Workers Are Leaving Jobs Over Culture, Not Pay: How SMEs Can Adapt

By NTUC Assistant Secretary-General Patrick Tay 29 Sep 2025











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A paycheck may no longer be enough to retain talent. Workers are walking away from jobs where they feel unseen or unheard, leaving small businesses scrambling to recreate workplaces and rebuild work culture that inspire, engage, and retain their staff.

This shift is backed by data. According to Randstad's 2025 Workmonitor survey of 750 Singaporean workers, three in five responded that they would resign if they did not feel a sense of belonging to their workplace. 21 per cent had already left their jobs due to a lack of community.

Traditionally, conversations around work in Singapore have focused on more easily quantifiable outcomes such as wages, progression, and job security. However, as younger generations enter and transform the workforce, Singaporeans are increasingly prioritising factors like meaningful careers, a healthy workplace culture with inclusive leadership, where employers value and support training and development, and where workers can be empowered to make decisions, express themselves, and be respected.

Consequently, a positive and supportive workplace culture is now a decisive factor in worker retention.

As workforce growth slows and trends like career shifts, re-skilling, and relocation become the norm rather than an exception, employers will need to compete for skilled talent. Companies that invest in a healthy, positive, and productive working environment will have an edge in hiring and retention, especially as employer review platforms such as Glassdoor become more commonplace.

To stay competitive, Small Medium Enterprises (SMEs), which employ about 70% of our workforce, must invest in their people. However, SMEs can find it more challenging to embark on workforce development compared to larger firms.

Based on findings from a recent joint study by The National Trades Union Congress (NTUC), the Ministry of Manpower (MOM), and the Centre for Research and Development in Learning (CRADLE), Nanyang Technological University (NTU), SMEs can consider a three-pronged approach to cultivate a skilled and motivated workforce: Skills Development (S), Meaningful Work (M), and Empowerment (E), or S.M.E for short. While designed with SMEs in mind, these principles apply broadly across the workforce (The findings of the study will be released publicly this year.)

'S'- Skills Development

The first approach, Skills Development ("S"), stresses the importance of learning and skills progression to workers' career development and well-being. Workers who learn and upskill are more resilient to displacement, improve their earning potential, and find more personal fulfilment at their jobs.

For smaller companies, the study proposed pooling together shared resources to help develop and upskill their workforce. For instance, building upon Workforce Singapore (WSG)'s reskilling initiatives such as Career Conversion Programmes (CCP), tripartite partners could expand structured On-the-Job Training (OJT) and workplace learning initiatives. This would allow smaller companies to train employees and close skills gap while remaining flexible to work schedules and manpower shortages; and avoid placing undue strain on them.

For instance, Skyy Design Workshop, an SME in the events industry, addressed skills gaps and productivity challenges by enrolling new hires in WSG's CCP, which support reskilling workers with up to 90% salary support. The team gained data analytics expertise that enhanced operational efficiency and developed a strong understanding of sustainable business practices. This enabled the company to integrate environmental responsibility into its operations and strengthen its position for continued growth and workforce development.

Additionally, companies may build partnerships with contingent staffing agencies to obtain access to interim manpower when workers are pursuing job training. This would assist SMEs by reducing the opportunity cost of sending workers for formal training, considering their lean manpower and limited resources.

These measures support workers and employers in futureproofing against technology and industry changes by fostering a skilled and agile workforce comfortable with continuous learning and adaptation.

'M'- Meaningful Work

The second approach, Meaningful Work ("M"), highlights the importance of workers' perception of meaningful work experiences. When workers feel satisfied with the work they do, this leads to higher intrinsic motivation, greater work satisfaction, and ultimately greater work productivity, benefitting SME employers.

First, SMEs could work with NTUC to leverage the Company Training Committee (CTC) Grant for workforce and business transformation. Through this initiative, worker representatives work with employers to redesign job roles that align with business transformation goals, while supporting workers' career growth and aspirations. In Budget 2025, the grant was expanded to fund new training programmes developed by Institutes of Higher Learning which can be customised in partnership with employers, helping workers take on higher-level roles and build more meaningful careers.

Second, SMEs can incorporate flexible work arrangements and job sharing where their business operations allow such flexibility, giving workers more control over their time and contributing to increased satisfaction in their work lives. The Tripartite Guidelines for Flexible Work Arrangement Requests (TG-FWAR) plays a key role in supporting this shift, by guiding employers on how to implement fair and sustainable flexibility practices. With the right frameworks in place, SMEs can better accommodate employee needs while maintaining productivity—creating a win-win for both business and workforce.

A salient example where a company has demonstrated a strong commitment in supporting career development is Amazon's Technical Academy, where workers can sign up for career advancement programmes that equip them with relevant technical skillsets. These programmes are targeted at workers from various technical backgrounds: the Amazon Web Services (AWS) Grow Our Own Talent programme provides on-the-job training to workers with non-technical backgrounds, while the Amazon Technical Apprenticeship Programme is targeted at veterans who want to break into higher-demand specialisations.

Investing in meaningful work tasks and progression pathways signal to workers that their contributions are valued, which encourages workers to stay committed and innovative, boosting companies' competitive edge in the long run.

'E'- Empowerment

The third approach, Empowerment ("E"), focuses on how companies can develop human capital development and human resources (HR) capabilities to better support workers. When workers see their personal achievements tied to their company's success, they become more invested in the growth trajectory of the company. When their talents are developed and they are empowered, they will be able to help their SMEs grow and expand.

Companies can collaborate with NTUC and HR agencies, such as the Institute of Human Resource Professionals (IHRP), to develop their capabilities to better facilitate worker engagement, strengthen learning motivation, and enhance career development. Measures include providing tools and support for HR tech adoption and improving workers' access to HR advisory and consultancy services. In particular, the promotion of basic HR and Organisational Development (OD) certifications amongst SMEs would establish foundational capabilities to better support their workers.

Another possible measure is to develop and promote resources for greater employer-worker engagement. Resources such as online courses, workshops and training programmes can guide employers in implementing career development frameworks, participatory work environments, and strategies for fostering organisational citizenship for workers. These efforts lay the groundwork for a shared growth mindset, creating a more collaborative culture where workers are empowered to contribute meaningfully.

The Tripartite Workgroup for Human Capital Capability Development (TWG-HC), which I serve as a co-chair, was formed this year to strengthen foundational HR practices, enhance support for firms and introduce national standards to drive strategic HR.

Conclusion

Employers and workers work alongside each other symbiotically—while workers contribute meaningfully to their companies, employers will need to establish practices that support their workers' aspirations and foster a conducive working environment for greater productivity and innovation.

Employers should establish avenues to help workers realise their personal development goals and aspirations, especially within SMEs where nurturing talent can lead to stronger retention and a more resilient workforce. Through the three-pronged approach of S.M.E, we can work towards the collective betterment of workplace culture that nurtures both employer and worker.

On our part, NTUC will continue with our unwavering commitment to uplifting our SME workers through continued engagement and impactful initiatives such as "NTUC in your Workplace", which help SMEs create a workplace culture of safety and wellbeing. A positive workplace culture cannot be forged overnight, but there are rewards to be harvested for progressive SMEs who invest early in shaping their futures.

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