

Rationales and Constraints of Managers When Hiring Foreign Workers in Singapore: A Study of the Manufacturing and Manufacturing Related Services Sectors

Khemmanit WATTANATINNACHOT¹ and Yee Whah Chin²

¹Affiliation not available

²Universiti Sains Malaysia

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Abstract

The paper provides understanding of managers' rationales and constraints when hiring foreign workers in the manufacturing and manufacturing related services sectors in Singapore. Using purposive and quota sampling methods, the study covers in-depth interviews with 25 managers from multinational companies from Singapore's five leading industries, in the manufacturing sector and manufacturing related services sector. Analysing qualitative data from the structuration perspective show that managers' choices are shaped by the changing foreign labour policy that limit the hiring of foreign workers from specific countries according to different levels of skills. Reasons for hiring unskilled, semi-skilled and skilled foreign workers vary which ranging from 'blended low labour cost' to shortage of domestic labour, right attitude to work, skill mismatch of domestic labour, high salary demands by domestic labour, accreditation and innovation capability, and relevant knowledge, skills and language proficiency. As the dependency ratio for foreign workers continue to narrow, in the near future, managers would have to search for limited skilled workers within the Singapore's domestic labour market. The post-pandemic Covid-19 crisis would disrupt the future demand for unskilled foreign workers as the adoption of automation would increase and managers would have to readapt to the new economic scenario.

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