



Michael Page Employment Index Quarter 2, 2011

Singapore

Executive Overview

Key Findings

Employers in Singapore are optimistic about business conditions following another quarter of positive economic growth. Some 36% of the companies surveyed for this report plan to expand their headcount in the second quarter of 2011. For most employers, this entails a 5-10% increase to current staff numbers.

In an effort to capitalise on positive economic conditions, most companies (69%) will be focusing hiring activity on revenue generating areas like sales and business development. A further 23% of recruitment will be around support roles in areas like marketing and information technology, which represents an increase of 7% on first quarter hiring intentions.

As the labour market tightens across Singapore, skills shortages are beginning to re-emerge across professional occupational groups. The retention of talented professionals is becoming a serious business challenge for those employers looking to retain people with the right skills to facilitate business growth. Over half of the employers surveyed for this report are placing a major focus on the retention of key staff in the second quarter. This is higher than the comparative surveys of China (47%), Australia (43%) and Hong Kong (35%).

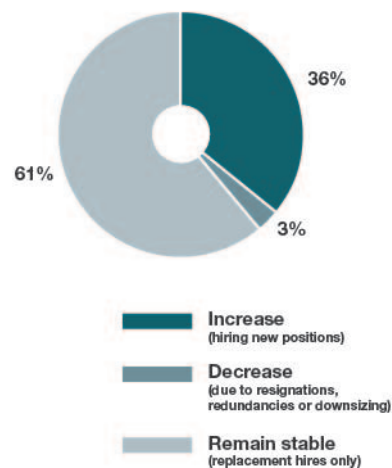
Most companies (39%) will be offering training and development opportunities as the primary retention strategy. A further 36% of employers will be offering performance-based rewards as an incentive for top performers to remain with their company.

Alongside talent management, wages growth continues to be a key concern for employers in Singapore. Some 31% of respondents believe that the cost of living is rising faster than the rate of wages growth, which is raising the salary expectations of employees. For most companies (75%), the highest rate of wages growth in the second quarter will be seen in revenue generating areas like sales, which reflects the intention of employers to increase the revenue generating capacity of their business.

Methodology

The Michael Page Employment Index provides a snapshot of hiring and business confidence trends for the white-collar employment market in Singapore. The online survey is distributed quarterly to a group of more than 450 senior human resources professionals and hiring managers who have agreed to participate in the research. The report is predictive and focuses on anticipated trends for the quarter ahead, rather than an analysis of historical employment data such as job advertisement numbers. Respondents work across a broad range of professional sectors and are surveyed on a standard set of employment indicators, as well as a selection of topical questions to reflect current market developments.

Predicted staff numbers for Q2



“Professional skills shortages begin to re-emerge”

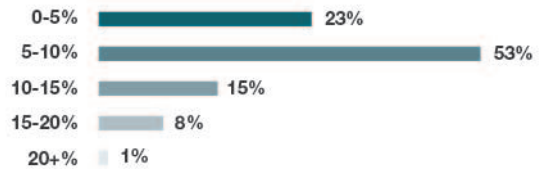
Companies increasing headcount in Q2

The professional employment market in Singapore will continue to grow steadily in the second quarter, with 36% of companies surveyed increasing staff numbers during this period.

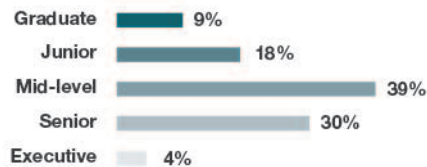
Most companies (69%) are looking to take advantage of the positive economic conditions by focusing recruitment on revenue generating areas like sales and business development. A further 23% of hiring activity in the second quarter will be focused on support roles in areas like finance and human resources, which represents an increase of 7% on first quarter hiring intentions.

Of those companies increasing their staff numbers in the second quarter, the majority are recruiting at the mid and senior levels. Most employers (53%) are planning a solid increase to staff numbers in the range of 5-10%. A further 23% of employers are looking towards a more moderate increase, with intentions to expand headcount by up to 5%.

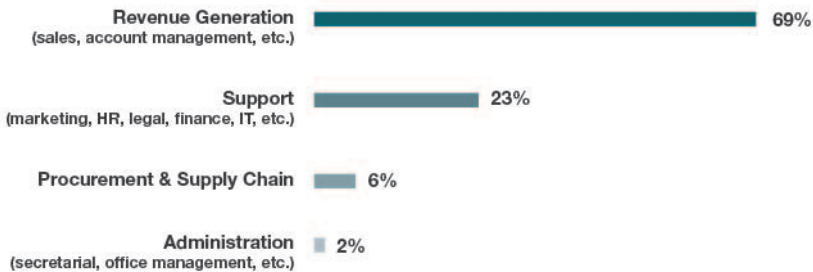
Anticipated headcount increase



Hiring focus by level of experience



Hiring focus by business function



53%

of companies plan to increase headcount by 5-10% in Q2.

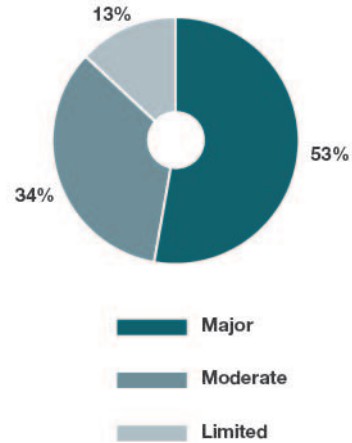
Talent Management

The attraction and retention of talented professionals is becoming a major business challenge for companies in Singapore. As the professional labour market tightens, demand is increasing for specialised skill sets across all major professional occupational groups.

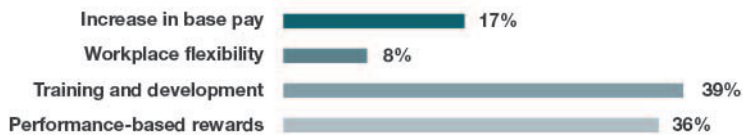
Over half of the employers surveyed for this report are placing a major focus on the retention of key staff in the second quarter, which represents an increase of 11% on first quarter figures. This is higher than the comparative surveys of China (47%), Australia (43%) and Hong Kong (35%).

Some 25% of companies in Singapore expect staff turnover to increase in the second quarter, so employers will need to work hard to retain people with the skills required to facilitate business growth. Most companies (39%) will be offering training and development opportunities to retain their most valuable staff. A further 36% of employers will be offering performance-based rewards as an incentive for top performers to remain with their company.

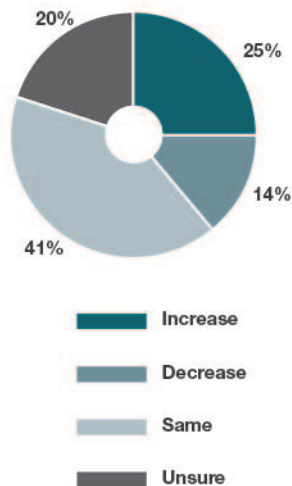
Level of focus on staff retention



Key retention strategies for Q2



Predicted staff turnover in Q2



53%

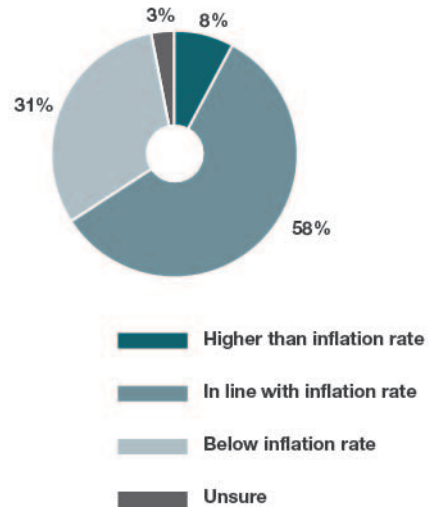
of employers are placing a major emphasis on staff retention in Q2.

Wages Inflation

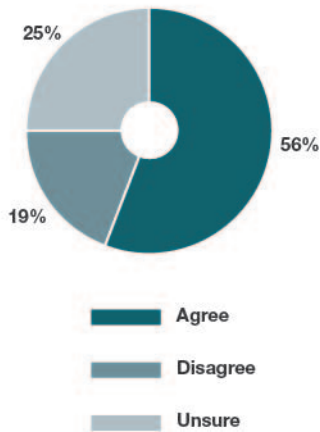
As the cost of living continues to rise in Singapore, the issue of wages inflation is a growing concern for many companies. For the majority of employers surveyed (58%), wages growth is considered to be in line with the rate of inflation. However, a further 31% of respondents believe that the cost of living is rising faster than the rate of wages growth. This is raising employee expectations for salary increases.

For most companies (75%), the highest rate of wages growth in the second quarter will be seen in revenue generating areas like account management. This confirms the intention of employers to expand their front line capacity in an effort to increase revenue and build market share.

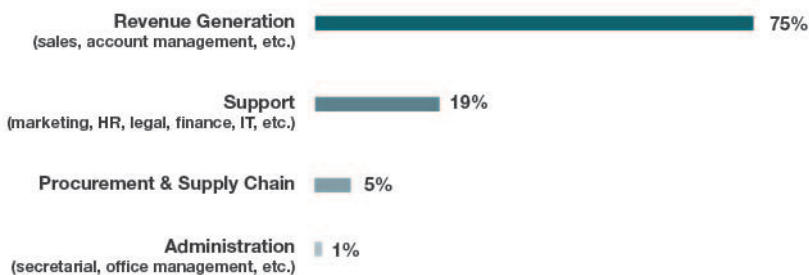
Wages growth compared to rate of inflation



The current level of wages growth is sustainable



Wages growth by business function



75%
of wages growth in Q2 is focused on revenue generating roles.

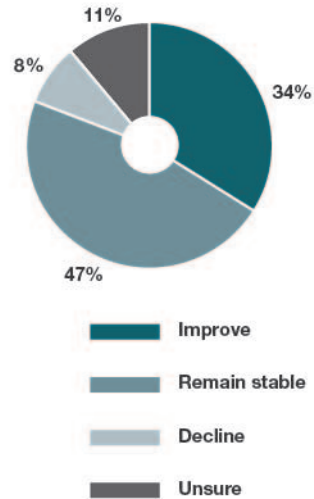
Market Outlook

Employers in Singapore remain positive about business conditions following another quarter of steady jobs growth across the professional markets. Almost half of the employers surveyed for this report expect business conditions to remain stable in the second quarter. A further 34% of respondents predict an improvement to business conditions during this period.

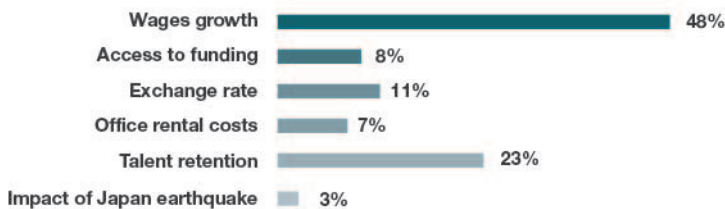
With hiring activity on the increase and employees more confident about changing roles, the pressure on companies to financially reward their best performers is increasing. For the vast majority of employers surveyed in this report (48%), wages growth is the key business concern for the second quarter. For a further 23% of respondents, the ability to acquire new talent and retain top performers is the issue of most concern.

Most employers in Singapore are generally positive about the impact of broader global economic conditions on their business. Almost half of the employers surveyed believe that international demand for their products/services will improve in the second quarter. A further 37% of respondents remain unsure if demand will improve, which suggests that a level of uncertainty still exists around the strength of the global economic recovery.

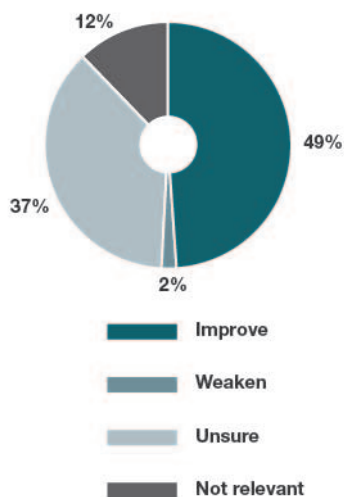
Predicted business conditions for Q2



Key business concerns for Q2



Global demand for your products/services in Q2



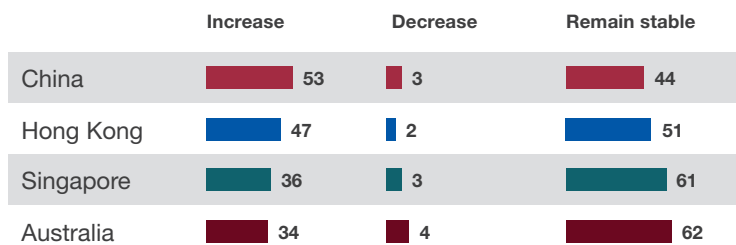
49%
of companies expect global demand for their products/services to improve in Q2.

Regional Trends

Employers across the Asia Pacific region are positioning themselves for strong business growth in the second quarter of 2011. China leads the way with respect to white-collar jobs growth, with 53% of respondents planning to increase their staff numbers. This compares to 47% of employers in Hong Kong, 36% in Singapore and 34% in Australia.

The vast majority of employers hiring new staff in the second quarter are focusing on revenue generating roles in areas like sales and business development. This reflects the intention of companies to build on the growth achieved in the first quarter. Some 69% of companies in Singapore are focusing recruitment on front line roles, as are 65% of employers in Hong Kong, 64% in Australia and 59% in China.

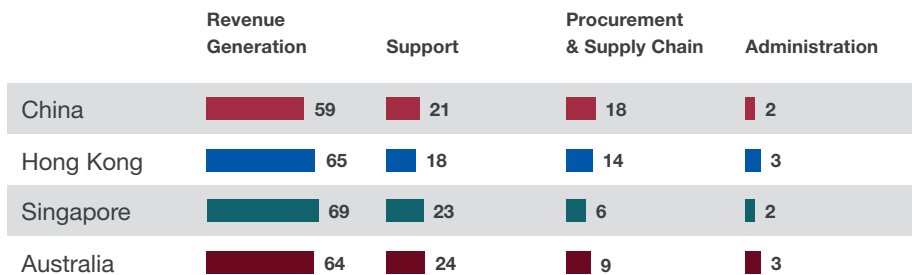
Predicted staff numbers for Q2 (%)



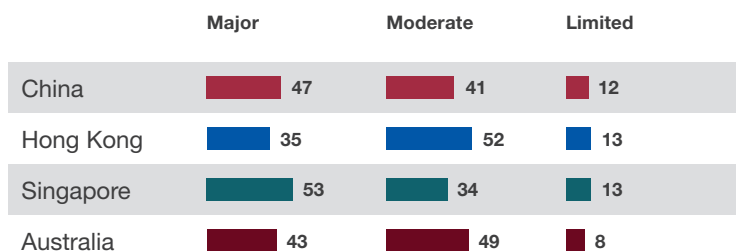
NOTE:

- Increase = hiring new positions
- Decrease = due to resignations, redundancies or downsizing
- Remain stable = replacement hires only

Hiring focus by business function (%)



Level of focus on staff retention (%)



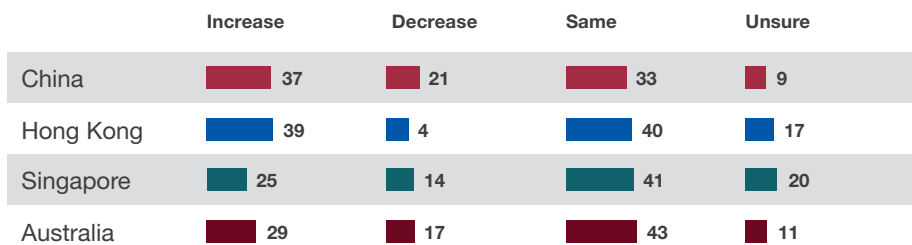
Regional Trends

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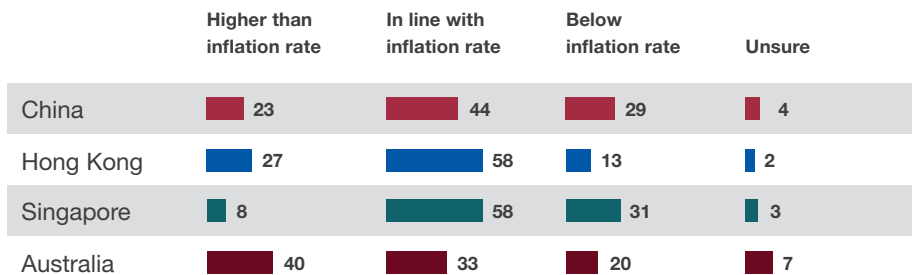
As the professional employment market becomes increasingly competitive, many employers are recognising the need to retain their most skilled and experienced staff. Over half of the companies surveyed in Singapore are placing a major focus on staff retention, followed by 47% in China, 43% in Australia and 35% in Hong Kong. Most employers across Asia Pacific will be offering performance-based rewards as an incentive for top performers to remain with their company.

The rising cost of salaries continues to be a key business concern across the region. Over half of the employers surveyed in China consider wages growth to be the most significant business challenge in the second quarter. This compares to 48% of employers in Singapore, 46% in Hong Kong and 36% in Australia. For all countries, the highest rate of wages growth is expected to be around revenue generating roles.

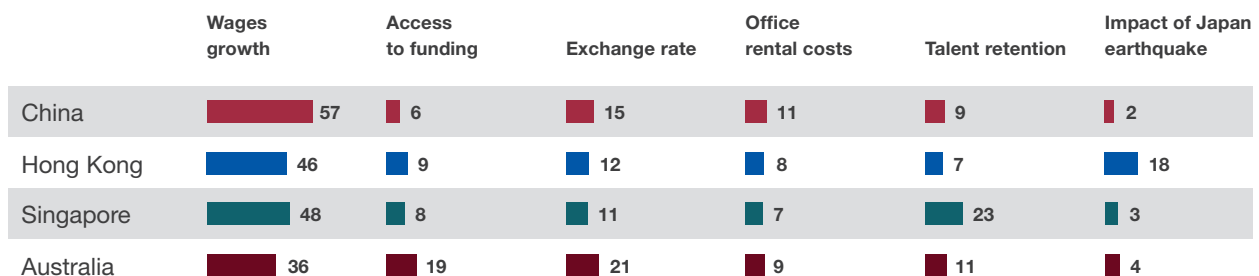
Predicted staff turnover in Q2 (%)



Wages growth compared to rate of inflation (%)



Key business concerns for Q2 (%)



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