



Singapore Employment Outlook 2025

Business outlook | Talent management | Remuneration

Employment Trends Survey
First Edition

KPMG Personal Tax & Global Mobility Services
KPMG in Singapore



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Executive Summary

Overall, our findings show that the competition for talent in Singapore is expected to increase as businesses seek talent with specialised skillsets. This is particularly crucial as the workforce supply is projected to decrease in the coming years due to demographic factors. Given this trend, talent attraction and

retention will become increasingly critical. This report explores how employers can maintain employee satisfaction in the four areas outlined below and how they can strategically refine their talent strategies in a tight labour market.

Singapore Employment Outlook

Business growth

- Cautiously optimistic about head count growth
- Focus on revenue growth and operational efficiency
- Some initial adoption of Generative AI

Talent management

- Most companies struggling to find talent
- In-office mandates clashing with employees' hybrid work preference

Employee priorities

- Work flexibility is highly valued by employees
- Salary increase can impact motivation and retention

Job outlook

- 1/3 of respondents considering a change of job
- 47% of respondents are expecting at least a 20% salary increase to move jobs

Focus on Talent Attraction and Retention



About the survey

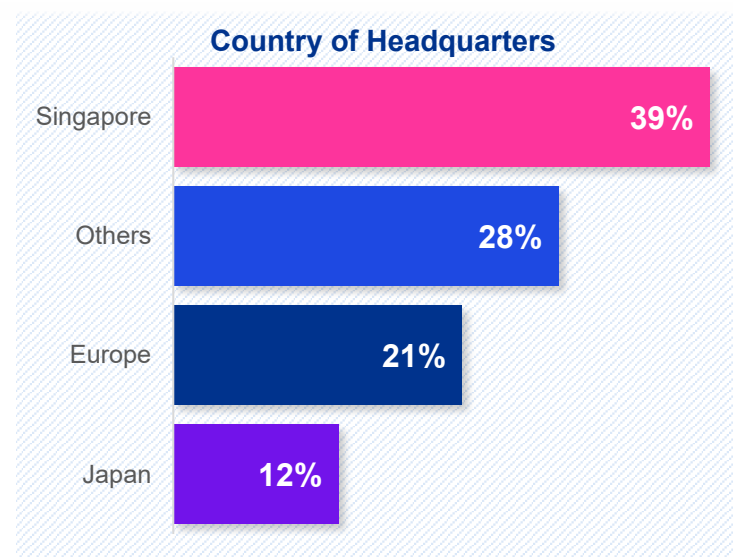
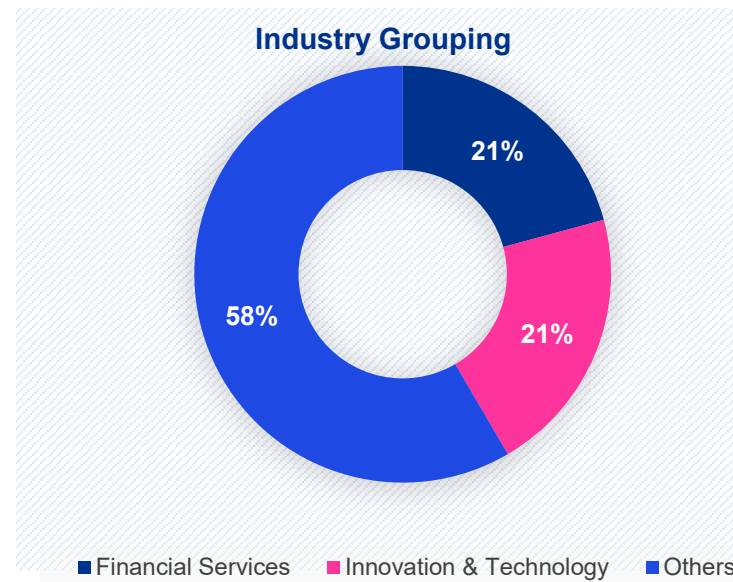
This first edition of the KPMG Employment Outlook survey in Singapore aims to analyse and gather leadership perspectives on employment trends and careers in Singapore.

The findings in this report are based on an online survey conducted by YouGov, commissioned by KPMG, involving business executives between 2 and 14 January 2025. The study aimed to obtain insights from business executives on various focus areas, including headcount expectations and compensation and benefits, among others.

All of the 72 respondents held C-level or Department Head positions with an even representation of male (50 percent) and female (47 percent) respondents. About 79% of the respondents had at least 20 years of experience.

The respondents also came from various sectors, with the most represented sectors being Financial Services and Innovation & Technology. Among the respondents, 39 percent work for companies headquartered in Singapore.

Note: Throughout the report, any reference to “Executives” represent both C-level Executives and Department Heads unless specified.





Business Outlook





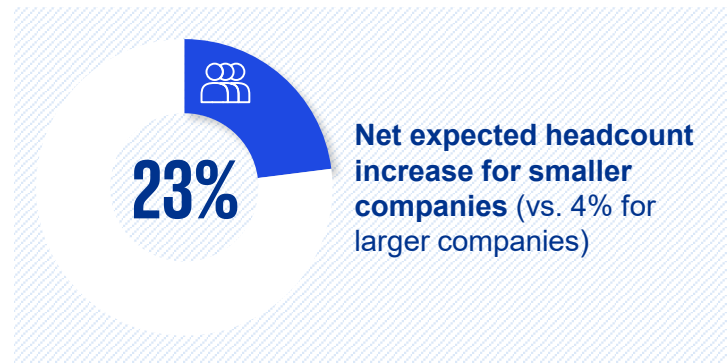
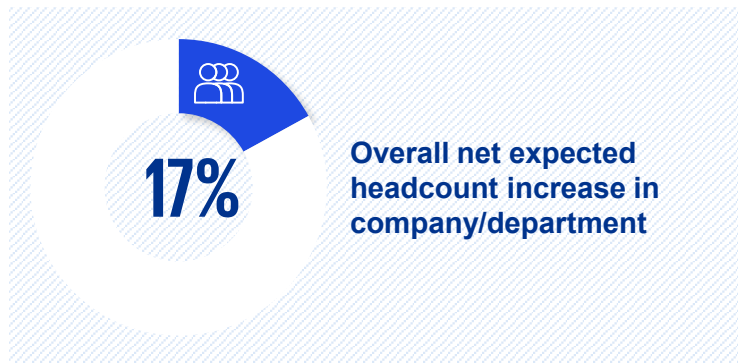
Headcount expectations remain cautiously optimistic

Singapore Executives indicated a generally cautious outlook towards headcount expectations in 2025, with 35 percent expecting a headcount increase in their company/department, and 18 percent expecting a decrease (17 percent net increase).

This cautious approach reflects the projected Singapore economic growth where Singapore's GDP growth forecast for 2025 was at the time of the survey between 1-3%, lower than the 4% growth in 2024¹. Since then, the economic projection has been downgraded to 0 to 2 percent for 2025.

Sentiments reported by respondents from publicly listed companies (38 percent expecting increase in headcount, net increase of 16 percent) and private companies (32 percent expecting increase in headcount, net increase of 14 percent) are relatively similar.

Smaller enterprises (with less than 200 employees) have a more positive outlook with 40 percent expecting to increase headcount (net of 23 percent) compared to 25 percent for larger companies (net of 4 percent).





Areas of talent demand

Operations and Sales were the main focus areas for headcount growth across all sectors. This suggests businesses will continue to prioritise revenue growth and operational efficiency in the year ahead.

The findings also align with measures announced during the Singapore Budget 2025, which were focused on supporting businesses to drive sustainable growth, such as the corporate tax rebate, enhanced support for SMEs, investments in AI and digital innovation, and measures to improve workforce productivity and skills².

Area of Headcount Increase



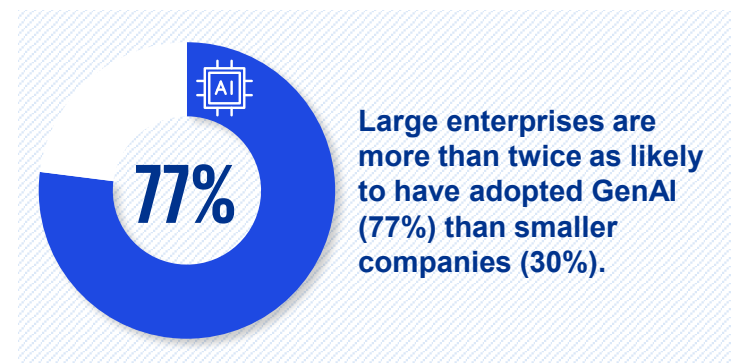
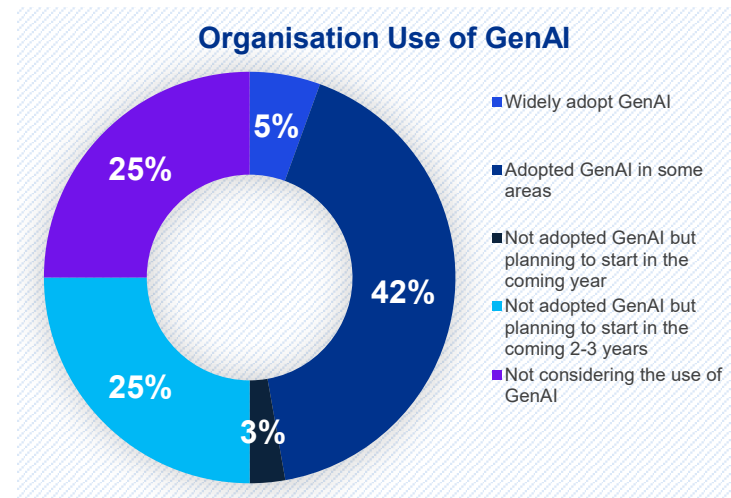


Adopting Generative Artificial Intelligence (GenAI)

The study also found that almost half (48 percent) of respondents in Singapore already use Generative AI (GenAI) in some part or across their organisation. Notably, only 6 percent of respondents were widely adopting GenAI and a quarter (25 percent) of Executives indicated that their organisations have no plans to implement GenAI solutions. Another 25 percent had indicated that they are not expecting to do so in the next year or more.

The top functions where GenAI was utilised include IT (47 percent), Operations (41 percent), and Finance & Accounting (29 percent). A similar trend was also noted in the adoption of GenAI by sector – with the Financial Services and Innovation & Technology sectors leading the charge with about 69 percent of respondents from those sectors having adopted GenAI, as compared to only 30 percent for other sectors.

Larger companies are more likely to have adopted GenAI in some part of the business (77 percent), compared to smaller companies (30 percent). This may be due to the cost of developing and adopting GenAI and highlights the need to ensure the adoption of GenAI remains affordable in Singapore. The importance of GenAI and the potential cost barrier have been acknowledged by the Singapore Government through the various provisions of grants and programmes to assist SMEs in building digital capabilities².





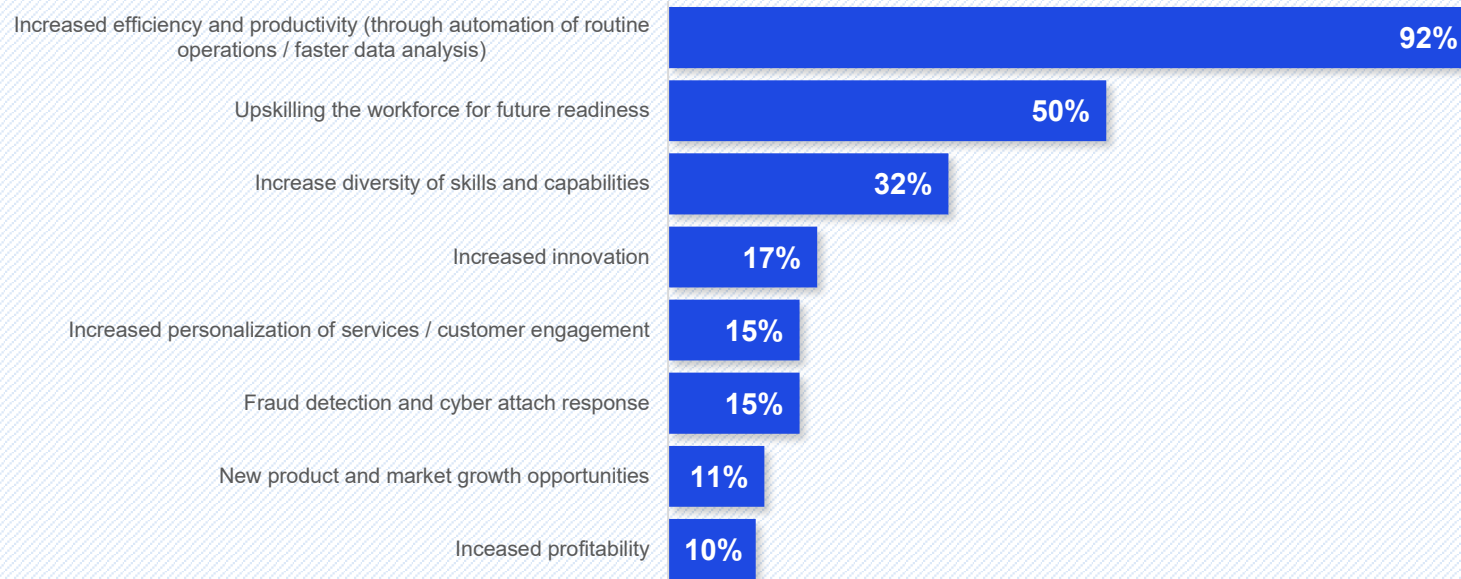
Benefits sought from GenAI

There are a range of benefits that come with implementing GenAI, with the most common responses highlighting its role in augmenting staff capabilities and efficiency. A large majority (92 percent) of respondents indicated that the key benefit from using GenAI is the increased efficiency and productivity it brings.

Respondents also recognise the role GenAI will play in upskilling the workforce to be future ready (50 percent) and increasing the diversity of skills available to the business (32 percent).

These findings indicate the need for employers to ensure that they have adequate talent and skills to complement and leverage these emerging technologies.

Key Benefits of GenAI





Pressure on talent acquisition continues

Changes in the talent landscape, such as shifting demographic trends and the demand for niche skillsets have resulted in a tight labour market and growing competition for top talent. As a consequence, companies need to consider how they attract, retain and deploy talent, and how they upskill staff and ensure efficient deployment of scarce skills.

Meeting demand for talent in an environment of increasing competition continues to challenge companies in Singapore with two-thirds (67 percent) indicating that it is “quite challenging” in sourcing for the right talent to meet business demands. About 30 percent indicated that the issue is manageable, and only 2 percent indicated that they are not facing any challenges.

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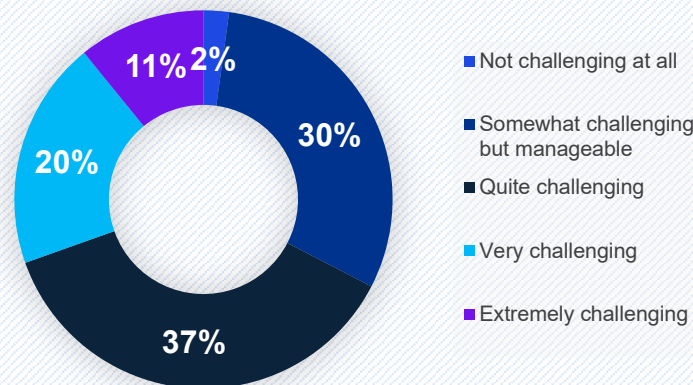
We can expect talent acquisition and retention to continue to be challenging. While technology, operational efficiency and AI might ease this pressure eventually, any relief will likely lag behind the immediate demand for specific specialist skills.



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Challenges in Hiring the Right Talent



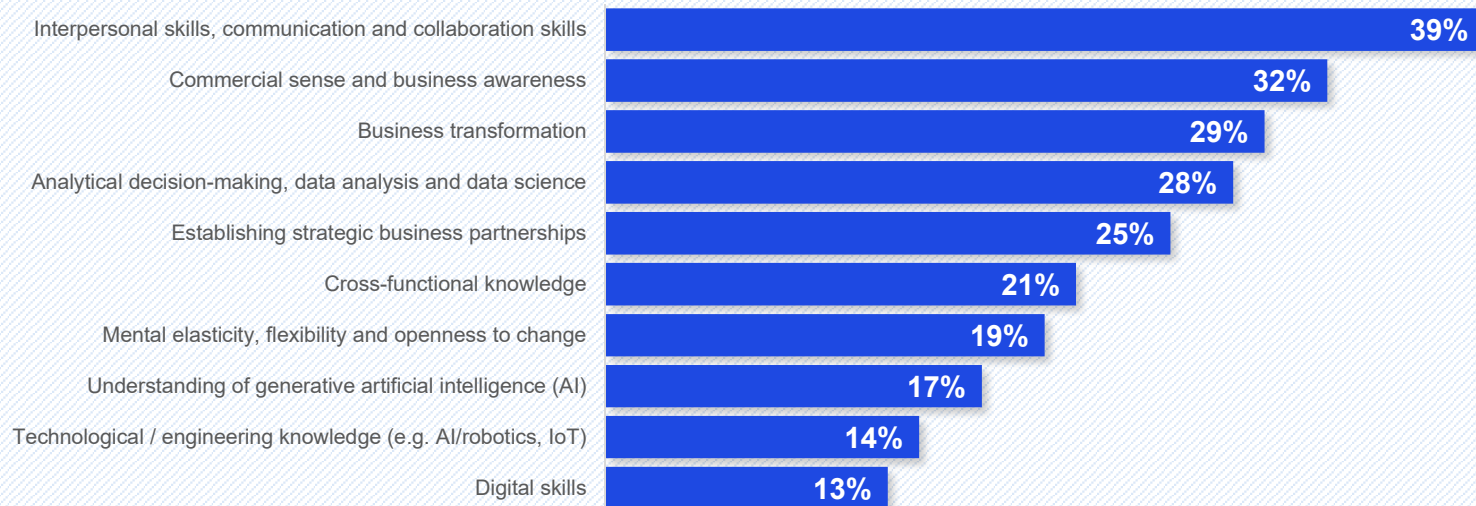


Focus on skills for the future

As businesses adapt to meet the challenges of changing ways of working, we can expect increased demand on available talent, particularly those with skillsets that are sought after. It is therefore relevant to consider the skills that need to be developed in the workforce and, in particular, those skills needed for emerging leaders.

When asked about the type of skills that are important to their roles, some of the most critical skills identified by the executives surveyed include: interpersonal skills, communication and collaboration skills (39 percent), followed by commercial sense and business awareness (32 percent), and business transformation (29 percent). The importance of the top three skills aligns with the focus on revenue generation and efficiency as the key areas for headcount increase.

Crucial Skills for Executives





Shift to more fluid talent deployment

Regardless of the adoption of GenAI to supplement or augment staff capability, talent acquisition remains a critical issue. Our findings show that 98 percent of respondents are struggling to secure talent with the right skills. Beyond nurturing a skilled talent pipeline, another priority that businesses have is how they can effectively deploy their talent across the organisation.

For example, companies are adopting various measures to optimise the efficient use of scarce talent. These responses include the return of business travel, shared service centres (SSC), centres of excellence (CoE) and talent hubs.

As short-term measures, some respondents reported the use of contingent workers (48 percent) or part-time workers (33 percent) to meet hiring challenges and fill talent gaps.

Another potential long-term solution to maximise resources is to adopt a skills-based approach, where based on their capabilities, employees are deployed to different business areas across the organisation instead of being confined to job specifications³. To date, a quarter (26%) of respondents indicated that their company is planning to become a skills-based organisation and another quarter (24%) are unsure.

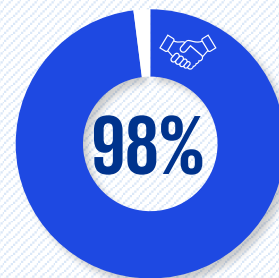
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Skills-based organisations will outperform traditional models by driving agility, workforce mobility, and business resilience—aligning talent to evolving business needs with precision.

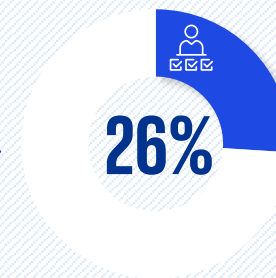


Nicki Doble

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of businesses report
difficulty in securing talent



of businesses are planning
to become a skills-based
organisation



Work Arrangements



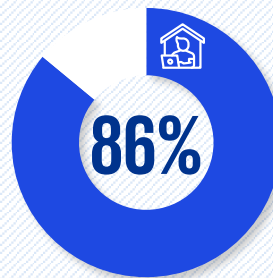


Hybrid or in-office work arrangements

More than half (54 percent) of respondents are currently working predominantly in-office despite the increasing prevalence and encouragement of flexible work arrangements. Executives below C-Level indicated a preference (78 percent) for a hybrid or fully remote arrangement. On the other hand, C-level respondents had a higher tendency towards in-office work (61 percent). This is consistent with the findings of the KPMG 2024 CEO Outlook survey⁴ where 83 percent of CEOs expected a full return to office within the next 3 years.

The respondents currently working on hybrid arrangements indicated a high preference (86 percent) to remain in a hybrid work arrangement. In contrast, only half (51 percent) of those working predominantly in-office indicated a preference to work in-office.

Financial Services companies have a greater tendency to work predominantly in-office (67 percent), but only 33 percent of respondents from that sector prefer the arrangement. In contrast, Innovation & Technology companies are more for hybrid/remote working (69 percent), with 81 percent preferring such arrangements.



86%
of respondents on hybrid
arrangement prefer the
same arrangement



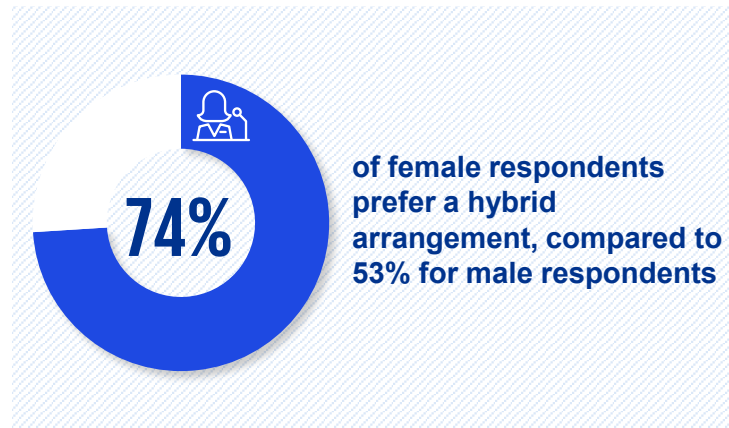
51%
of respondents on in-office
arrangement prefer the
same arrangement



Hybrid or in-office work arrangements

Female respondents indicated a strong preference for hybrid arrangements (74 percent), as compared to male respondents (53 percent). This could be reflective of the continued influence of traditional family and caregiving roles, despite Government promoting gender equality with new policies such as workplace fairness legislation, flexible work arrangement regulations, and new parental leave entitlements⁴.

This stated difference in preferences also reinforces the need for employers to consider flexible work arrangements as instrumental to encourage greater workforce participation by a broader section of the community – something that is likely to be important to managing talent and skill shortages – and whether more rigid work-from-office requirements could be detrimental to companies that are struggling to satisfy their talent needs.





Overseas remote working

Less than half (43 percent) of the respondents' employers currently allow overseas remote working, which is significantly lower compared to global trends (67 percent)⁶.

Remote work has been used widely as a strategy to improve employee morale, as well as attract and retain talent. Work flexibility (including overseas remote work) is also valued by respondents in Singapore, with 22 percent of respondents rating it as their single most important non-cash benefit (2nd highest after medical benefits).

The findings also suggest that remote working may be more permitted in companies that are increasing headcount (63 percent of respondents expecting to increase headcount allow remote work) and those that are struggling to find talent (86 percent of those who find it very/extremely challenging to find talent allow remote work).

Remote work is also more common in small to mid-sized companies (with less than 1,000 employees globally) as a move to become more attractive in the talent market, with 54 percent allowing overseas remote work compared to 38 percent for larger companies.

Overseas remote working is allowed by:



expected to increase headcount



struggling to find talent



of smaller companies allow overseas remote working (vs. 38% for larger companies)



Talent Attraction & Retention





Job change outlook

Overall, one-third (33 percent) of the Executives are considering changing jobs in the next 6 months.

The findings found that a salary bump was a key deciding factor on whether respondents consider changing jobs. Employees who did not receive a pay rise in 2024 are much more open to consider changing jobs (52 percent) compared to employees who did receive a raise (25 percent).

Salary and compensation package is also the second highest reason that would prompt respondents to resign (49 percent). Aside from salary, respondents also indicated that organisational culture (54 percent) and career progression and promotion (39 percent) are the top three most influential factors when it comes to resignation.



Employees who did not receive a pay rise are twice as likely to consider changing jobs

Top Three Key Reasons to Resign from Current Employer





Job change outlook

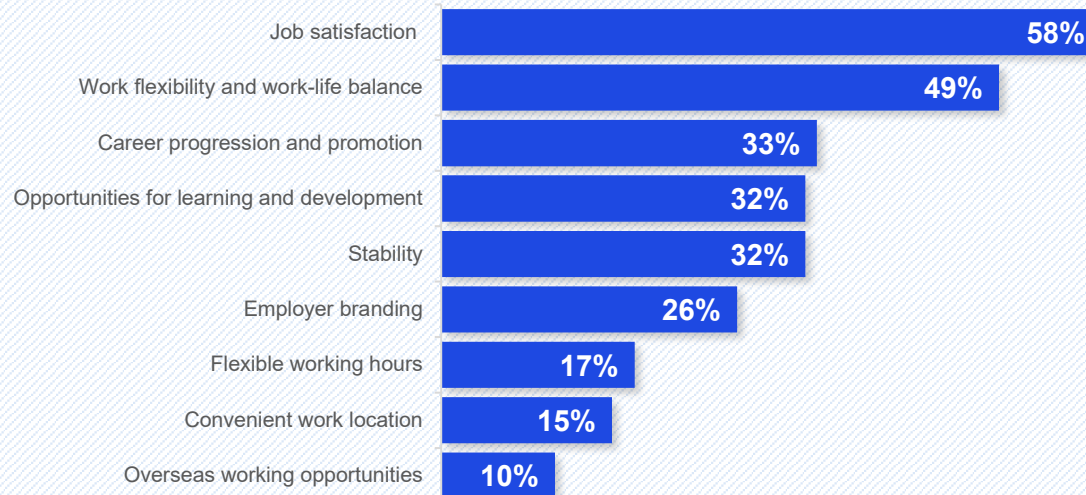
In terms of new employer preferences, respondents indicated that job satisfaction (58 percent), work flexibility (49 percent) and career progression (33 percent) are the top three attributes they would look out for in an employer, aside from salary.

It is interesting to note that organisational culture is the top reason respondents consider during resignation and work flexibility is one of the key pull factors in the job market. As such, employers would have to find a balance in allowing employees to be flexible,

while making intentional efforts to reinforce company values and create shared experiences.

It was also observed that while job satisfaction and work flexibility are both important for smaller (less than 200 employees) and larger companies, career progression (35 percent) and stability (33 percent) are more important to respondents from smaller companies, while employer branding (42 percent) was more important to respondents working in larger companies.

Top Three Job Features Making an Employer Stand Out



Career progression and stability matter to employees at small companies, whereas employer branding is more crucial for those at larger companies



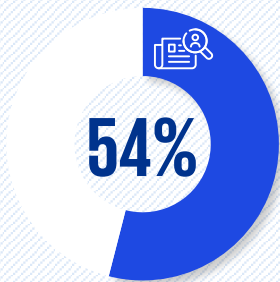
Mobility and career development opportunities

Over a quarter (28 percent) of the Executives are open to relocation. Of respondents who are considering changing jobs, more than half, or about 54 percent of them, are open to relocation, compared to about 5 percent of those who are not looking to change jobs.

Higher income is one of the top reasons given by respondents in considering to relocate (3rd highest after better career prospects

and broader exposure). Furthermore, 52 percent of respondents with no pay rise are open to relocate while only 12 percent with pay rise are open to relocate.

Relocation is also relatively more appealing to respondents in faster growing sectors, particularly Financial Services and Innovation & Technology (38 percent in FS and I&T sectors are open to relocate, compared to only 18 percent in other sectors).



54%
of respondents
considering job change are
open to relocation.



**Workers with no pay rise
are more than 4x more
open to relocate than
those with pay rise**



Compensation & Benefits





Compensation

The majority of the Executives (61 percent) had a salary increase in their last review. However, 67 percent of those respondents had an increase below 5 percent. Looking ahead, the expectations for 2025 are similar, with 53 percent expecting a salary increase of below 5 percent. This is in line with the average salary increase of 4 percent for 2025 projected by Mercer⁷.

Only 43 percent of respondents from Singapore headquartered companies received a salary increase compared to 70 percent at non-Singapore headquartered companies. Perhaps in the same tangent, respondents from Singapore headquartered companies

also reported a greater level of challenge in finding talent (41 percent very/extremely challenging to find talent vs. 24 percent for non-Singapore companies).

Overall, only 46 percent of respondents from companies that are finding it very/extremely challenging to find talent received a salary increase compared to 80 percent at companies that did not find it as challenging to find talent. This suggests that Singapore companies might need to recalibrate their employee compensation strategy to attract and retain more talent.



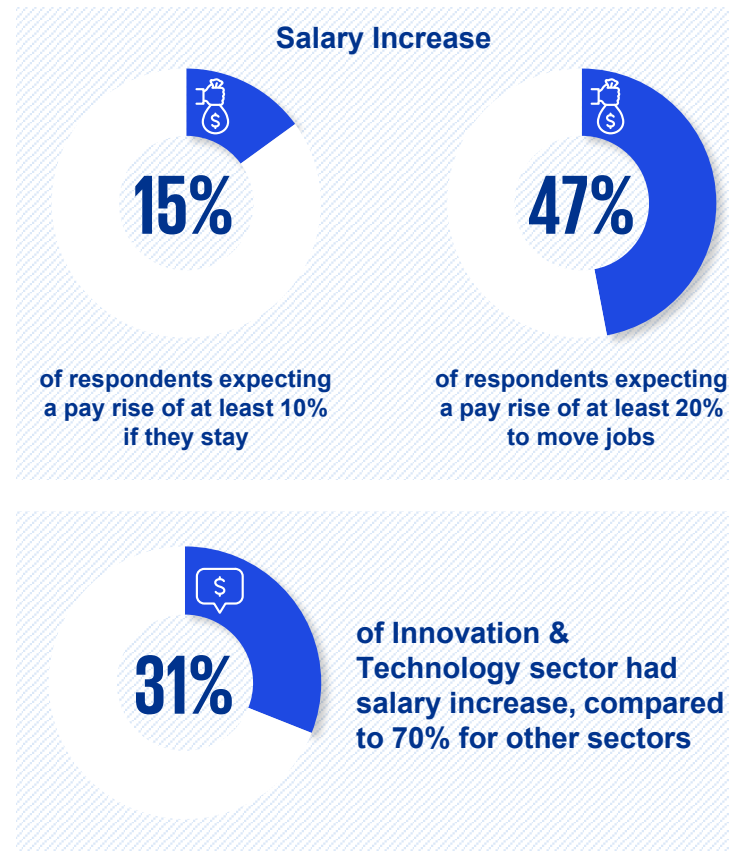


Compensation

Despite tapered expectations on salary increase in 2025 (only 15 percent expecting a pay rise of at least 10 percent), 47 percent of respondents are still expecting at least a 20 percent pay raise to move to a new job. Therefore, companies can expect that they may need to offer higher compensation to attract talent.

Many Innovation & Technology companies, in particular, did not provide salary increases (31 percent of I&T respondents received salary increase) despite higher expected headcount growth in the coming year (60 percent expecting to increase headcount). The challenge in finding talent is consistent with other sectors with 30 percent of I&T respondents saying it is very/extremely challenging.

With higher demand for I&T talent in the future, companies could face higher pressures in retaining talent, particularly with 38 percent of I&T respondents considering to change jobs in the next 6 months (compared to 32 percent in other sectors).



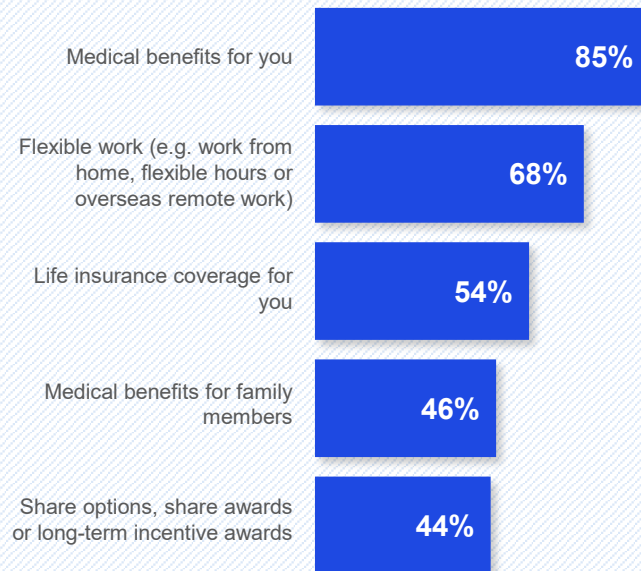


Benefits

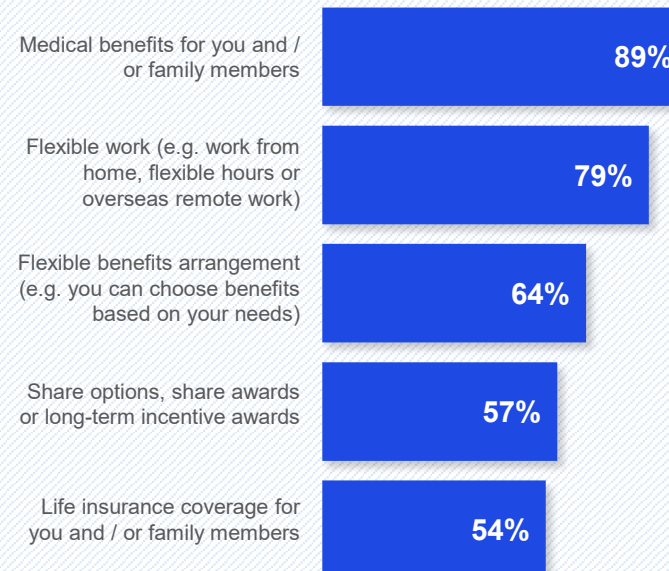
The most commonly reported benefits are medical benefits (85 percent), flexible work (68 percent), life insurance (54 percent), and medical benefits for family members (46%), which is consistent with the benefits that the respondents stated as most valuable to them.

The key differentiators impacting talent attraction and retention could potentially then fall under compensation and work flexibility, which is both the 2nd most important benefit and the 2nd most important feature that makes employers stand out to potential candidates (refer to job change outlook page).

Top 5 Most Common Benefits



Top 5 Most Important Benefits





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