



Michael Page Employment Index Quarter 3, 2011

Singapore

Executive Overview

Key Findings

The professional labour market in Singapore will continue to strengthen through the third quarter of 2011, with some 27% of the employers surveyed set to increase staff numbers. By comparison, 58% of respondents from China will be increasing headcount during this period, followed by 36% in Hong Kong and 28% in Australia.

In an effort to take advantage of the positive domestic business conditions, most hiring activity in Singapore (59%) continues to take place in revenue generating areas like sales and account management. A further 25% of hiring is in operational areas, which reflects the requirement of employers to support increasing levels of business activity.

As the demand for professional skills continues to outweigh supply in some sectors, the retention of talented staff remains a key priority for employers. Some 41% of the companies surveyed will be investing heavily in staff retention in the third quarter. For most respondents (48%), training and development opportunities will be offered as the primary incentive for top performers to remain with their business.

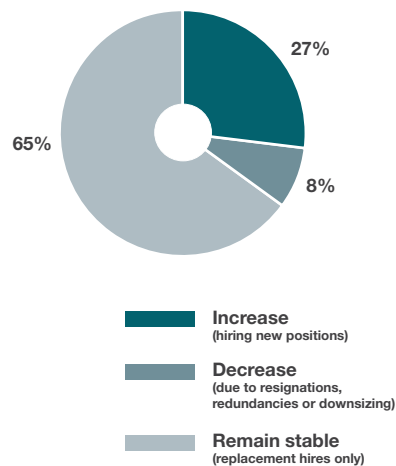
The acquisition of new talent is also high on the agenda of employers in Singapore. Ongoing weakness in overseas markets is creating a strong opportunity for companies to secure new international talent, with some 50% of employers reporting that professionals are returning from overseas because of the strength of the job market in Singapore.

Employer confidence in the strength of the domestic business environment is high. Most respondents (92%) are expecting business conditions in Singapore to remain stable or improve in the third quarter. Employer sentiment is also positive about the strength of the global economic recovery, with some 60% of respondents anticipating that the recovery will continue at the current pace or strengthen over the next 12 months.

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 Q3



“Positive job market lures international talent.”

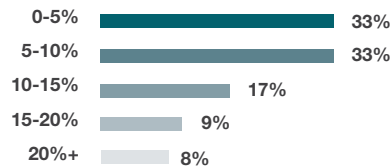
Companies increasing headcount in Q3

The white collar employment market in Singapore continues to perform strongly, with sustained jobs growth across all professional occupation groups. Some 65% of the employers surveyed expect staff numbers to remain stable over the third quarter, with a further 27% planning to expand their headcount during this period.

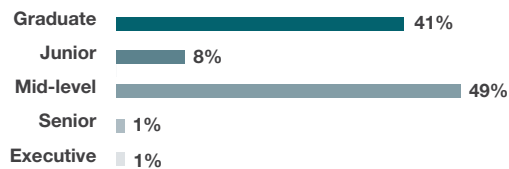
Most hiring activity (59%) continues to take place in revenue generating areas like sales and business development, as employers look to take advantage of positive domestic business conditions. A further 25% of recruitment will be focused on support positions in areas like legal and human resources.

Whilst 33% of companies are planning to increase staff numbers by up to 5%, more significant increases in the range of 5-10% will be equally common. Almost half of all hires in the third quarter will be at the mid level; however a further 41% of recruitment will be for graduate level professionals. Strong investment in junior talent over coming months is set to coincide with the graduation season of many universities in Singapore.

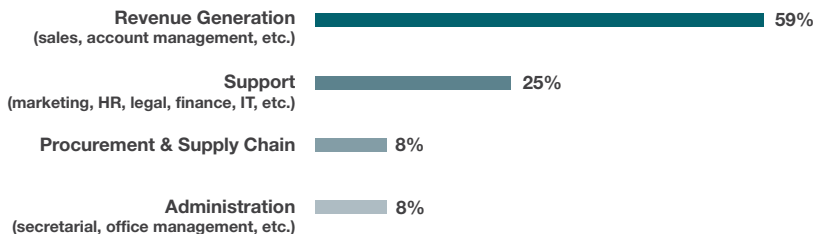
Anticipated headcount increase



Hiring focus by level of experience



Hiring focus by business function



59%

of employers will be focusing on revenue generating roles in Q3.

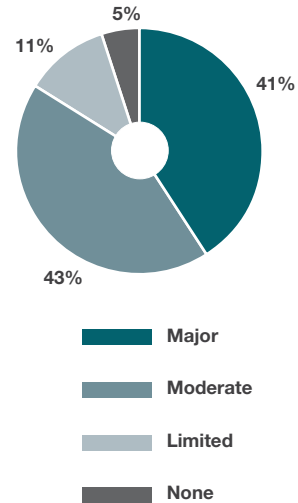
Talent Management

For many companies in Singapore, retaining proven performers continues to be a significant business challenge. Some 41% of the employers surveyed are placing a major focus on staff retention in the third quarter. This compares to 44% of employers in Hong Kong, 40% in China and 31% in Australia.

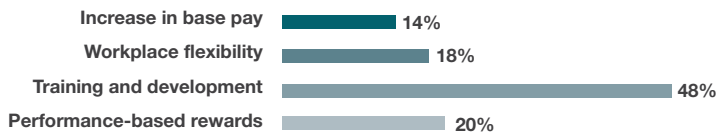
To retain their most valuable staff, almost half of the employers surveyed will be offering training and professional development opportunities over coming months. A further 20% of employers will be focusing on performance-based rewards as an incentive for top talent to remain with their business.

Despite the strong investment in staff retention, most of the employers surveyed (48%) are not expecting a significant change to staff turnover levels in comparison to recent months.

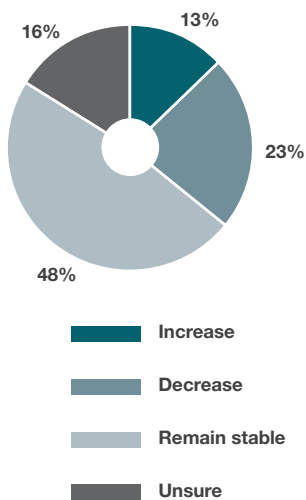
Level of focus on staff retention



Key retention strategies for Q3



Predicted staff turnover in Q3



48%
of employers will focus on training and development as a key retention strategy in Q3.

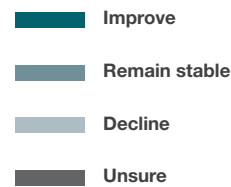
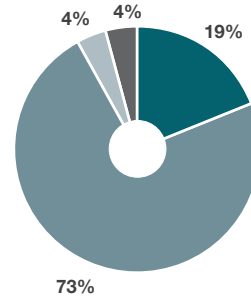
Market Outlook

Business confidence remains positive across the professional markets in Singapore, with the vast majority of respondents (73%) expecting domestic business conditions to remain stable in the third quarter. A further 19% predict that conditions will improve during this period.

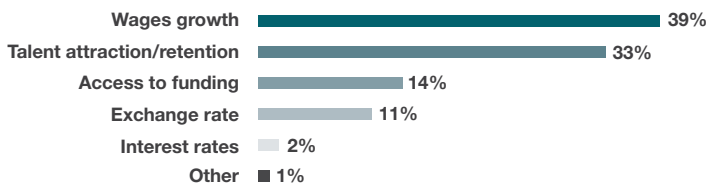
As companies continue their steady investment in new headcount, the issue of rising payroll costs continues to be of major importance. For most of the employers surveyed (39%), wages growth is the issue of most concern over coming months. This is followed closely by challenges around talent attraction and retention (33%).

Most employers in Singapore are relatively confident about the impact of broader global economic conditions on their business. Some 32% of respondents expect international demand for their products/services to increase in the third quarter. This compares to 43% of employers in China, 39% in Hong Kong and 15% in Australia.

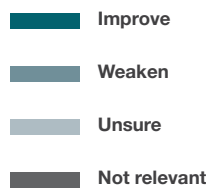
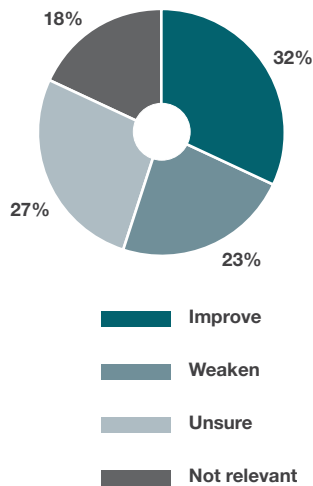
Predicted business conditions for Q3



Key business concerns for Q3



Global demand for your products/services in Q3



73%
of employers expect business conditions to remain stable in Q3.

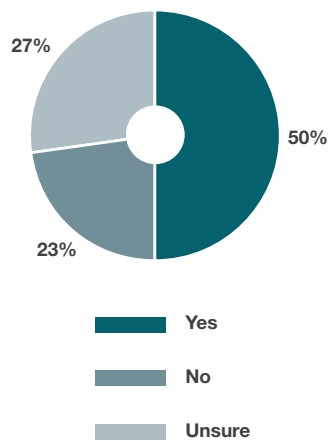
Market Outlook

cont'd

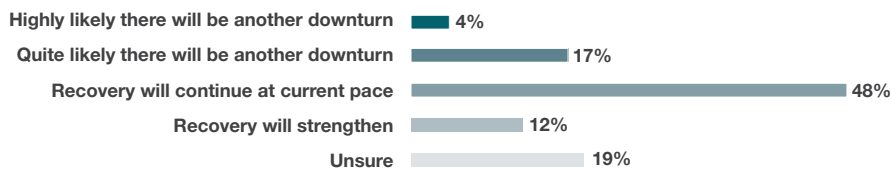
Most of the employers surveyed in Singapore are positive about the strength of the global economic recovery, with some 60% of respondents believing that the recovery will continue at the current pace or strengthen over the next 12 months. A further 19% of respondents remain unsure about the global outlook.

For many companies in Singapore, economic issues in overseas markets are also creating the opportunity to acquire new international talent. Some 50% of employers are seeing professionals return from overseas to work in Singapore, which is a clear indicator of the strength of the current job market.

Professionals returning to Singapore because of strong jobs growth



Global economic recovery over the next 12 months



50%

of employers are seeing professionals return from overseas because of strong jobs growth.

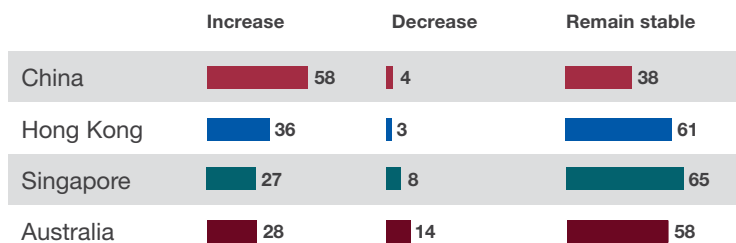
Regional Trends

Strong jobs growth in the white-collar professional market is set to continue across the Asia Pacific region over the third quarter of 2011. China is at the forefront of business growth, with 58% of respondents intending to increase their staff numbers during this period. This compares to 36% of employers in Hong Kong, 28% in Australia and 27% in Singapore.

As the professional employment market continues to strengthen, employees are becoming less cautious about

a career move and are actively looking for their next opportunity. Employers will need to have strong retention strategies in place in order to keep their best performers at a time when their skills are crucial to supporting business growth. Some 44% of the companies surveyed in Hong Kong are placing a major focus on staff retention in the third quarter, followed by 41% in Singapore, 40% in China and 31% in Australia.

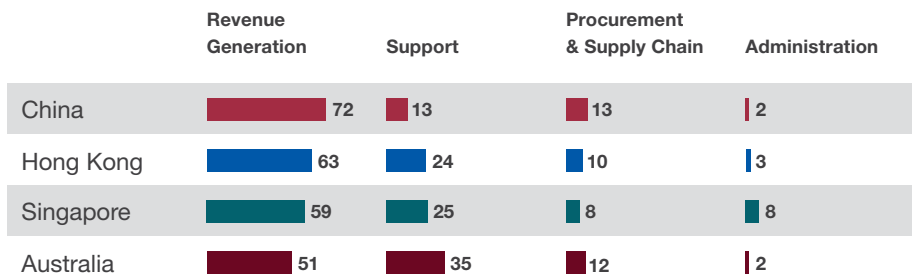
Predicted staff numbers for Q3 (%)



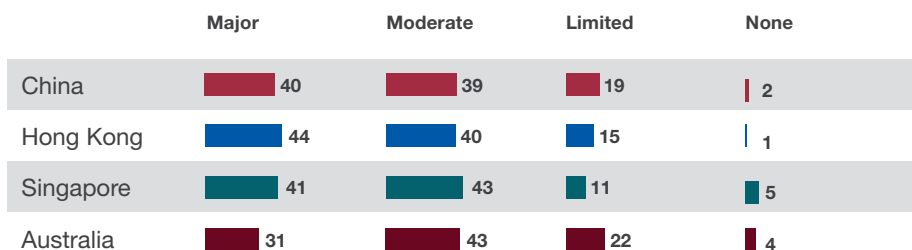
NOTE:

- 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

cont'd

Employers across Asia Pacific are largely positive about the strength of the global economic recovery. Respondents in China are the most optimistic about economic conditions, with 53% believing the recovery will continue at the current pace over the next 12 months. This compares to 51% of employers in Australia, 50% in Hong Kong and 48% in Singapore.

Rising payroll costs continue to be a key business concern for employers across the region. Almost half of the companies surveyed in Hong Kong consider wages growth to be the primary business challenge in the third quarter. This compares to 41% of employers in China and 39% in Singapore. For most Australian respondents (32%), the strength of the Australian dollar was nominated as the primary business concern.

Predicted staff turnover in Q3 (%)

	Increase	Decrease	Remain stable	Unsure
China	30	25	33	12
Hong Kong	28	26	38	8
Singapore	13	23	48	16
Australia	34	14	43	9

Global economic recovery over the next 12 months (%)

	Another downturn is highly likely	Another downturn is quite likely	Recovery will continue at current pace	Recovery will strengthen	Unsure
China	2	19	53	15	11
Hong Kong	2	15	50	14	19
Singapore	4	17	48	12	19
Australia	8	21	51	6	14

Key business concerns for Q3 (%)

	Wages growth	Talent attraction/retention	Access to funding	Exchange rate	Interest rate	Other
China	41	24	16	6	9	4
Hong Kong	48	19	11	14	2	6
Singapore	39	33	14	11	2	1
Australia	18	20	15	32	14	1

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