



# Michael Page Employment Index Quarter 4, 2011

## Singapore

# Executive Overview

## Key Findings

The white-collar employment market will continue to strengthen in Singapore over coming months, with sustained jobs growth expected across all professional groups. Some 33% of the companies surveyed plan to increase staff numbers during this period, compared to 58% of employers in China, 35% in Hong Kong and 23% in Australia.

Hiring activity in Singapore will be evenly spread across revenue generating, support, and procurement and supply chain functions, which suggests that employers are recruiting more broadly across their company to support increasing levels of business activity. This balanced approach to hiring contrasts with China, Hong Kong and Australia, where we are still seeing a strong preference toward recruiting revenue generating roles.

As the volume of job opportunities steadily increases across professional markets, the retention of top talent remains a core challenge for many businesses. Half of the employers surveyed in Singapore are placing a major focus on the retention of key staff over coming months. This is higher than our comparative surveys in Hong Kong (37%), China (33%) and Australia (32%).

A growing number of employers in Singapore are offering financial rewards to their top performers as an incentive to remain with their company. For almost half of the respondents surveyed, performance-based rewards will be the most common retention strategy during the fourth quarter. Unsurprisingly, rising payroll costs continue to be reported as the main business concern facing employers in Singapore.

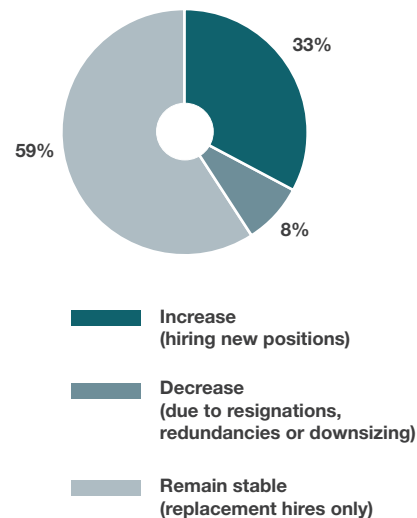
After 12 months of steady economic growth, business confidence remains positive in Singapore. Although a level of uncertainty exists about the global economic environment, this is not translating through to a decrease in hiring activity. Most of the employers surveyed (45%) expect domestic business conditions to remain stable over coming months.

As more companies in Singapore expand their operations across South East Asia, the demand for professionals with regional market experience is increasing. Some 70% of the businesses surveyed have recruited talent from international markets in the last six months. Professionals with a strong understanding of business operations in the Asia market are particularly sought after.

## 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 1,500 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 Q4



“ Staff retention vital in growing employment market. ”

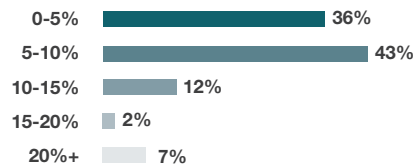
# Companies increasing headcount in Q4

Employers in Singapore are continuing their steady investment in new headcount, with 33% of the companies surveyed planning to increase staff numbers in the fourth quarter of 2011.

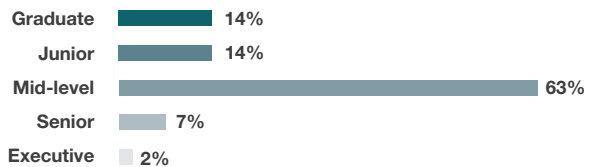
Hiring activity will be evenly spread across the core business functions, with support roles receiving 35% of the recruitment focus, followed by procurement and supply chain positions at 33% and revenue generating roles at 28%. The shift towards support and operational recruitment suggest that companies require assistance for the growing levels of business activity generated by front line functions.

Most companies are planning a substantial increase to staff numbers, with 43% of respondents intending to boost headcount by 5-10%. A further 36% of employers are looking towards more moderate increases in the range of 0-5%. The vast majority of respondents (63%) will be recruiting professionals at the mid-level.

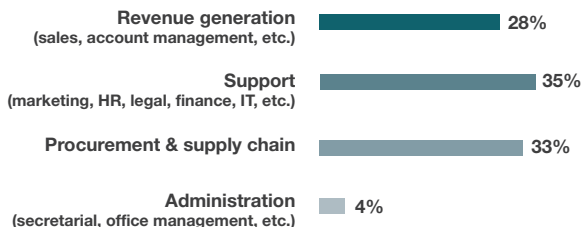
## Anticipated headcount increase



## Hiring focus by level of experience



## Hiring focus by business function



63%

of employers will be hiring mid-level professionals in Q4.

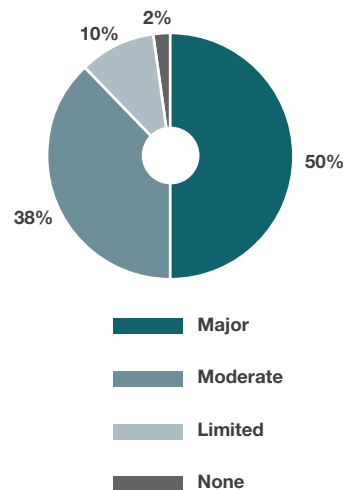
# Talent Management

As the volume of opportunities in the professional labour market increases, there is growing pressure on employers to retain staff with the right skills to drive their business forward. Half of the employers surveyed in Singapore are placing a major focus on staff retention strategies in the fourth quarter. This is higher than our comparative surveys in Hong Kong (37%), China (33%) and Australia (32%).

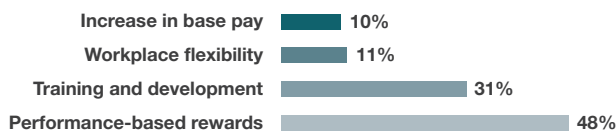
Most companies in Singapore (48%) will be offering performance-based rewards to help retain their most valuable staff. This represents an increase of 18% on third quarter intentions, which suggests that the ability of employers to financially reward their top talent is increasing. A further 31% of employers will be offering staff training and development opportunities as an incentive to stay with their company.

For the third consecutive quarter, most of the employers surveyed are expecting staff turnover levels to remain relatively stable over coming months.

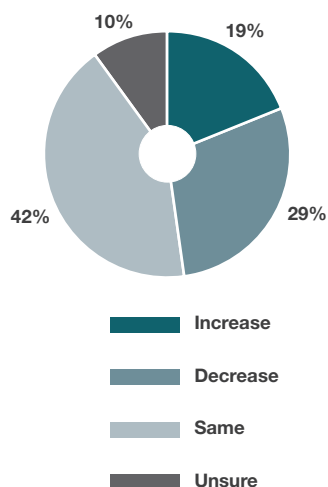
## Level of focus on staff retention



## Key retention strategies for Q4



## Predicted staff turnover for Q4



50%

of employers will be placing a major focus on staff retention in Q4.

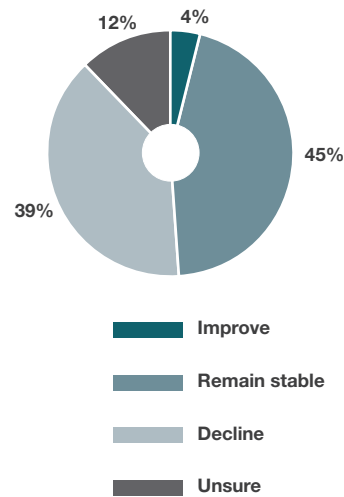
# Market Outlook

In an international context, there is still uncertainty about the global economic environment given the ongoing weakness in the US and European economies. Most of the companies that rely on export markets are consequently unsure about the global demand for their products or services in the fourth quarter.

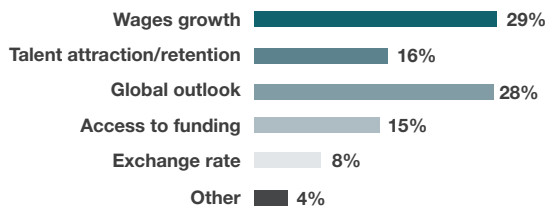
On a domestic level, most employers are positive about the strength of the business environment. Despite a level of caution around wider economic issues, some 45% of the employers surveyed expect business conditions to remain stable in Singapore over the fourth quarter.

With sustained hiring activity expected to continue over coming months, the rising cost of salaries remains a key business concern for many companies. For the fourth consecutive quarter, wages growth was reported as the most significant business challenge facing employers in Singapore.

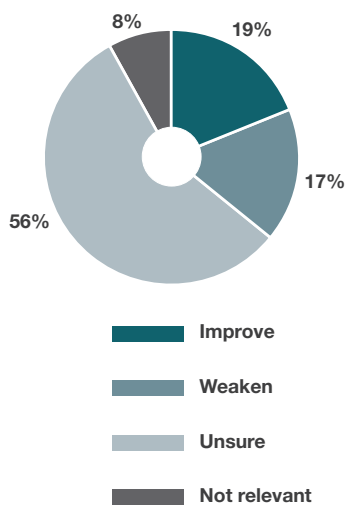
## Predicted business conditions for Q4



## Key business concerns for Q4



## Global demand for products/services in Q4



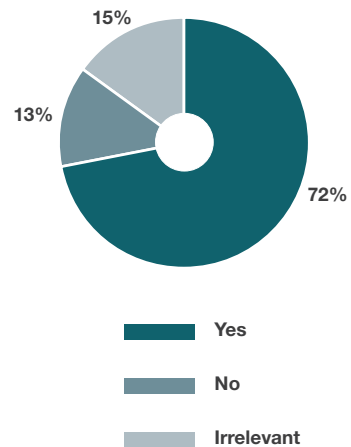
**45%**  
of employers expect business conditions to remain stable in Q4.

# International Experience

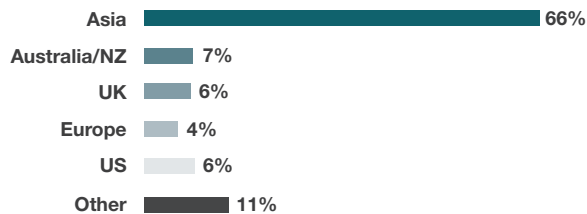
The vast majority of employers surveyed (96%) consider international experience to be a valuable attribute in prospective employees. In order to secure professionals with such experience, most companies (72%) are required to award higher salaries.

Some 70% of the businesses surveyed have recruited talent from international markets in the last six months. As more multinationals enter Singapore as a base for further growth throughout South East Asia, the demand for professionals with regional market experience will increase. For the vast majority of employers surveyed (66%), candidates with a strong professional background in Asia are already the most highly sought after.

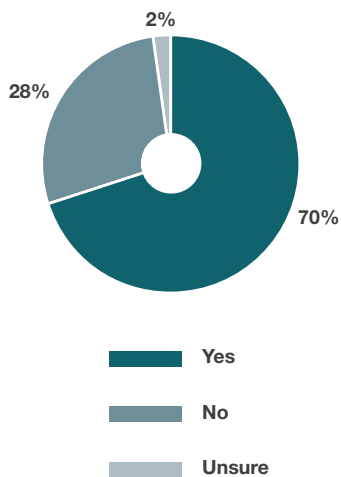
## Higher salaries commanded for international experience



## Region most valued for international experience



## Talent recruited from international markets in the last six months



**72%**  
of employers pay higher salaries to attract professionals with international experience.

# Regional Trends

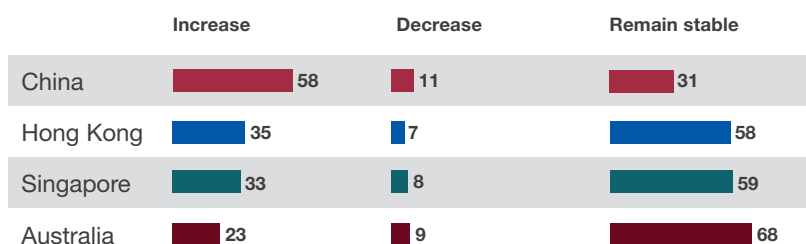
The professional employment market will continue to strengthen across the Asia Pacific region as the year draws to a close. Employers in China report the strongest intentions of headcount growth, with some 58% planning to increase staff numbers over the fourth quarter. This compares to 35% of employers in Hong Kong, 33% in Singapore and 23% in Australia. These figures illustrate the strength of white-collar jobs growth in the region at a time when comparative markets in the US and UK remain weak.

For most of the employers surveyed, recruitment in the fourth quarter will be centred on front line roles in areas like sales and account management. Companies in

China are making the largest investment in business growth, with some 75% of employers focusing recruitment on revenue generating roles. This compares to 44% of employers in Hong Kong, 41% in Australia and 28% in Singapore.

As employees become more confident about making their next career move, companies are looking for more effective strategies to help retain their most skilled and experienced staff. Half of the employers surveyed in Singapore are placing a major focus on staff retention strategies in the fourth quarter, followed by 37% in Hong Kong, 33% in China and 32% in Australia.

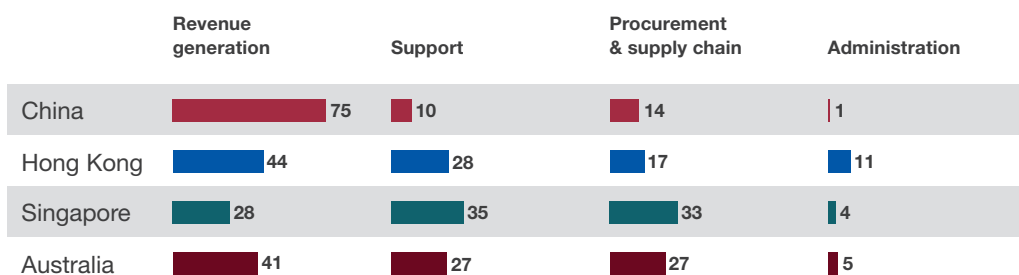
## Predicted staff numbers for Q4 (%)



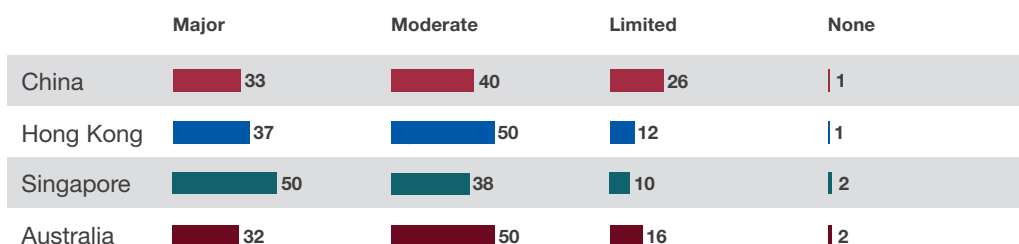
### NOTE:

- 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 (%)



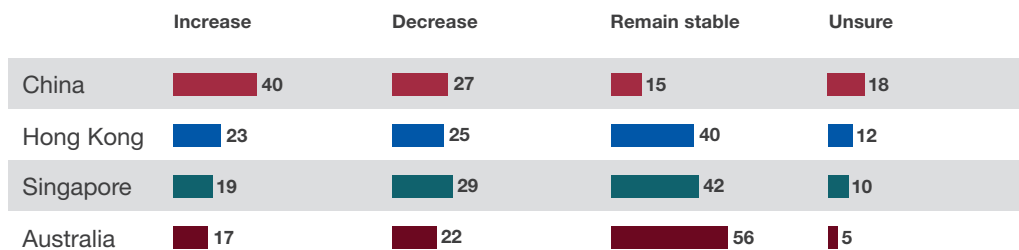
# Regional Trends

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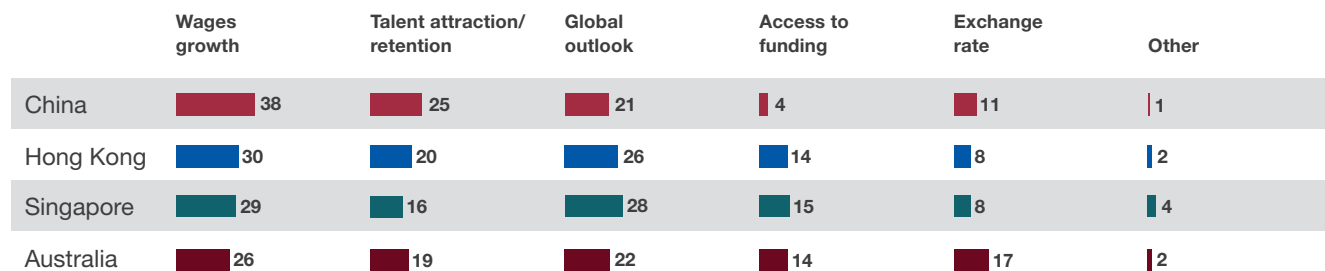
The level of staff turnover is expected to remain relatively stable across the Asia Pacific region during the fourth quarter. Some 56% of respondents in Australia predict that turnover levels will remain unchanged over coming months, along with 42% in Singapore and 40% in Hong Kong. In contrast, the majority of companies in China (40%) predict that turnover will rise, suggesting that these employees are the most confident about moving roles in the current economic environment.

The growing cost of salaries continues to be a key business concern across the region. Some 38% of the employers surveyed in China consider wages growth to be the most significant business challenge in the fourth quarter. This compares to 30% of employers in Hong Kong, 29% in Singapore and 26% in Australia.

## Predicted staff turnover in Q4 (%)



## Key business concerns for Q4 (%)



# Office Locations

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