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Why Singapore's workforce needs both openness and a strong local core

Workplace integration must become a core economic capability to solve the country's manpower crunch

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Without access to foreign workers and global talent, growth will slow, innovation will weaken and Singapore's position as a business hub will come under pressure. PHOTO: BT FILE

Kok Ping Soon

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[SINGAPORE] In the latest IMD World Competitiveness rankings released in June, [Singapore ranked first](#) overall. Yet, the global business executives surveyed identified the adequacy of the country's labour force as a key weakness for sustaining long-term growth

sustaining long-term growth.

While productivity gains and artificial intelligence will help, no advanced economy has fully offset a shrinking and ageing workforce through productivity alone. For Singapore, manpower will increasingly be the binding constraint.

That is why openness to foreign manpower is a matter of economic necessity.

Foreign manpower [grew by 15 per cent](#) from 1.42 million in 2022 to 1.64 million in 2025. Work Permit holders account for 75 per cent of the total foreign workforce, with the remaining being holders of S Pass, Employment Pass and other work passes.

In many sectors, the local labour pool is inadequate. Without access to foreign workers and global talent, growth will slow, innovation will weaken and Singapore's position as a business hub will come [under pressure](#).

Creating value through complementarity

The question then is not whether Singapore should stay open, but whether we can make openness work for both the economy and Singaporeans.



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In Switzerland, voters recently rejected a proposal to cap the population at 10 million by curbing immigration. Yet, a sizeable proportion of voters – 45 per cent – supported it, reflecting public concerns about overcrowding and pressure on public services.

Clearly, openness cannot be taken for granted. It must deliver tangible outcomes for citizens.

The public debate often gets stuck in a binary trap, where foreign manpower is framed as a zero-sum choice between locals and foreigners. Yet, it does not have to be so.



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Staying open is how Singapore can compete, grow and stay relevant

In a modern economy, value is created through complementarity. Singaporeans bring local knowledge, institutional memory and a deep understanding of the operating environment.

Foreign professionals, on their part, may bring specialist expertise, global experience and access to wider networks. The true competitive advantage lies in combining these strengths well.

An essential bridge: workplace integration

Rather than a soft social issue, workplace integration is an economic capability. When this is done well, diversity improves performance, teams collaborate better, and skills are transferred. Different perspectives lead to better decisions and stronger execution.

Done poorly, the opposite happens. Differences in communication styles and expectations can create misunderstandings. Foreign professionals may expect more open debate, while local teams are accustomed to more hierarchical decision-making.

More basic issues can undermine trust. The language used at workplaces can create divisions. Colleagues switching to a common foreign language in meetings can leave others excluded. Furthermore, perceptions of “in-group hiring” or concentration of certain nationalities within teams can also reinforce concerns about fairness and progression.

These day-to-day experiences, if not addressed, accumulate into a broader sense that openness is not working for everyone. Over time, poor workplace experiences feed wider public resentment about fairness and opportunity.

Integration cannot be left to chance. It must be managed deliberately.

What good integration looks like

Some companies in Singapore are doing just that.

OCBC has developed structured onboarding programmes that demystify workplace norms and communication styles. Their Lunch Lotto sessions connect new foreign hires with colleagues and programme alumni, with conversations spanning everyday topics beyond work to enable bonding.

Integration is also about equipping the workforce with skills to navigate differences. DBS has introduced “unconscious bias training” to help employees recognise and manage cross-cultural differences in teams, while backing it with a data-driven approach to track inclusion outcomes.

Others like ByteDance deliberately configure teams to combine local and international capabilities. Singaporean managers lead on stakeholder engagement and regulatory navigation, and global hires contribute technical expertise and regional market insights.

Finally, community activities can deepen integration. International SOS, whose workforce has a local-to-foreigner ratio of 2:1, unites both groups through corporate social responsibility initiatives that serve the wider community. These informal interactions outside the office build familiarity, trust and a stronger sense of belonging.

These efforts may seem small, but they are cumulative. They strengthen relationships and reinforce the sense that Singapore’s openness is shared – and sustainable.

Employers and TACs must step up

If Singapore is to remain open while strengthening its social compact, companies must do more than fill vacancies. They must build workplaces where openness delivers clear value to Singaporeans, too. This means three things for firms:

- **Hire for complementarity, not substitution.** Foreign talent should add capabilities that strengthen the broader workforce. The Ministry of Manpower Complementarity Assessment Framework (Compass) provides a structured guide for companies hiring foreign professionals, requiring firms to consider skills, diversity and support for local employment before approval is given. It is influencing behaviour, with companies becoming more selective and adjusting their workforce mix. But Compass shapes who companies hire – not how teams work together. It cannot address trust, culture or day-to-day integration, which ultimately sit within the firm.

- **Make integration a management priority.** It must go beyond rhetoric and be embedded into human resources systems. Structured onboarding, mentorship and cross-cultural training should be standard practice, not optional add-ons.
- **Measure outcomes.** Beyond tracking diversity metrics, leaders must ask whether skills are transferred, whether Singaporeans are progressing into leadership roles, and whether diverse teams are outperforming homogeneous ones. Integration must be managed with the same rigour as any core business function.

Trade associations and chambers (TACs) must play a parallel role, particularly for small and medium-sized enterprises (SMEs). Many smaller companies do not employ enough foreign professionals to build formal integration programmes on their own, nor do they have deep HR benches to design onboarding, training or cross-cultural interventions well.

By pooling demand among member companies, TACs can provide shared platforms that no single SME could justify alone: sector-based orientation sessions, practical playbooks, curated resources, peer learning and basic training for managers.

A stronger Singapore core

A more open workforce must go hand in hand with a stronger Singapore core. Openness cannot come at the expense of local capability. Skills transfer should not be assumed; it must be built into how teams are structured and how work is organised.

Singaporeans must continue to see clear pathways for development, progression and leadership. Managed well, foreign talent can become a force multiplier for Singaporean capability rather than a source of division.

The real test ahead

Singapore has always had to balance openness with cohesion. That balance is becoming harder to maintain, but also more important.

Our competitiveness depends on how well we assemble, integrate and maximise talent from different sources. Retreating from openness may seem simpler, but for a country with our demographics and economic model, it carries a high cost. The more realistic path is to stay open, while doing the harder work of making openness function better.

Employers must be more intentional in whom they hire, how they build teams, how seriously they invest in Singaporeans, and whether they treat integration as a core business responsibility.

business responsibility.

If employers get this right, openness will strengthen both Singapore's competitiveness and its local core.

The writer is CEO of the Singapore Business Federation ♦

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Singapore manpower

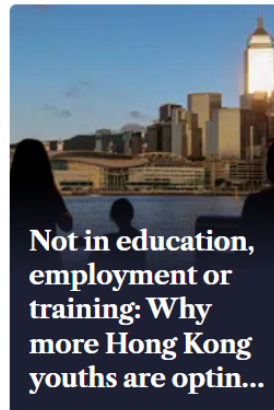
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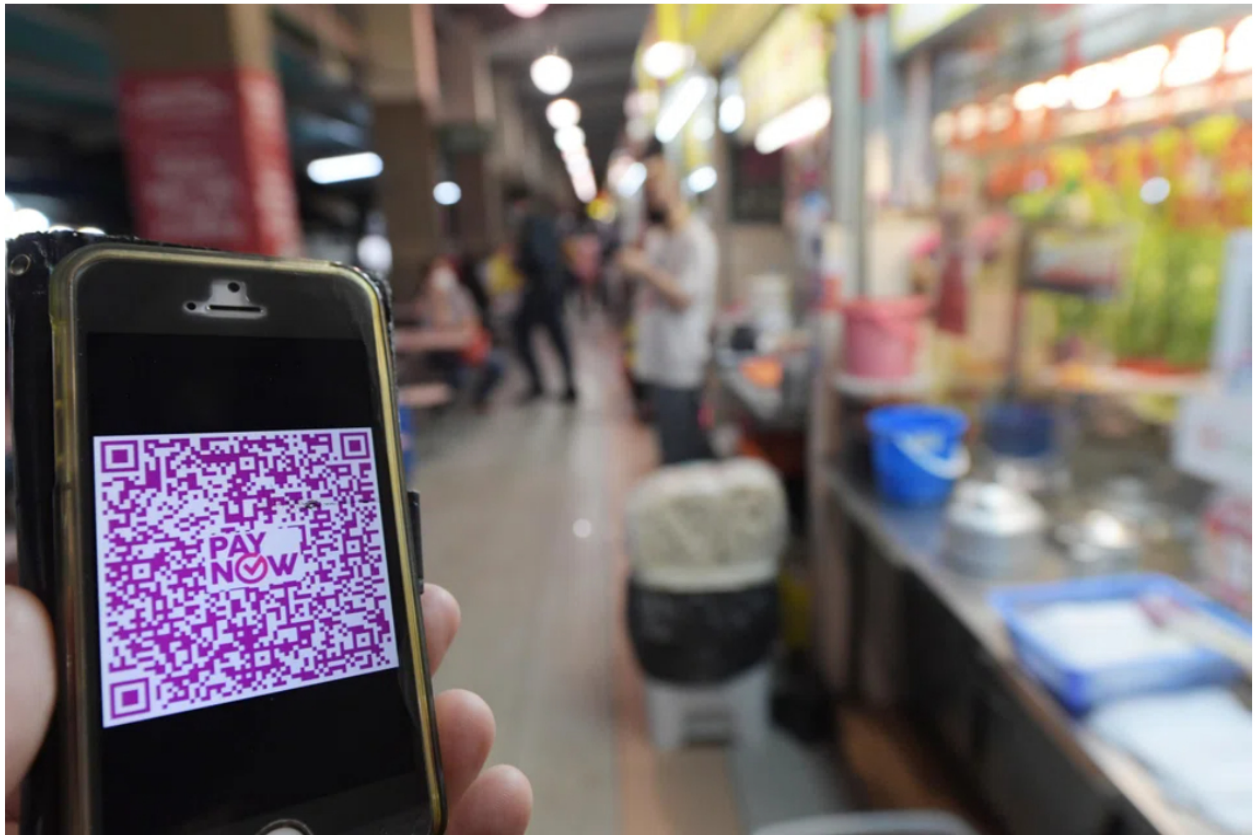
Tan Nee Loo



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In June, MAS said it would add features to PayNow under a next-generation study on meeting payment trends and demands. PHOTO: BT FILE

[SINGAPORE] PayNow's next growth phase is expected to come from merchant and business payments, as the latest upgrades to Singapore's national payment system enable it to compete more directly with card networks in a wide range of