

Integrating foreigners into Singapore should start at the workplace

Workplace integration programmes can strengthen social cohesion and help Singapore stay ahead in the fight for global talent.

Musa Fazal

The war for global talent is ruthless and opinions change quickly.

In February, Bloomberg reported that multinational corporations are increasingly choosing Singapore over Hong Kong for their Asia headquarters to tap our broader talent pool. Then barely five months later, it published an opinion piece arguing that Singapore's recent manpower policies risked "turn(ing) foreign companies away".

Perceptions shift in the blink of an eye. It's small wonder, then, that the top five economies in Swiss business school IMD's World Competitiveness Ranking (Singapore, Switzerland, Denmark, Ireland and Hong Kong) keep switching the pole position among themselves, with Singapore claiming top spot this year. All are small, open economies with similar strengths, credited for being nimble and agile, and well-known for being diverse, cosmopolitan and welcoming to global talent.

Competition for global talent is now coming even from countries that were traditionally thought of as net exporters of talent. Recent findings from Indeed.com show that searches for jobs in India surged by 60 per cent between June 2021 and June 2024, while outbound job searches declined by 17 per cent over the same period as more Indian professionals chose to take up opportunities at home.

As I highlighted in an opinion piece in The Straits Times earlier this year, Singapore needs to grow its foreign manpower to

realise its 2 to 3 per cent economic growth targets. This is just simple mathematics for a country with limited local manpower, and a fertility rate that has dropped to historic lows.

Our businesses are struggling to cope. In survey findings recently released by the Singapore Business Federation (SBF) of some 800 businesses, the proportion that cite the lack of local talent to be a key manpower challenge has surged from 40 per cent a year ago to 61 per cent today. One in four companies say the manpower shortages they face are causing them to delay their expansion plans or relocate their activities to other countries.

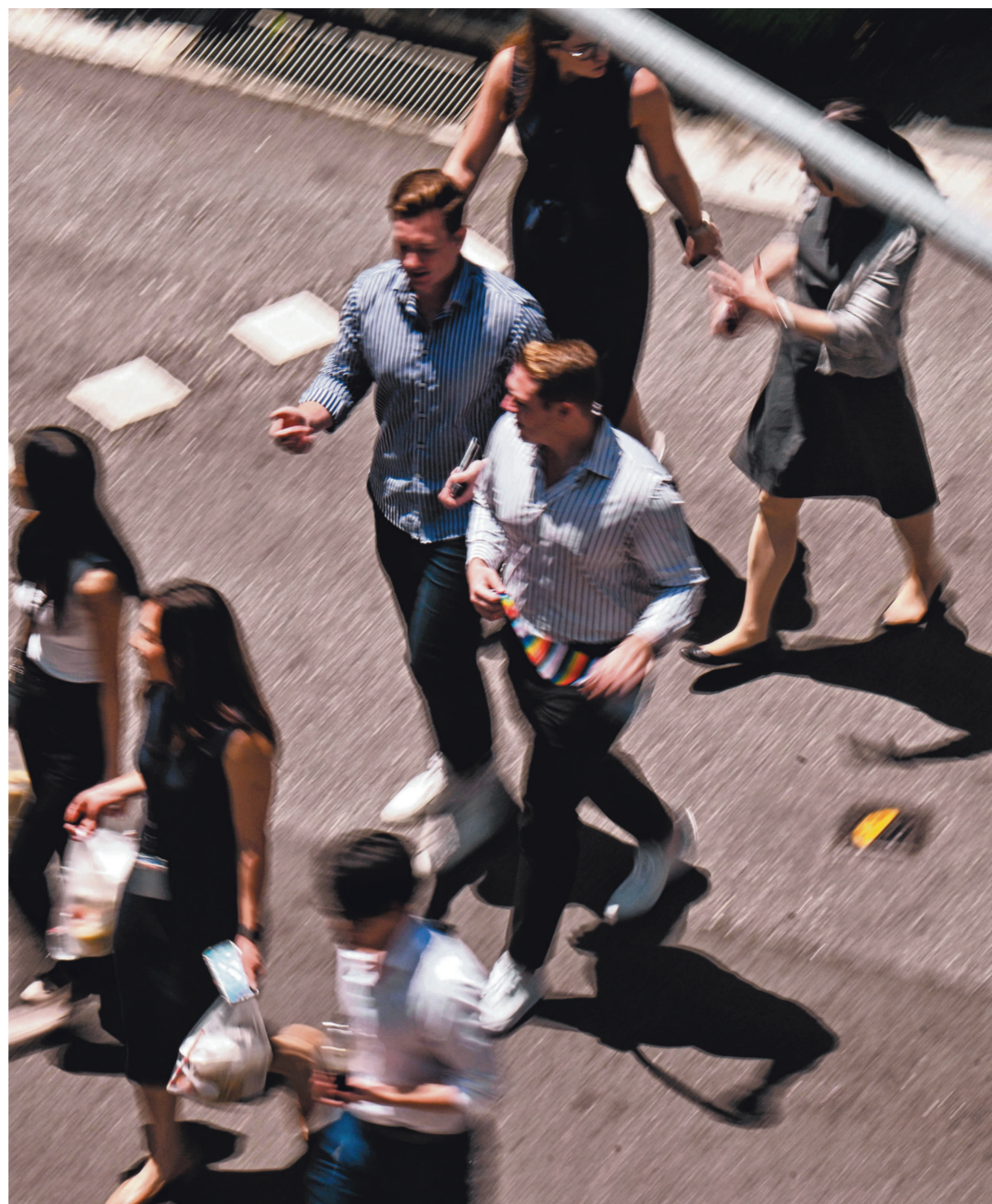
For many global businesses, the issue is not just access to local talent. These companies want to be able to hire the best and brightest globally because diversity spurs innovation and improves performance.

The data supports this. A 2020 McKinsey report found that companies in the top quartile for ethnic and cultural diversity were 36 per cent more profitable. A BCG study from 2018 found that companies with more diverse management teams were more innovative and enjoyed 19 per cent higher revenues.

The challenge for many economies is how to balance this first for global talent with the need to manage domestic tensions in labour markets.

TENSION OVER FOREIGN TALENT

Singapore is not immune to this. Senior Minister Lee Hsien Loong, in an interview with The Straits Times on his past 20 years as prime minister, described the tension between the need to bring in immigrants and foreign



Businesses have a role to play through workplace integration programmes for foreign employees. Done well, such programmes reap dividends for businesses and the economy, says the writer. ST PHOTO: KUA CHEE SIONG

talent and the need to maintain social cohesion as "the most difficult issue" of his tenure.

As a nation of immigrants, Singapore's openness to foreign talent has been a critical part of our success and growth story. Recent data from the Ministry of Manpower shows that rather than displacing locals, foreign professionals have contributed to the growth of incomes and good jobs – between 2013 and 2023, the number of Singapore professionals, managers, executives and technicians grew by 380,000, more than seven times the growth of foreigners in similar jobs, and resident incomes increased by 21.6 per cent in real terms over the same period.

Still, foreign professionals based here are perceived to negatively impact social cohesion. Data from a survey by the Institute of Policy Studies in 2021 showed that 43.6 per cent of Singaporeans held the view that immigration increases unemployment. The same survey showed that foreigners are perceived to be culturally different, weaken our sense of identity and put a strain on our resources such as housing and healthcare.

As SM Lee put it in his interview, "the concerns which people have about foreigners,

about dilution, about values, about social impact, these are not unreasonable concerns. Because we are a society, we are a country, it is not just a city".

How can we address these concerns? Failing to address them locks us as a nation in a perpetual struggle to put the brakes on foreign manpower growth when we know it to be a prerequisite for economic growth.

BUSINESSES MUST TAKE THE LEAD

Statistics show that the average person spends a third of their lives at work (some of us might say more) so the workplace is an incredibly important platform for forging bonds between locals and foreigners.

My take is that national efforts at integration thus far have focused largely on the integration of new citizens and permanent residents. Foreign professionals on employment passes are generally seen as transient and the impetus to socially integrate them has been less. One could argue, though, that it is perhaps this transience that makes the integration challenge even more stark and necessary – with less time to interact with locals, unfair perceptions and biases easily take root.

To be fair, there are already some efforts in this space. Trade associations and chambers such as the Singapore National Employers Federation (SNEF) and SBF run programmes targeted at Employment Pass holders that focus on helping them to adapt to local norms. The National Integration Council has a Community Integration Fund that supports ground-up activities that foster social cohesion.

Can businesses lean forward and do more to develop workplace integration programmes? Some progressive ones already do.

Since 2021, DBS bank has been running a Singapore Immersion Programme to promote integration between foreign and local talents, and the larger community. This is done through a blend of experiential lectures and civic trails, immersion into both heartland and city precincts, and opportunities for an exchange of perspectives and experiences.

DLE M&E, a Singapore-based engineering and construction company with 360 employees of which a majority are foreigners, describes its efforts at fostering integration at the workplace as crucial for its long-term success. It proactively curates events and opportunities for employees to

know one another better outside of work including a "community day", where employees come together to clean up and refurbish one-room rental flats.

A PLAYBOOK FOR WORKPLACE INTEGRATION

Drawing from the company experiences above, we think that successful workplace integration programmes should deliver on two key outcomes. First, they should help foreign employees adapt to local culture. Second, they should promote a deeper understanding and appreciation among local employees of the contributions that their foreign counterparts bring to the table.

Companies can consider curating activities that encourage greater interaction between local and foreign employees and cultivate an inclusive work environment.

For this, they can avail themselves of resource guides such as the Integration Playbook developed by DBS and supported by the National Integration Council that provides practical tips on how to implement integration programmes and build an inclusive culture at the workplace.

Trade associations and chambers, including foreign chambers, can also help develop shared integration programmes that offer avenues for foreign and local employees to socialise more broadly outside company lines.

On its part, the Government can catalogue best practices in workplace integration. This could take the form of a non-binding advisory building on the body of tripartite guidelines, standards and advisories to support progressive workplaces.

The Government could also consider incentivising progressive companies that make an effort to support national integration efforts through bonus points under the Compass (Complementarity Assessment) framework or higher quotas under the Manpower for Strategic Economic Priorities scheme.

In his National Day Rally speech, Prime Minister Lawrence Wong spoke about the need for major resets in policies and attitudes. One of these major resets could very well be our societal acceptance of global talent.

Businesses have a role to play through workplace integration programmes. Some may shy away from such efforts, arguing that this is social policy, best left to the Government to address. This would be a narrow view. Done well, such programmes reap dividends for businesses and the economy. Businesses benefit from better workplace relations, higher-performing teams and foreign employees that feel better supported and engaged at home, at work and in the community.

More importantly, businesses help create the latitude for policymakers to calibrate foreign workforce policies that can cater to the needs of businesses and a growing economy.

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Japan's public wants change. Can the ruling party deliver?

Backing for the country's politicians has been eroded by scandals, and citizens want to see a dramatic shift.

Gearoid Reidy

The race for Japan's next leader might lack the dire rhetoric seen in the US election – warnings that choosing the wrong candidate will result in the country ending democracy or ushering in communism.

But it's a mistake to dismiss the contest for leader of the Liberal Democratic Party (LDP), who will by default become Japan's next prime minister, as unimportant. At stake is the future of a party that has defined post-war stability in one of the world's most important economies.

That Japanese politics fails to incite the drama seen on the other side of the Pacific is a feature, not a bug. But it's not one

that will endure forever.

To remain relevant, the LDP needs to reinvent itself for a new generation. After three years of near-constant scandals under outgoing leader Fumio Kishida, lawmakers are getting desperate.

Mr Kishida wasn't responsible for revelations around the Unification Church and political funding, but neither was he powerful nor savvy enough to recast these narratives.

The misconduct has chipped away not just at his own popularity but at the party's support.

Faced with such drops in the past, party elders have closed ranks around an experienced candidate. But this time, the LDP wants to rebrand itself with a free-for-all race.

Party advertising has dubbed the contest "The Match", complete with a poster more suited to a wrestling Royal Rumble and a dramatic slogan – "Who do the times demand?"

Already, nine politicians have declared their candidacies, more than any previous election under current rules. Another three more may join before the campaign sprint officially begins; the vote itself is set for Sept 27. It's not just

sheer numbers: The defining element of this election is the LDP's willingness, born of its desperation, to turn to figures who previously would have been rejected as too inexperienced or unconventional.

The party needs a candidate untouched by the recent scandals and untainted by association with the current administration.

The biggest beneficiary has been Mr Shinjiro Koizumi, the 43-year-old political scion seen by many as the de facto front runner. Ever since entering politics in 2009, he has been touted as a future leader. His father, Mr Junichiro Koizumi, a former leader who enjoyed sky-high approval ratings when he took over, cautioned him on running before he turned 50. But the younger Koizumi evidently sees this as his best chance.

He's off to a strong start. On Sept 6, he delivered an impressive performance at a press conference announcing his candidacy, smartly batting away aggressive questions about his supposed "low intellect".

He also deftly drew on elements of his father's best work, recalling his catchphrase of "reform without sacred areas". Despite

being a fourth-generation politician, Mr Koizumi would nonetheless represent a dramatic shift. He'd be the youngest leader in the country's history, and with his camera-ready good looks and TV-friendly family, including his two young children with celebrity wife Christel Takigawa, he would visually represent the cleanest break lawmakers could hope for.

Questions remain, however, over his inexperience. The most senior position he has ever held was environment minister. That rawness has led him astray before, with a series of verbal gaffes that have spawned memes about his supposed vacuousness.

These concerns might instead open the door for Mr Shigeru Ishiba, who is similarly popular with the public but boasts deep experience in multiple senior positions. It will be the fifth and, he says, final time for Mr Ishiba to compete in a leadership race.

Mr Taro Kono, another perennial leadership contestant, is running but this time struggling in public opinion polls.

Mr Takayuki Kobayashi, a rising voice from the party's young conservatives, was an early mover and, win or lose, will have boosted his profile.

Economic Security Minister Sanae Takaichi, a long-time ally of assassinated former prime minister Shinzo Abe, became the latest to announce her candidacy on Sept 9. She would represent not just a return of the right wing but also make history as Japan's first female prime minister.

The more centrist Ms Yoko Kamikawa, who is Foreign Minister, has also made that claim, declaring her formal bid on Sept 11.

It's telling that, in this race, the candidates with the most traditional experience – Chief Cabinet Secretary Yoshimasa Hayashi or LDP No. 2 Toshihiro Motegi – are languishing in the polls. While the public doesn't decide who wins, with a general election at most just over a year away, it seems unlikely someone with little popular backing will get the nod.

In any case, it's a mistake to think that the only issue on the line is the ruling party's election prospects. The candidates have often radically different takes on everything from the role of fiscal spending, monetary easing and higher taxes to the country's use of nuclear power and its relationship with China.

Japan's leaders can and do make powerful changes to the arc of history, not just for the country itself but for the region. Consider how the political situation in Asia might change if a Prime Minister Koizumi, Takaichi or Kobayashi were to visit Yasukuni Shrine; the likes of Mr Ishiba and Mr Hayashi have more pragmatic, or even pro-China, leanings.

The premier must be able to relate with the public but also will have much practical work to do.

The economic plans put on display by most candidates have so far been flimsy. A new leader won't only have to come up with something better but may also have to tackle a relationship with a second Donald Trump administration in the US, this time without Mr Abe's support.

So many candidates complicate the electoral maths and make it likely that no candidate will secure a majority. That means much depends on which two make it to a probable run-off.

It's still possible that a less exciting compromise campaigner could slide in (likely facing off against Mr Koizumi) and triumph.

But party members should listen to the drumbeat for change. BLOOMBERG