



SURVEY ON MANPOWER AND WAGES

[Based on responses collected from 28 June to 14 July 2021.

This period coincides with Singapore's Phase 3 (Heightened Alert) and precedes the revert to Phase 2 (Heightened Alert).]



Overview of Key Findings (1/3)

- Approximately half of businesses continue to be **adversely impacted by COVID-19 (46%)** while two-fifths of businesses are **experiencing business recovery (38%)**.
- More than half of businesses **expect the local economic climate to improve over the next 12 months (55%)** and are currently **operating at more than 60% capacity as compared to pre-COVID period (57%)**.
- Most companies are **confident in sustaining their businesses over the next 12 months (80%)**.
- **Two-thirds of SMEs (68%) expect their overall revenue to be negatively affected** over the next 12 months, while **more than half of Large Companies (57%) expect their revenue to increase or remain unchanged**.
- **2 in 3 companies (64%) are likely to continue their businesses with the existing strength of employees** over the next 12 months.
- Over the last 12 months, **43% of businesses did not make any adjustments to the number of full-time employees. More Large Companies increased the headcount than SMEs (39% versus 22%),** whereas more **SMEs decreased the headcount than Large Companies (33% versus 27%)**.
- Over the next 12 months, **44% of businesses do not intend to adjust the number of full-time employees, while 43% of businesses intend to increase the headcount by up to 25%**.
- **Half of the businesses (50%) plan to hire mainly local talents** while almost half of businesses (45%) plan to hire a good mix of both local and foreign talents.

Overview of Key Findings (2/3)

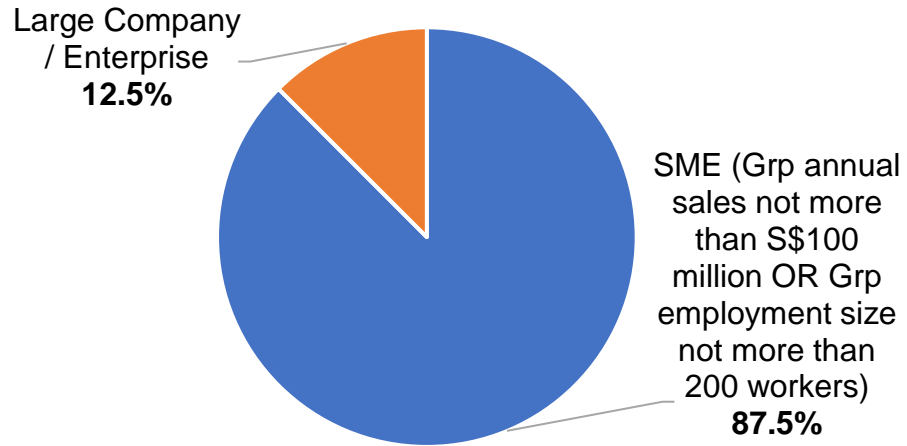
- **Top 3 occupations** that businesses plan to hire: **Business Development (29%), IT & Engineering (28%) and Technical Support (20%).**
- **Top 2 roles** that businesses plan to hire: **Junior Management (39%) and Service and Sales (30%) positions.**
- **Top 4 skillsets** required: **Specialised or technical skills related to job position (61%), Communication skills (39%), Problem-solving / Creative and critical thinking (39%) and Business development / Sales and marketing skills (38%).**
- **Top 3 strategies** adopted to attract and hire local talents: **Provide competitive employee salary and benefits package (63%), Strengthen employer brand (33%) and Articulation of clear progression prospects leading to key leadership positions (31%).**
- Over the last 12 months, **most Large Companies (67%) increased their employees' salaries. For SMEs, an almost equivalent proportion either did not adjust (46%) or increased (44%) their employees' salaries.**
- For businesses that adjusted salaries in the last 12 months:
 - Average **decrease** in salaries: **21%**
 - Average **increase** in salaries: **6%**
- **≤10% of employees were affected for all Large Companies** that cut salaries in the last 12 months, while **>25% of employees were affected for 82% of SMEs** that cut salaries in the last 12 months.
- Over the next 12 months, **an equivalent proportion of businesses (48%) plan to increase or make no adjustment to their employees' salaries.**

Overview of Key Findings (3/3)

- For businesses that plan to adjust salaries in the next 12 months:
 - Average **decrease** in salaries: **16%**
 - Average **increase** in salaries: **5%**
- For SMEs that plan to cut salaries over the next 12 months, **27% of SMEs reported that >75% of their employees will be affected**, while **72% of SMEs reported that >10% to 50% of employees will be affected**.

The survey drew responses from 264 companies across key industries. (1/2)

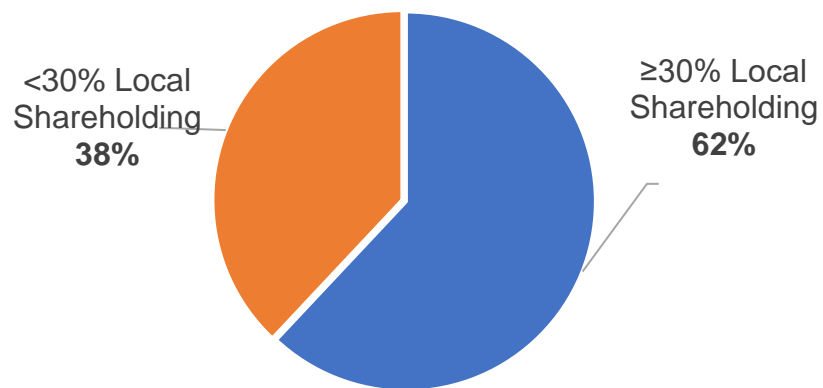
88% of the respondents are SMEs.



Most were from the Manufacturing (16%) and Information and Communication & Professional Services (16%) industries.

Industries	%
Manufacturing	16
Information and Communications & Professional Services	16
Construction & Civil Engineering	14
Other Services (e.g. Repair, Servicing, etc.)	11
Wholesale Trade	10
Retail, Hotels & Food and Beverages	9
Logistics & Transportation	7
Banking, Finance, Insurance & Accounting	6
Others (e.g. Arts & Culture, Social Services, etc.)	6
Health & Education	3
Real Estate	2

Company Shareholding



Note: As the respondents contained only 33 Large Companies/Enterprises, the results for Large Companies/Enterprises should be read with caution.

n = 264

The survey drew responses from 264 companies across key industries. (2/2)

Employment Breakdown

	SMEs	Large Companies / Enterprises
Average (%) of Labour Force		
Singapore Citizens and Permanent Residents	63	77
Female staff	41	45
Above 55 years old	17	19

Average Employment Size



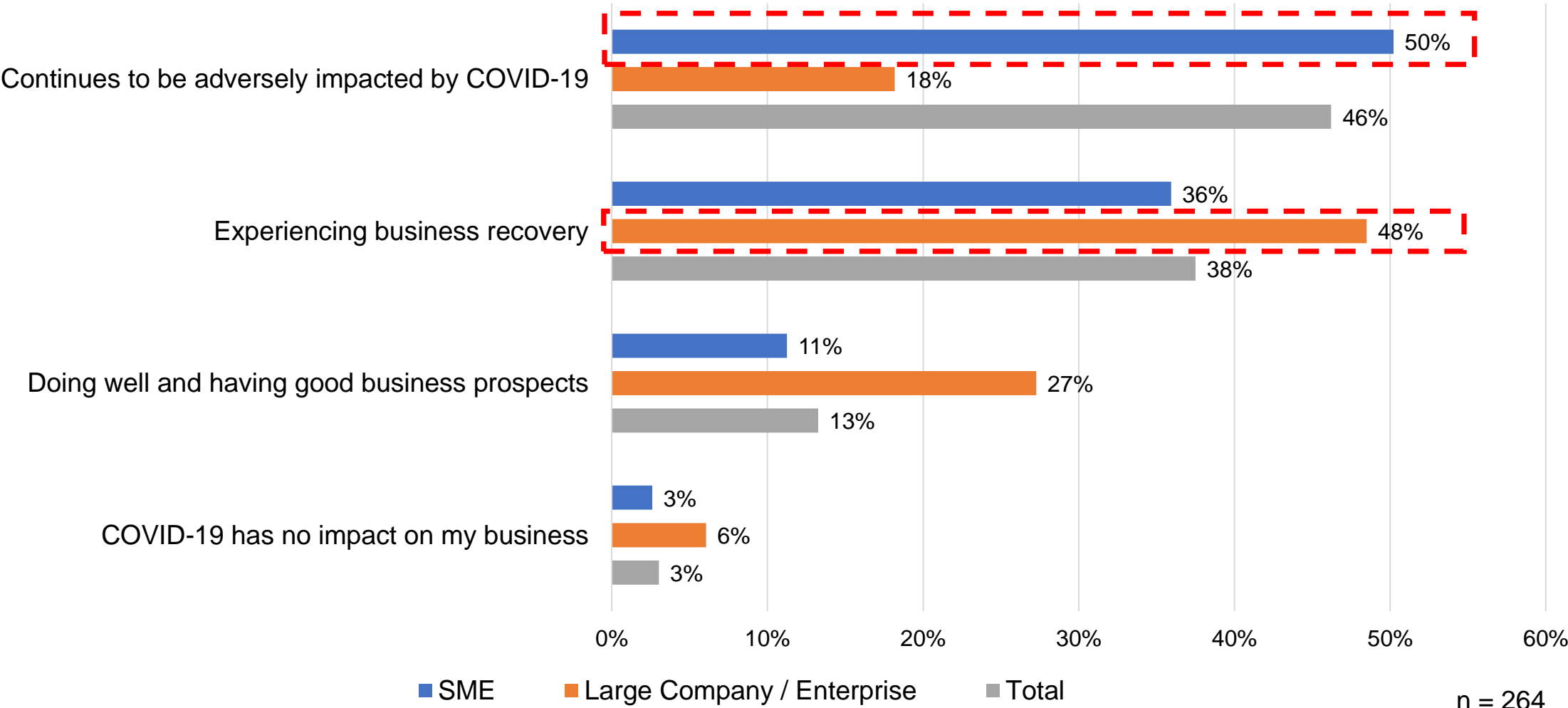
Note: As the respondents contained only 33 Large Companies/Enterprises, the results for Large Companies/Enterprises should be read with caution.

n = 264

Half of SMEs 'continue to be adversely impacted by COVID-19' while almost half of Large Companies are 'experiencing business recovery'.



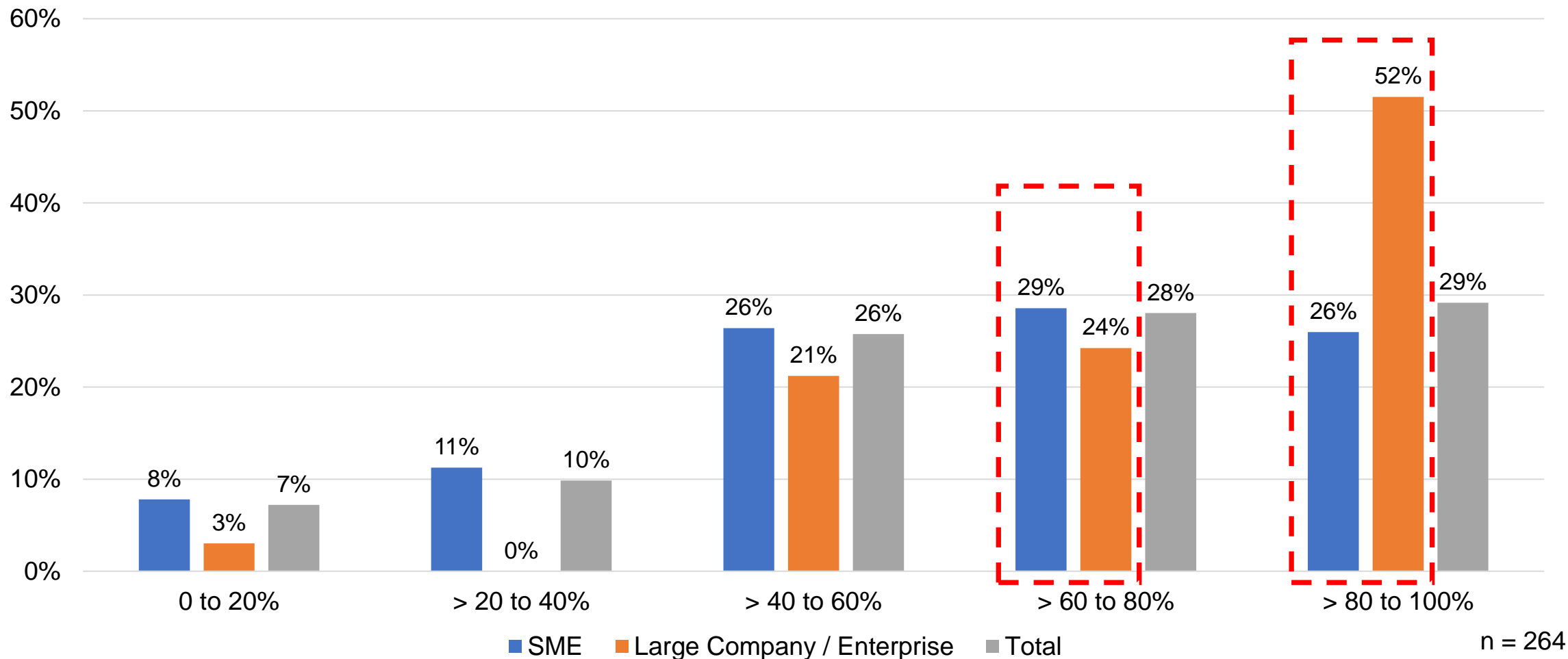
Current local business situation



Q: How would you characterise your current business situation? (Please select one option only.)

Most of the Large Companies (76%) and more than half of the SMEs (55%) are operating at more than 60% capacity, as compared to pre-COVID period.

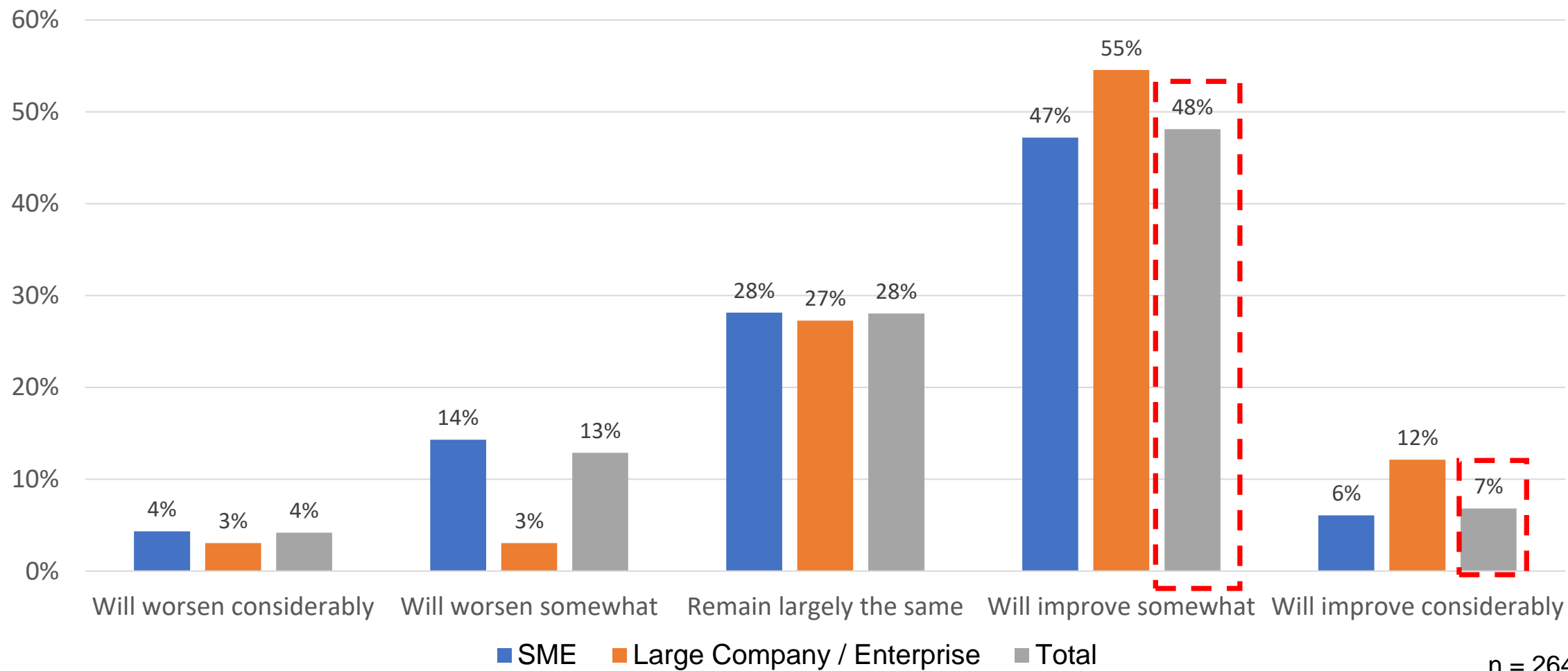
Operating capacity of businesses as compared to pre-COVID



Q: Given the current situation with COVID-19, what capacity is your business operating at compared to pre-COVID? (Please enter a percentage %)

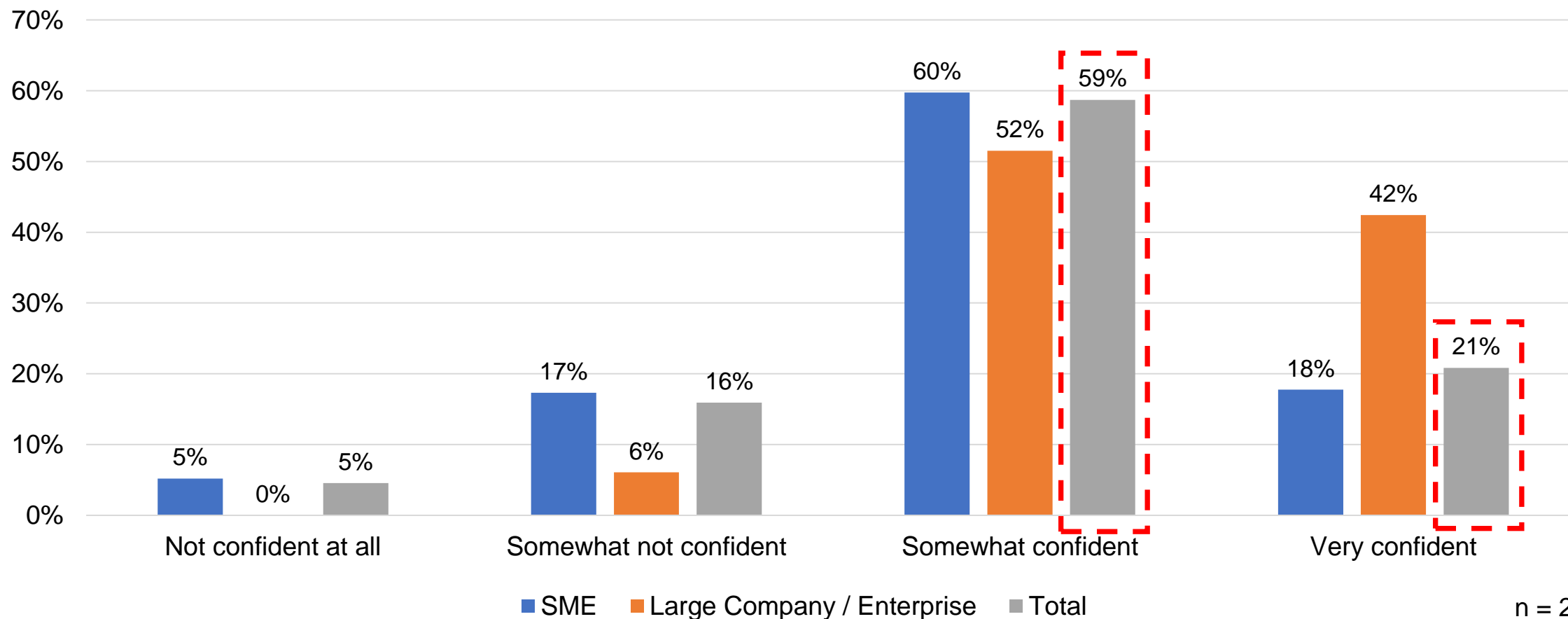
More than half (55%) of all businesses expect that the local economic climate will improve over the next 12 months.

View of the local economy over the next 12 months



Most companies (80%) are confident in sustaining their businesses over the next 12 months.

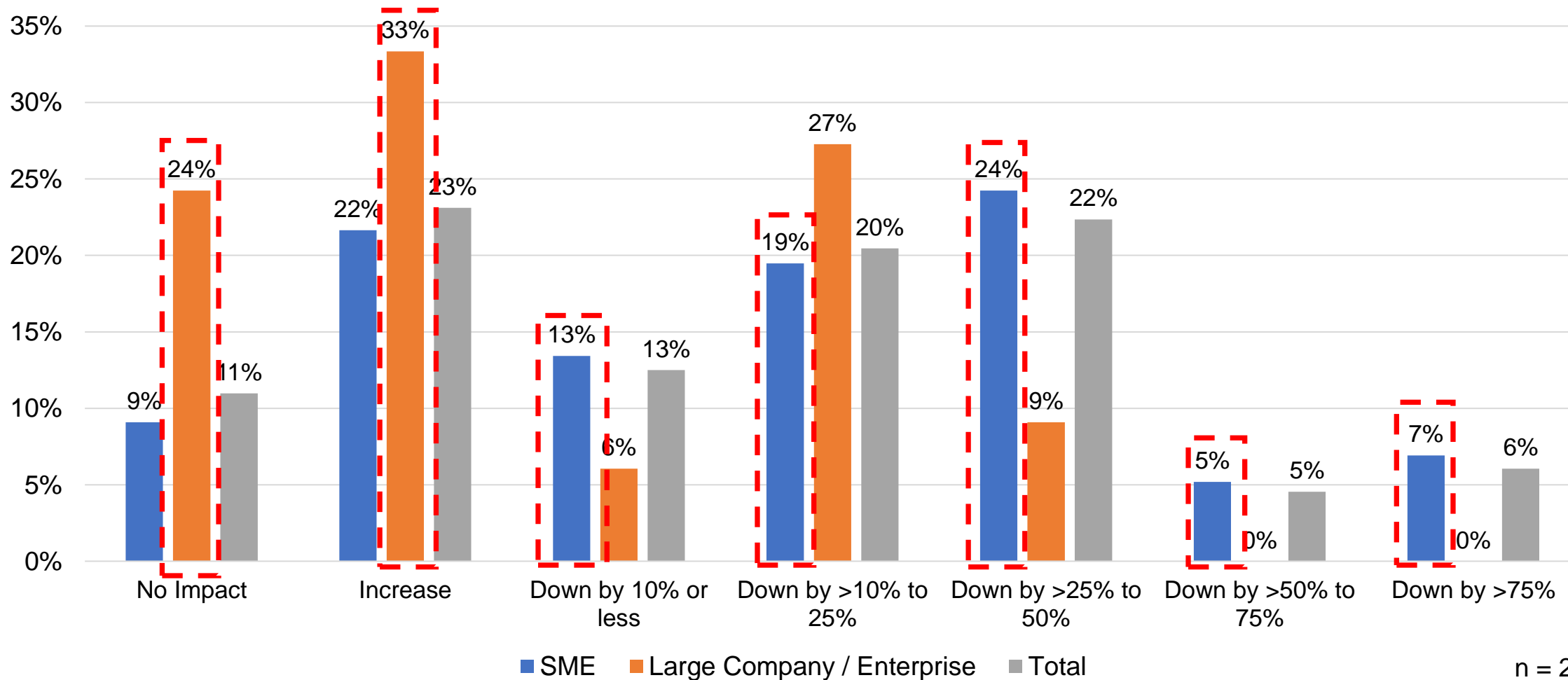
Confidence level in sustaining of business over the next 12 months



Q: How confident are you in sustaining your business over the next 12 months? (Please select one option only.)

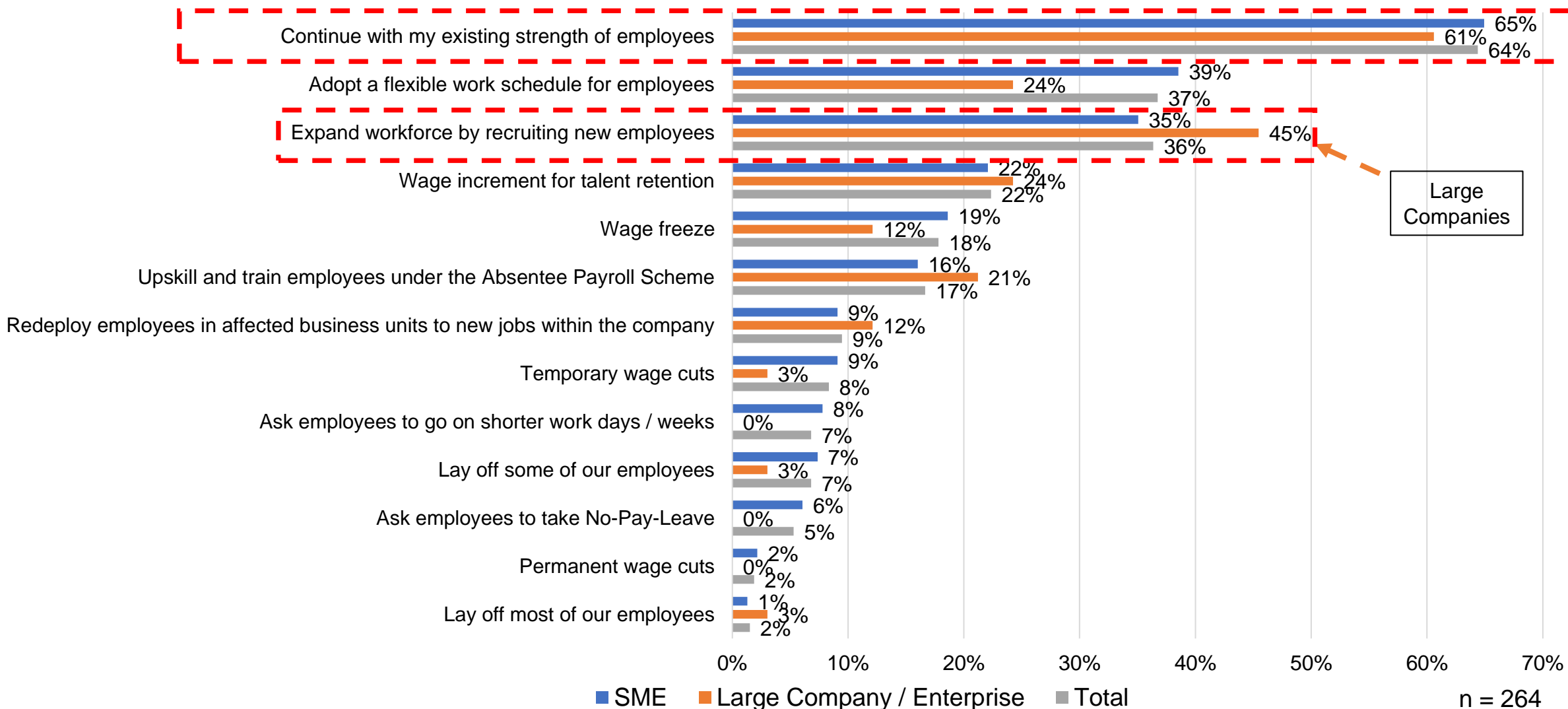
Two-thirds of SMEs (68%) expect their overall revenue to be negatively affected over the next 12 months, while more than half of Large Companies (57%) expect their revenue to increase or remain unchanged.

How will your business revenue be affected over the next 12 months?



Close to two-thirds of companies (64%) are likely to continue their businesses with the existing strength of employees over the next 12 months. Almost half of Large Companies (45%) will expand their workforce by recruiting new employees.

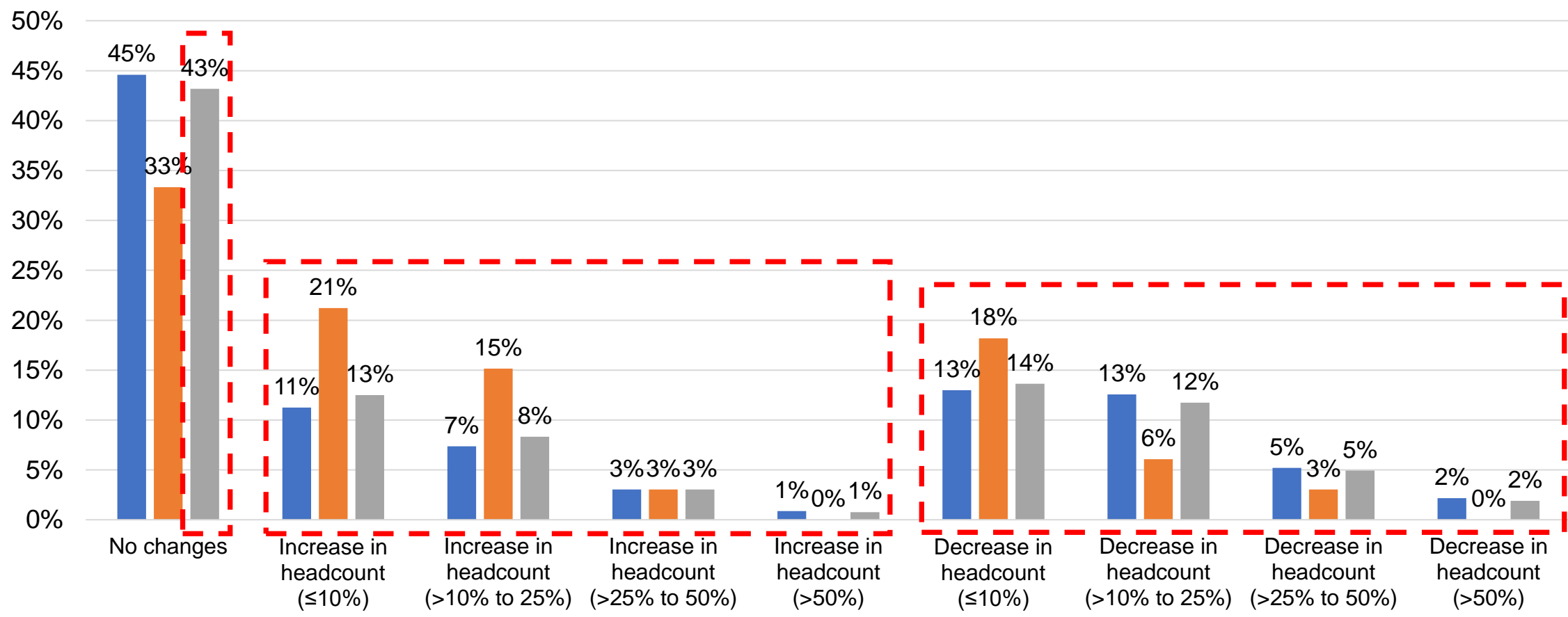
How will employees be managed over the next 12 months?



Q: How will your company manage its employees over the next 12 months? (Please select all options that apply.)

43% of businesses did not make any adjustment to the number of full-time employees over the last 12 months. More Large Companies increased the headcount than SMEs (39% versus 22%), whereas more SMEs decreased the headcount than Large Companies (33% versus 27%).

Number of full-time employees over the last 12 months



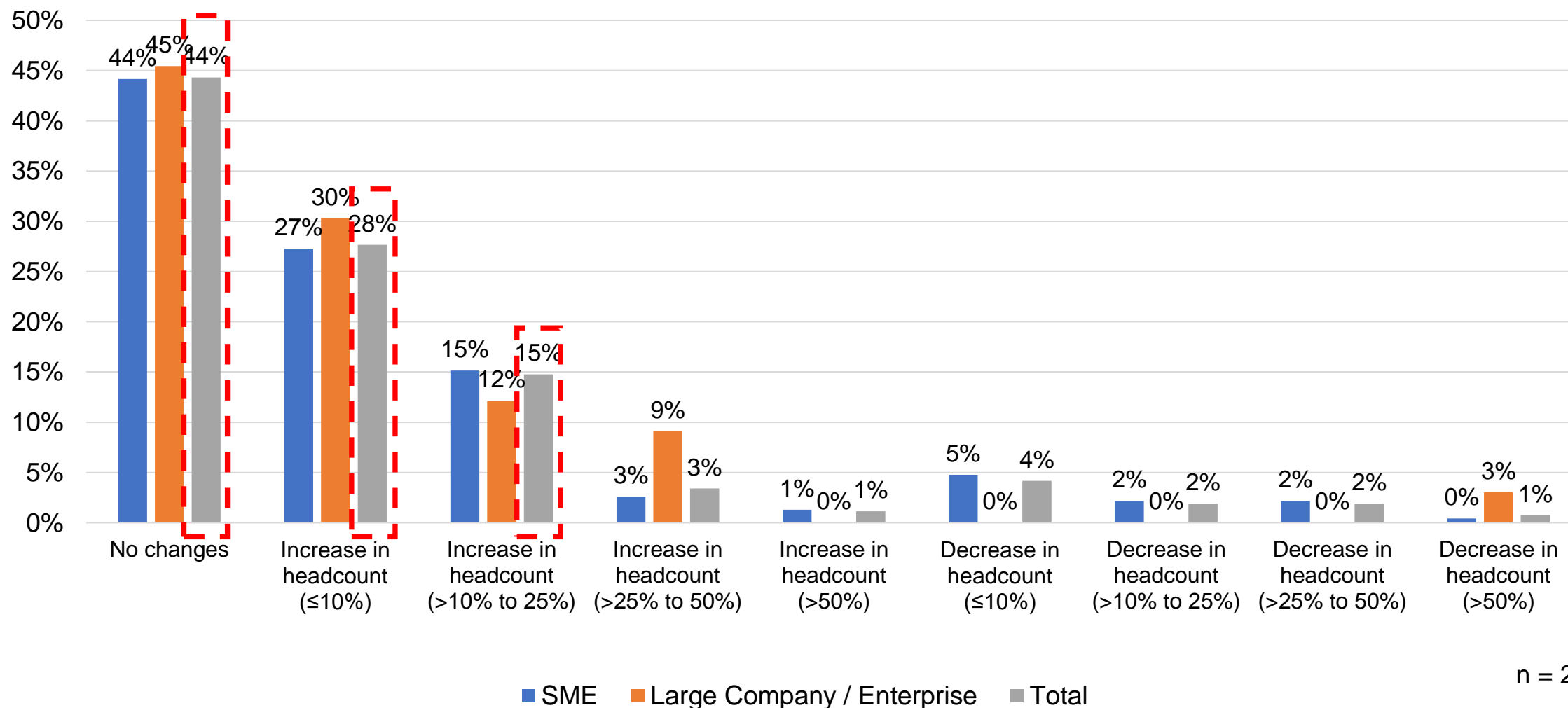
■ SME ■ Large Company / Enterprise ■ Total

n = 264

Q: What adjustments have you made to the number of your full-time employees over the last 12 months?

Most businesses (44%) do not intend to adjust the number of full-time employees over the next 12 months. A somewhat equivalent proportion of businesses (43%) intend to increase the headcount by up to 25%.

Number of full-time employees over the next 12 months

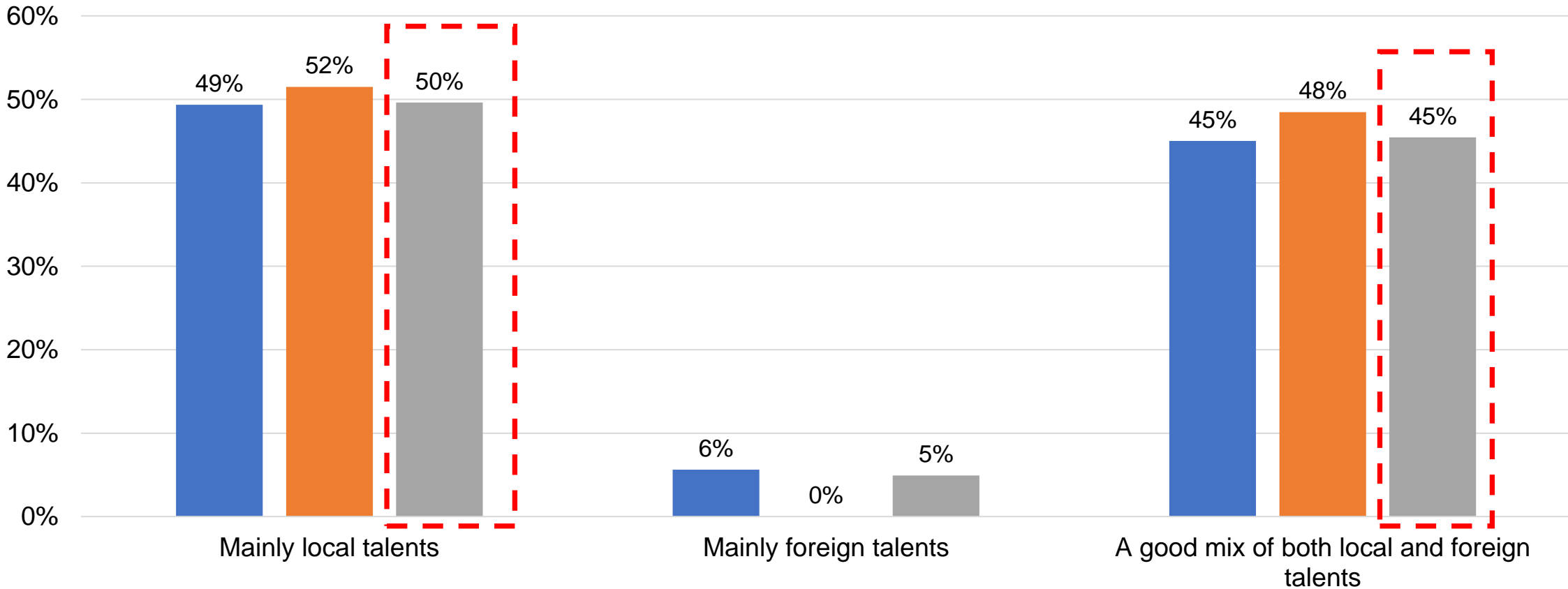


n = 264

Q: What adjustments will you be making to the number of your full-time employees over the next 12 months?

Half of the businesses (50%) plan to hire mainly local talents while almost half of businesses (45%) plan to hire a good mix of both local and foreign talents.

Local and foreign manpower hiring plan



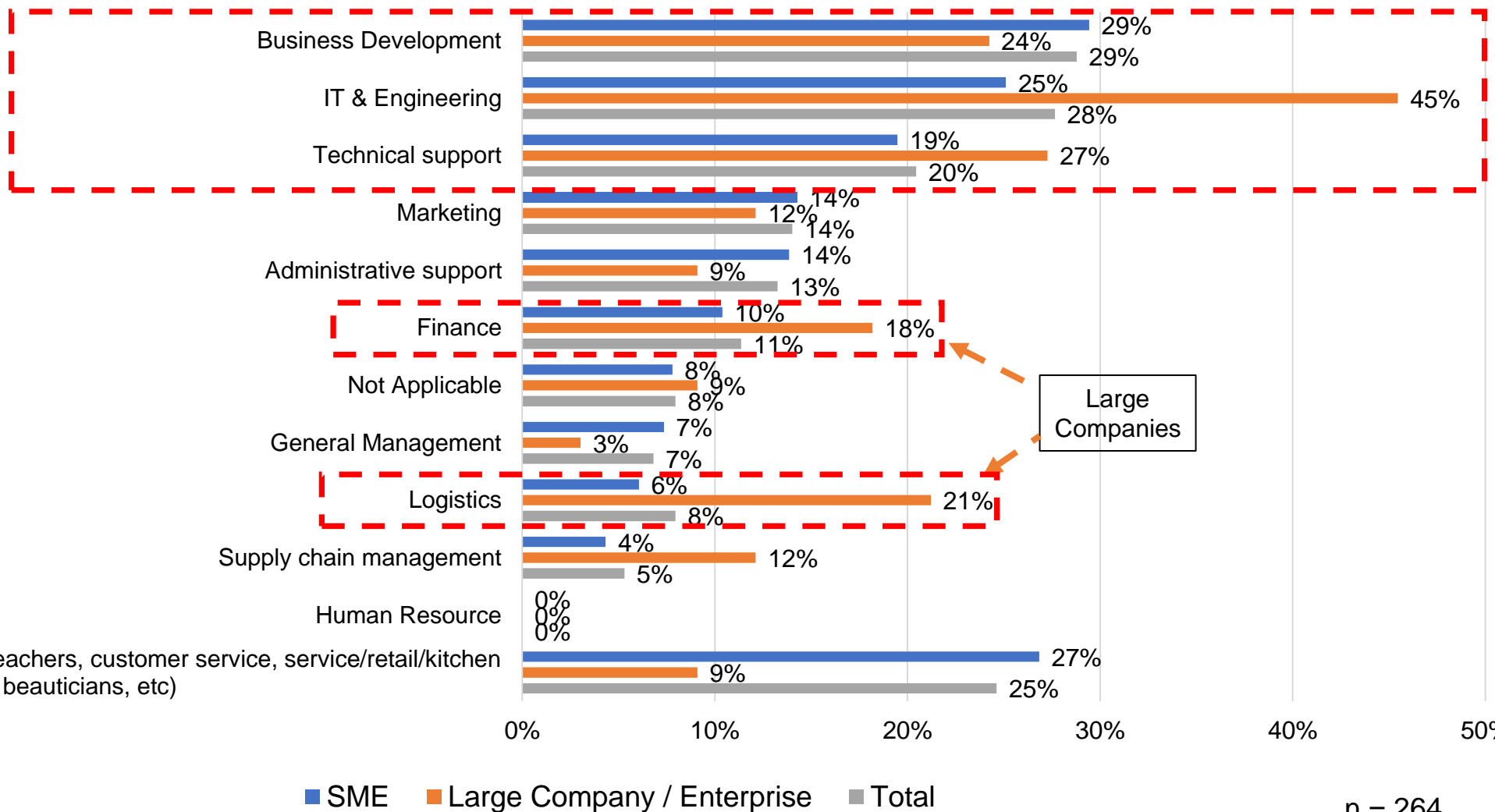
■ SME ■ Large Company / Enterprise ■ Total

n = 264

Q: What is the mix of local and foreign employees which you plan to hire? (Please select one option only.)

The top 3 occupations that businesses plan to hire in are 'Business Development' (29%), 'IT & Engineering' (28%) and 'Technical Support' (20%). Other top occupations that Large Companies plan to hire in include 'Logistics' (21%) and 'Finance' (18%).

Occupations businesses plan to hire in

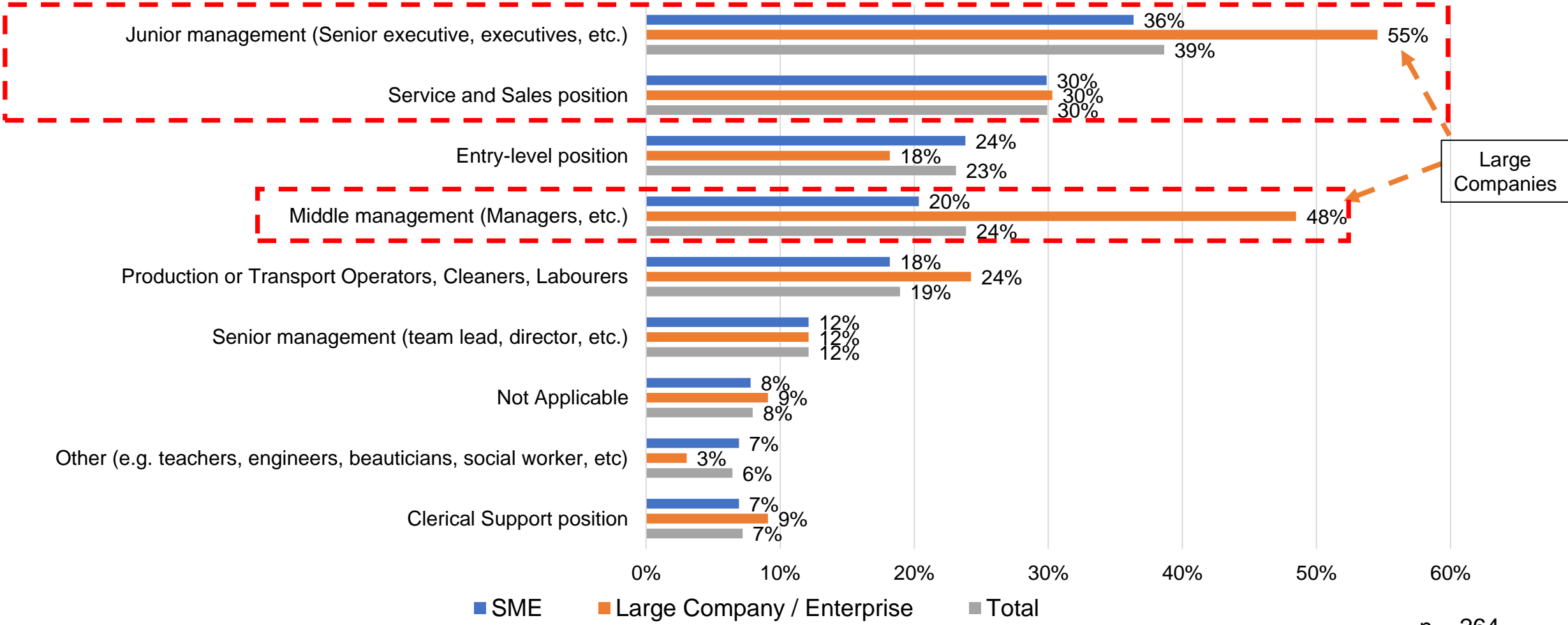


n = 264

Q: What occupations are you planning to hire? (Please select all options that apply.)

The top 2 roles that businesses plan to hire are 'Junior Management' (39%) and 'Service and Sales' (30%) positions. Another top role that Large Companies plan to hire is the 'Middle Management' position (48%).

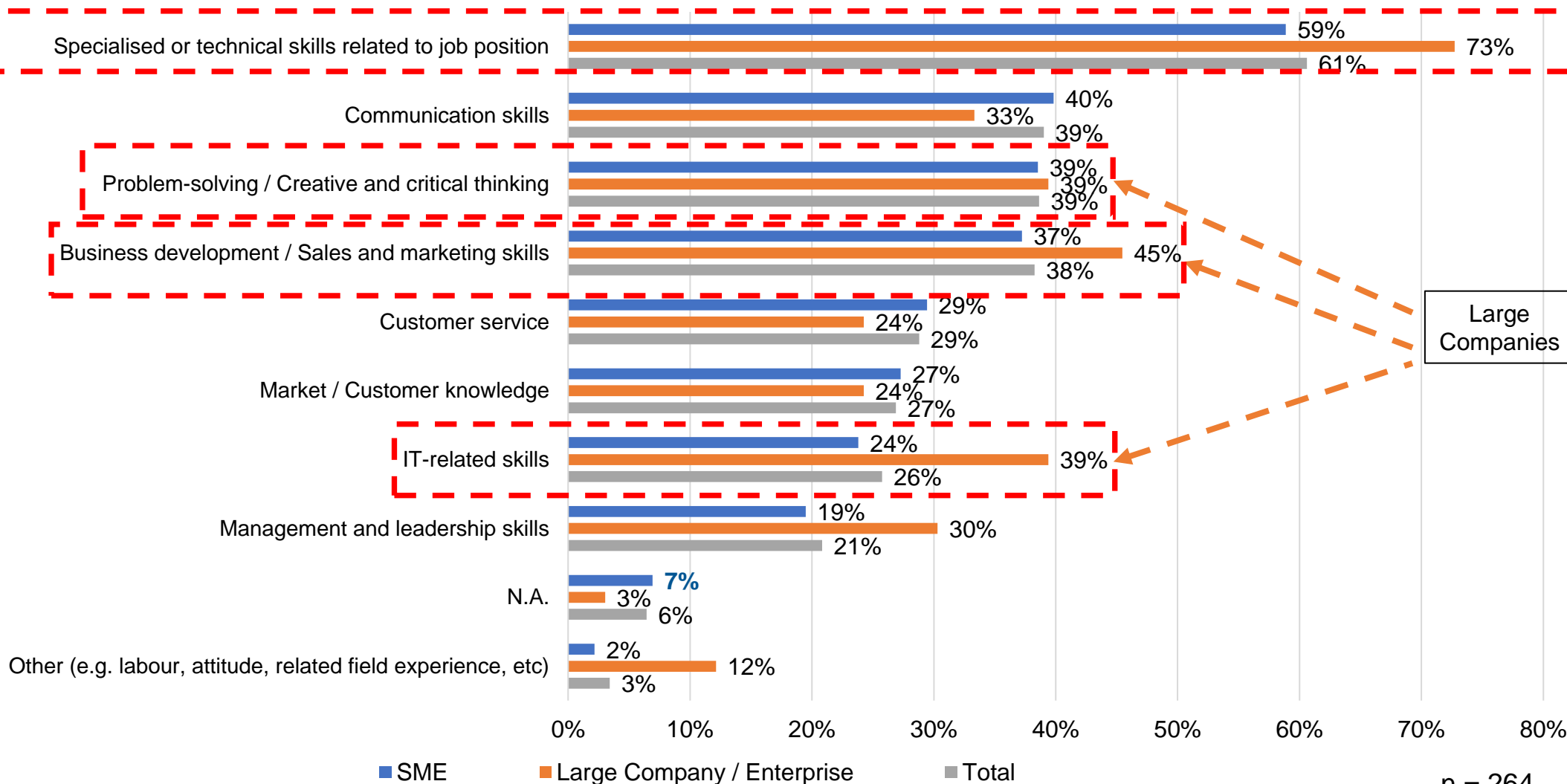
Job roles businesses are looking to hire in



Q: What roles are you planning to hire? (Please select all options that apply.)

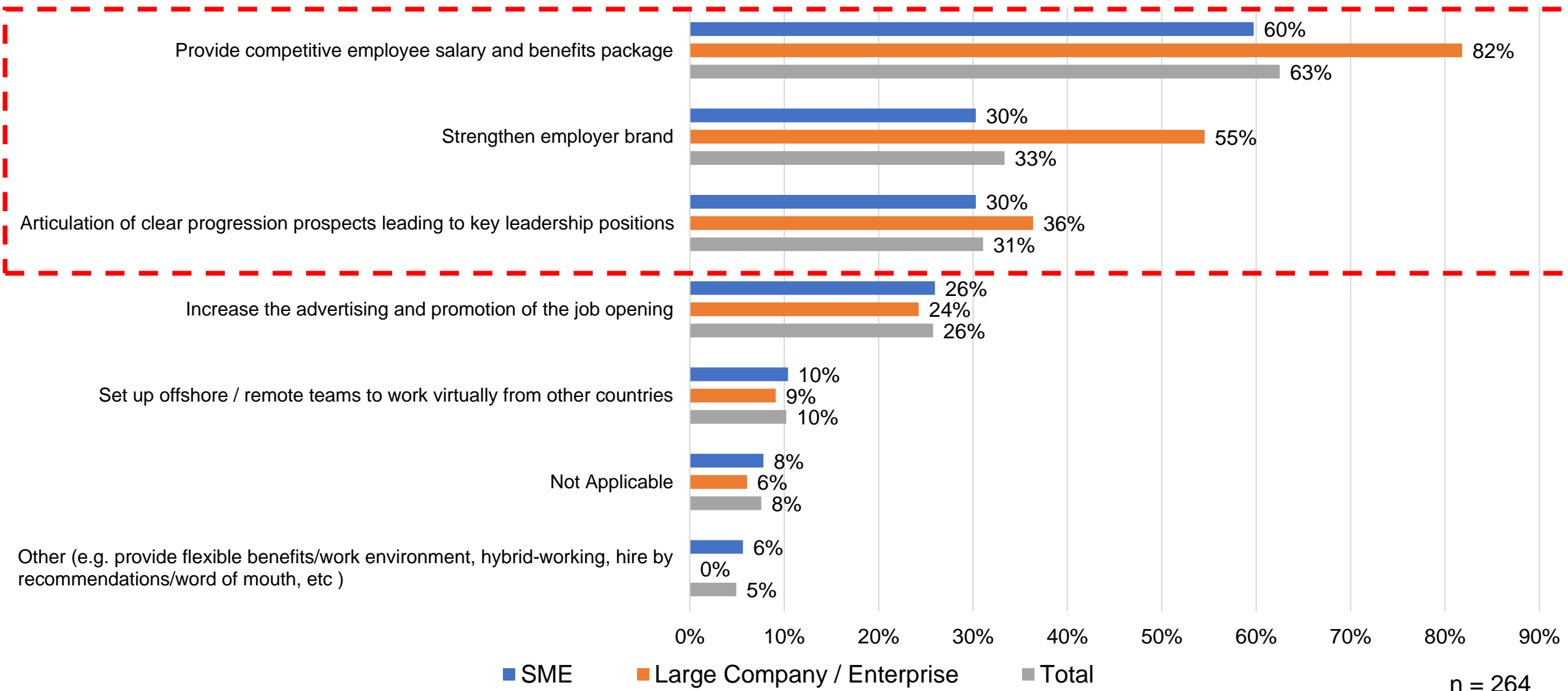
Most businesses (61%) plan to hire roles that require ‘specialised or technical skills related to the job position’. Other top skillsets needed for the roles that Large Companies plan to hire include ‘business development / sales and marketing skills’ (45%), ‘problem solving / creative and critical thinking’ (39%) and ‘IT-related skills’ (39%).

Skillsets / experience needed for the intended roles



The top 3 strategies adopted by businesses to attract and hire local talents are ‘providing competitive employee salary and benefits package’ (63%), ‘strengthening employer brand’ (33%), and ‘articulating clear progression prospects leading to key leadership positions’ (31%).

Top strategies to attract and hire local talents

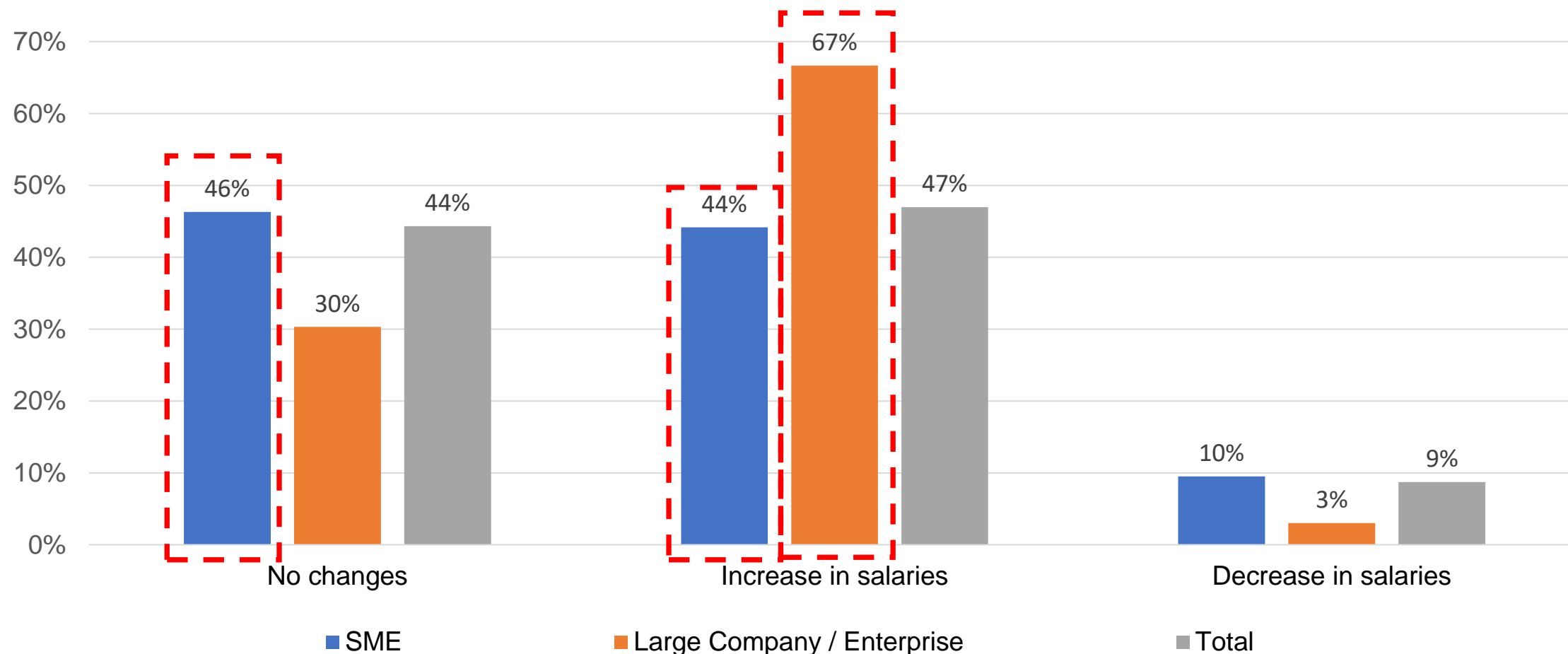


n = 264

Q: How does your company intend to attract and hire local talents? (Please select all options that apply.)

Over the last 12 months, most Large Companies (67%) increased their employees' salaries. For SMEs, an almost equivalent proportion either did not adjust (46%) or increased (44%) their employees' salaries.

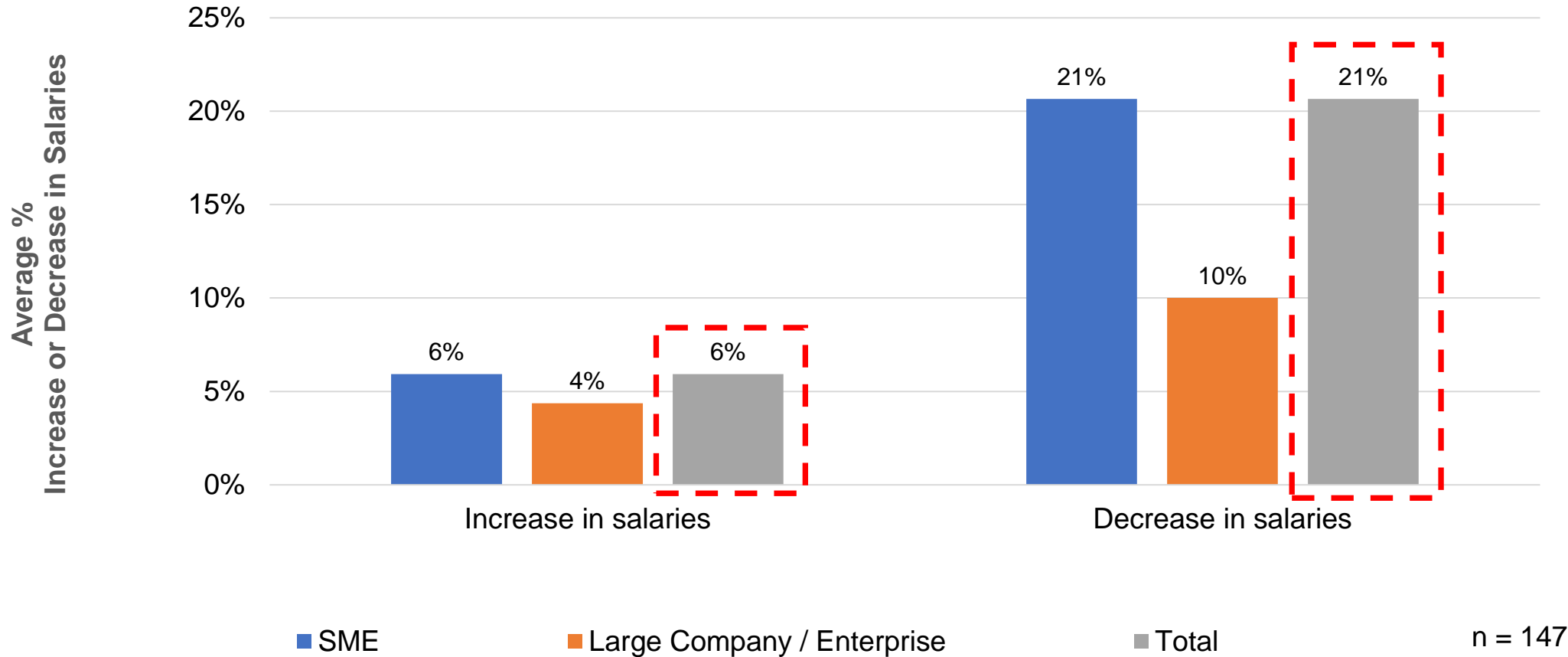
Salary adjustments over the last 12 months



n = 264

For businesses that adjusted salaries in the last 12 months, the average decrease was 21% while the average increase was 6%.

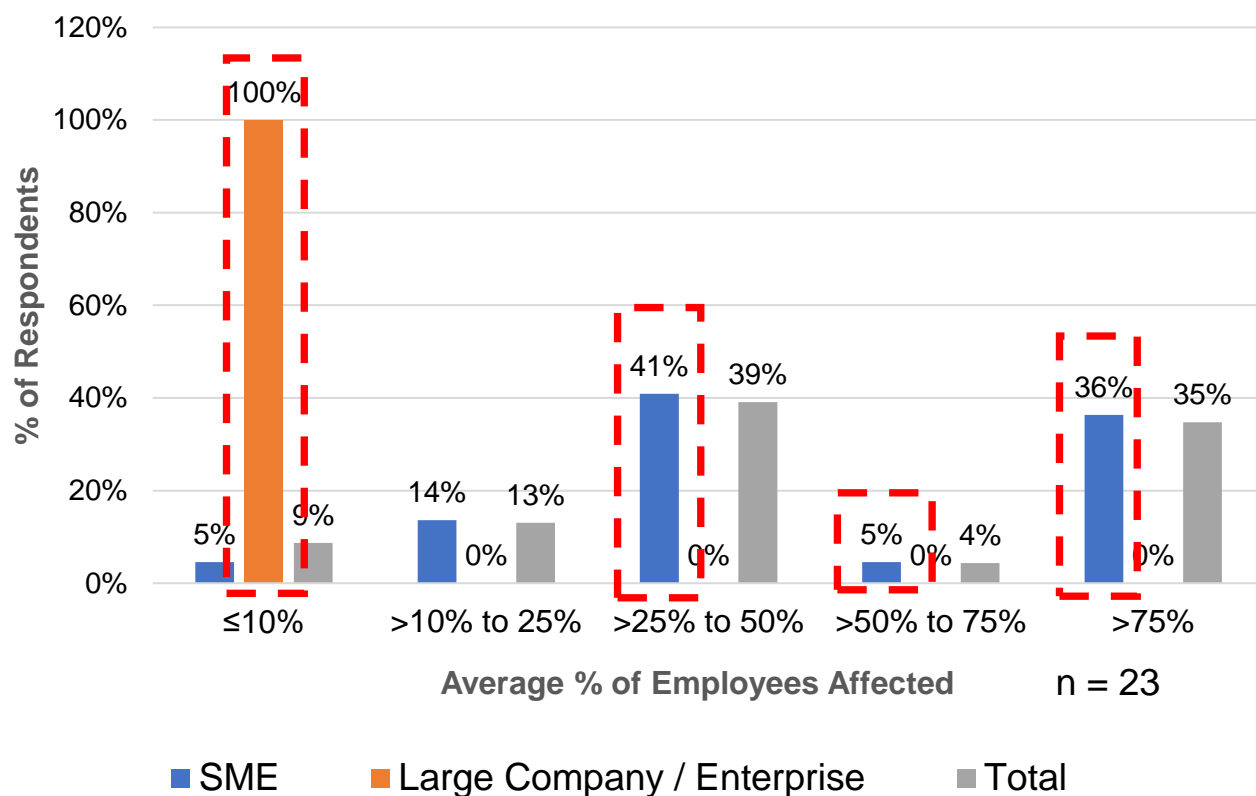
Average % of increase / decrease in salaries over the last 12 months



Q: You mentioned that your company has increased/decreased salaries in the last 12 months. If so, please specify the average percentage (%).

≤10% of employees were affected for all Large Companies that cut salaries in the last 12 months, while >25% of employees were affected for 8 in 10 SMEs (82%) that cut salaries. Most of the companies that cut salaries in the last 12 months were from the Retail, Hotels & Food and Beverages (22%), Manufacturing (17%) and Construction & Civil Engineering (17%) sectors.

Average % of employees affected by salary cuts



Industry decomposition of companies that cut salaries in the <u>last</u> 12 months	%
Retail, Hotels & Food and Beverages	22
Manufacturing	17
Construction & Civil Engineering	17
Information and Communications & Professional Services	13
Logistics & Transportation	9
Real Estate	9
Wholesale Trade	4
Health & Education	4
Other Services (e.g., Repair, Servicing, etc)	4

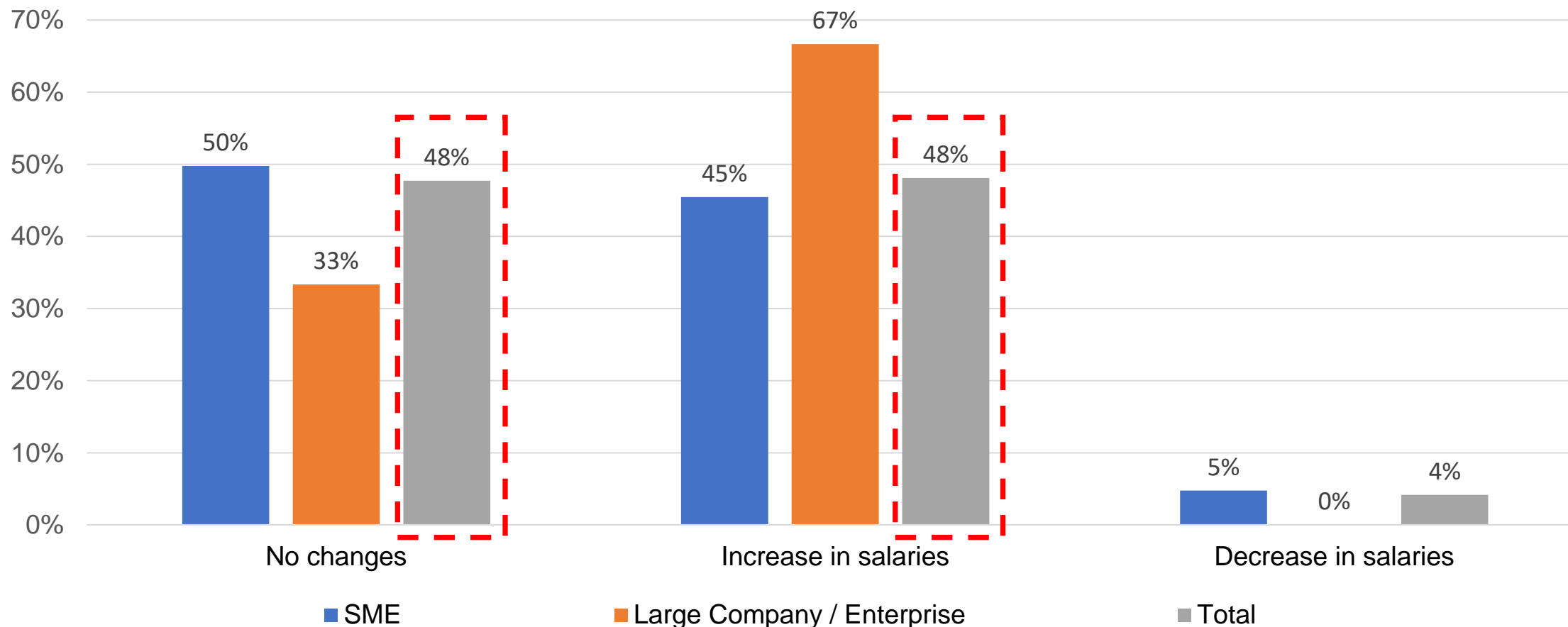
n = 23

Q: You mentioned that your company has cut salaries in the last 12 months. If so, what percentage of your employees were affected by the salary cut?

Note: As there were only 23 respondents for “companies that cut salaries in the last 12 months”, the results should be read with caution.

Over the next 12 months, an equivalent proportion of businesses (48%) plan to increase or make no adjustment to their employees' salaries.

Salary adjustments over the next 12 months

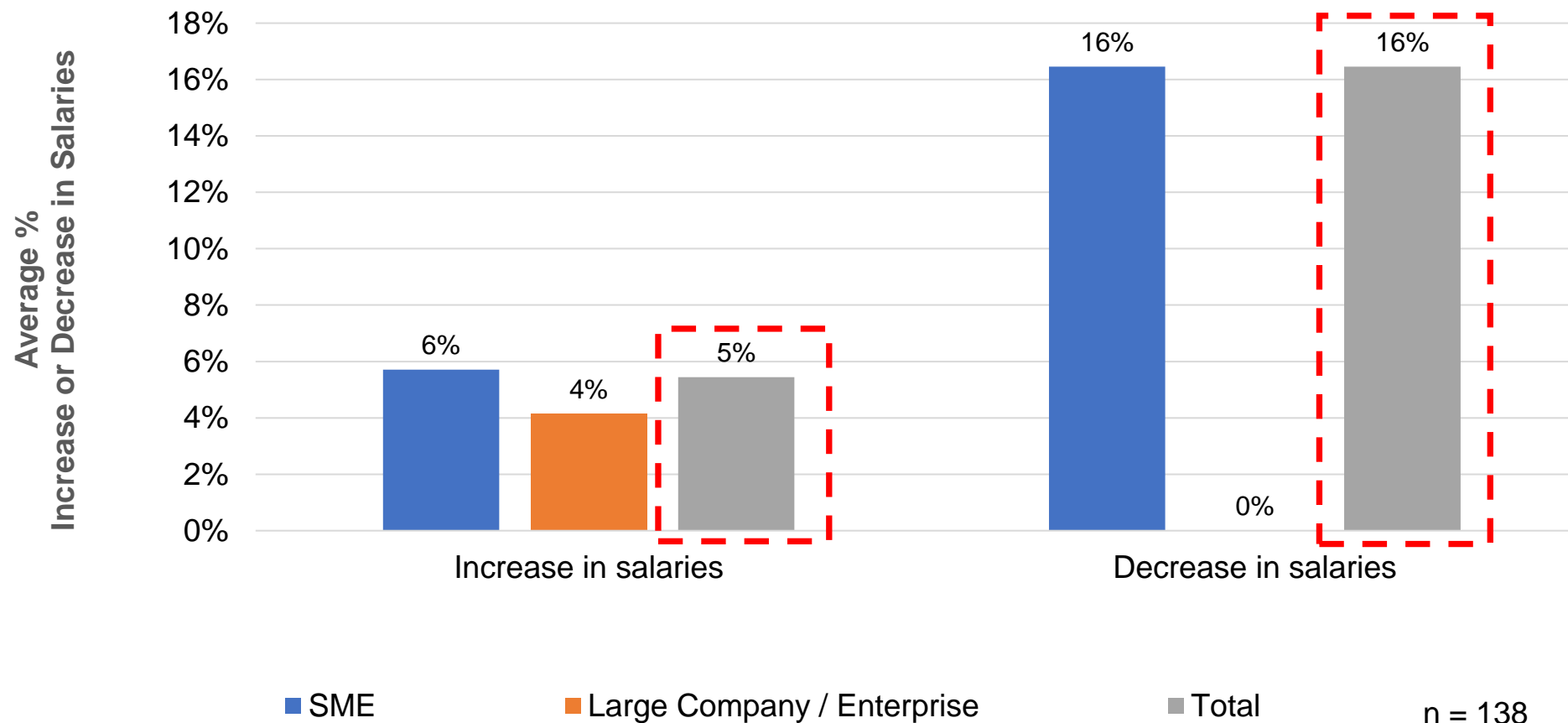


n = 264

Q: What salary adjustments will you be making over the next 12 months? (Please select one option only.)

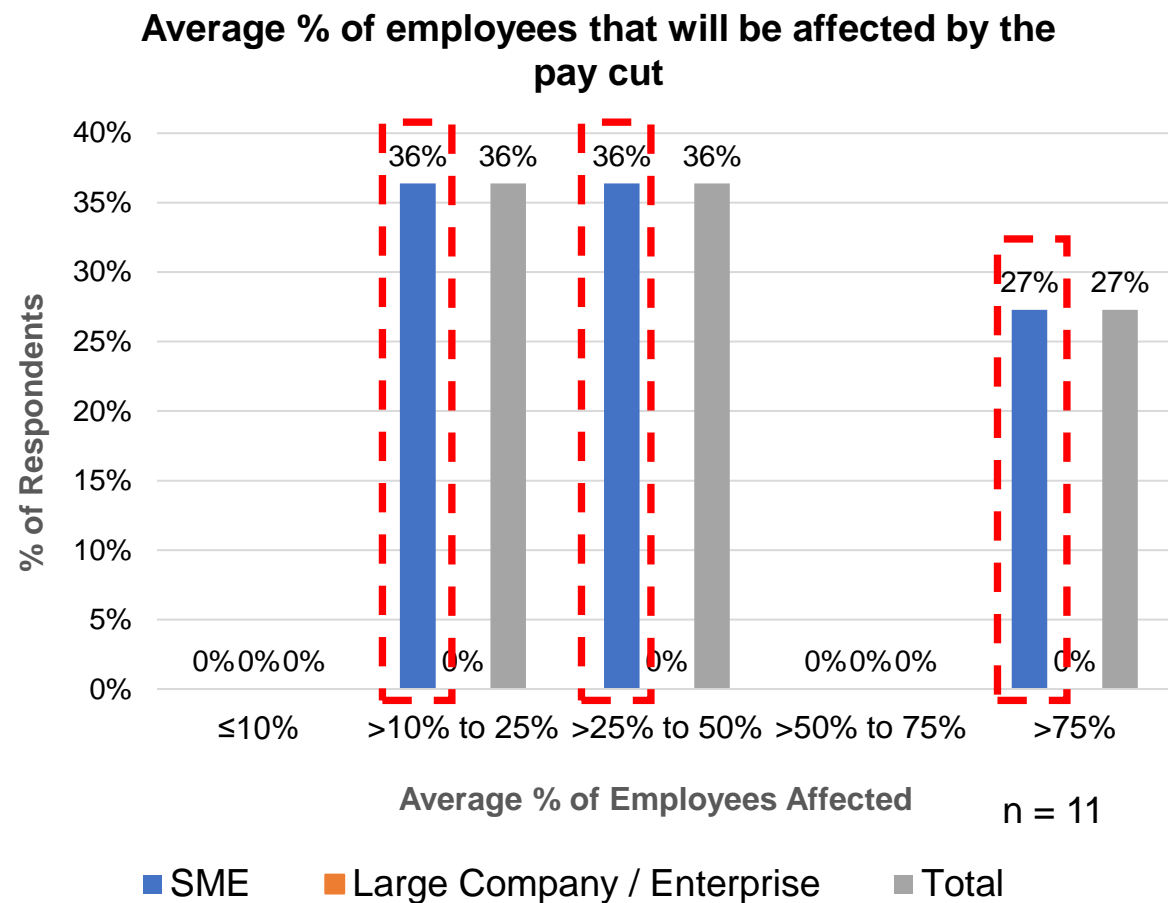
For businesses that intend to adjust employees' salaries over the next 12 months, the average decrease will be 16% while the average increase will be 5%.

Average % of increase / decrease salaries over the next 12 months



Q: You mentioned that your company is planning to increase/decrease salaries over the next 12 months. If so, please specify the average percentage (%).

Out of the 11 SMEs that plan to cut salaries over the next 12 months, 27% reported that >75% of their employees will be affected, while 72% reported that >10% to 50% of employees will be affected. Most were from the Retail, Hotels & Food and Beverages (45%) and Construction & Civil Engineering (18%) sectors.



Industry decomposition of companies that plan to cut salaries over the next 12 months	%
Retail, Hotels & Food and Beverages	45
Construction & Civil Engineering	18
Information and Communications & Professional Services	9
Logistics & Transportation	9
Manufacturing	9
Other Services (e.g., Repair, Servicing, etc)	9

n = 11

Q: You mentioned that your company is planning to cut salaries over the next 12 months. If so, what percentage of your employees will be affected by the salary cut?

Note: As there were only 11 respondents for “companies that plan to cut salaries over the next 12 months”, the results should be read with caution.

Manpower and wage cost support measures that businesses find useful

Verbatim Responses

General

“Tax rebates, wage subsidies, conversion programmes with grants” – *SME, Information and Communications & Professional Services*

“More Corporate Tax rebates, Business incentive, office rent reduction since staff work from home in teams. ” – *SME, Logistics & Transportation*

Training

“Provide more Government funding on training and improving in training funding claim processes.” – *Large Company, Information and Communications & Professional Services*

Manpower Levy

“JSS and rebate on foreign worker levy, training aids for mandatory course also help.” – *SME, Logistic & Transportation*

“Government to consider lower levy so that the amount can channel to pay employees. In this manner the operating cost remained while employee salary increased. For rank and filed staff small amount makes a difference for them to consider a move.” – *Large Company, Wholesale Trade*

Border Restrictions / Travel

“Allowing business travels with minimum or no quarantine. We need to build new sales pipelines or we will suffer soon.” – *SME, Manufacturing*

“Main issue is still manpower, we are having difficulty employing machine operators. No local is willing to work as machine operators for the kind of environment and long working hours in the manufacturing industry.” – *SME, Manufacturing*

“Ease travel restrictions. Improve quarantine arrangements to make them less cumbersome while still being effective. ” – *SME, Information and Communications & Professional Services*

Thank You

If you need any clarifications, kindly
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