey
Wholesale Trade	20%	22%
Other Financial and Insurance Activities	14%	12%
Manufacturing	11%	12%
Professional Services	11%	12%
IT & Related Services	8%	5%
Construction and Civil Engineering	8%	9%
Banking & Insurance	7%	3%
Logistics & Transportation	5%	5%
Administrative and Support Service Activities	4%	3%
Retail Trade	3%	3%
Hotels, Restaurants & Accommodations	3%	3%
Real Estate Activities	2%	2%
Others*	1%	2%
Health and Social Services	1%	1%
Education	1%	2%
Other Service Activities	1%	2%
TOTAL	100%	100%

82%
SMEs



18%
Large
Companies

34%
NO



66%
YES

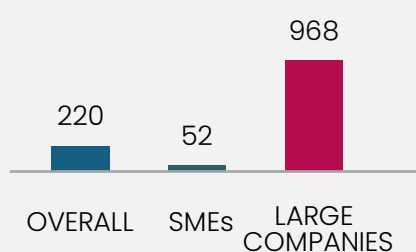
37%
More than
S\$10 mil



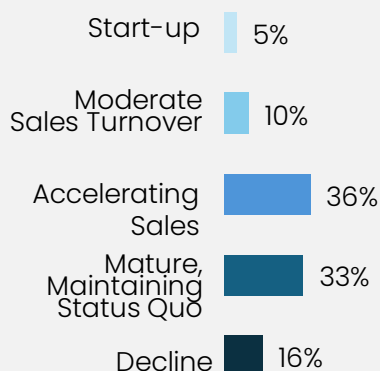
25%
Less than
S\$1 mil

39%
S\$1 mil
to S\$10 mil

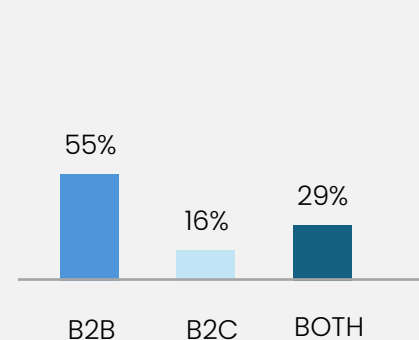
Avg. Employee Size



Stage of Development



Main Mode of Business



Survey Conducted By:
Research & Publishing
Advocacy & Policy Division
Singapore Business Federation

SBF

If you require any clarification, kindly contact research@sbf.org.sg.