

Employment Outlook Quarter 4, 2012

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OVERALL VIEW OF Q4 EMPLOYMENT OUTLOOK



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ECONOMIC OVERVIEW

Business leaders and their HR managers have a vested interest in world economic events due to the direct correlation between the economy and the employment market.

In Q4, the focus will be on the sluggish economic conditions that continue to plague the European and American markets. The spotlight will also be on the outcome of the highly anticipated United States presidential election in November 2012.

Looking to Asia, the world's second largest economy, China, is showing continued signs of slowdown so this is another area of concern.

Singapore's official GDP figures for Q3 show that the economy contracted by 1.3% on a quarter-by-quarter basis.

Taking into account all of the above, we foresee that Singapore's economy may experience a slight contraction in Q4.

GENERAL EMPLOYMENT OUTLOOK

Compared with Q3, companies will exercise more prudence and take a more conservative approach to hiring in Q4. We believe that this is particularly so for the Multinational Corporations (MNCs) with operations here.

In general, most companies will be implementing hiring freezes, with some even retrenching staff, depending on the sector they operate in. This will be due to the need for cost control measures or business restructuring.

However, some of the Small and Medium-sized Enterprises (SMEs) may be the beneficiaries of this phenomenon, as the forward-thinking ones take the opportunity to pick up the talent that have been made redundant by the MNCs.

Singapore's unemployment rate is likely to remain status quo as any slowdown in hiring in certain sectors will be balanced out by a pick-up in hiring activities in others, such as the seasonal demand for staff in the Hospitality, Retail and Food & Beverage industries during the year-end period. However, we are not ruling out the possibility of a slight increase in the unemployment rate for Q4.

INDUSTRY OUTLOOK

The hot sectors hiring in Q4 will be Hospitality, Food & Beverage, and Retail. This is particularly due to the higher demand for frontline and operational staff that are needed to cope with the year-end festive season. The Healthcare industry is also expected to experience strong hiring activity, as there is a perennial need for qualified healthcare workers in Singapore.

Conversely, the sectors that may layoff workers include Manufacturing and Banking, especially MNCs with headquarters in Europe or the United States. This would be due to the continued economic troubles in the Europe and US markets, and consequent reduction of consumer demand.

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IMPACT OF NEW FOREIGN WORKER EMPLOYMENT POLICIES

Many businesses are facing a manpower crunch due to the tighter foreign labour policies.

Societal pressures have forced the authorities to calibrate the inflow of foreign workers and this is something that the business community needs to accept and adapt to.

Employers who are facing a shortage of manpower will need to look into how they can successfully entice locals and PRs to take on the available roles, which tend to be predominantly blue-collar in nature. Companies and their hiring managers will thus need to be more innovative in their strategies to attract local/PR candidates. They may also need to restructure some of these jobs to enhance their appeal, such as shortening the working hours of a job originally designed for a 6-day workweek to a 5-day workweek instead.

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RECRUITMENT & HUMAN RESOURCE TRENDS

1. **Less Movement in the Job Market:** Overall, we expect a quieter quarter with less hiring for permanent roles. The trend every year is that most employees will stay with their current employers during the year-end period, as they await their annual bonuses before making their next career move.
2. **Increased Hiring of Temporary/Contract Staff:** The key theme for Q4 will be the significant increase in the hiring of

temporary and contract staff to meet the heightened manpower demand during the festive season. This is especially applicable for the Hospitality, Food & Beverage, and Retail sectors.

Additionally, companies that have been finding it a challenge to hire the right permanent staff may switch to hiring temporary workers as an interim solution to their manpower shortage, which has arisen due to the tightening of foreign labour intake.

3. **Rise in Blue-collar Vacancies:** The tightening of the foreign worker policy will also see an increase in the number of blue-collar positions available for locals and PRs.
4. **More Job Fairs:** To fill these blue-collar positions, companies are likely to embark on mass recruitment drives in the form of job fairs.
5. **More Flexible Work Arrangements:** There have been recent calls at a national level for a more family-centric society that is underscored by greater work-life balance. As a result, companies will be exploring how they can implement flexible work arrangements for their employees more extensively within their organisations. We are already seeing forums and focus groups being conducted together with the various business associations to garner opinions and suggestions on such initiatives.

RECOMMENDATIONS FOR RECRUITERS & JOB-SEEKERS

In view of the prevailing and projected market conditions, here are our recommendations for both recruiters and job seekers for Q4:

1. **Manage your Expectations:** The general advice for both recruiters and job-seekers is to manage your expectations. Instead of trying to find the ‘perfect match’, recognise

that a 'good match' is good enough. For clients, the attitude of the job-seeker should be the core consideration. Job-seekers should be content to secure a job which may provide stability for the short-term of one to three years.

2. **Exercise Patience:** Hiring activity in Q4 is expected to be slow for most sectors due to the festive season so recruiters and job-seekers alike need to exercise patience as it may take more time to fill positions.
3. **Be Realistic:** Companies are expected to watch their bottom lines closely during this period so this is not the time for job-seekers, especially those in mid to senior level positions, to demand huge pay increases with their career transition.
4. **Be Adaptable:** Compared with a few short months ago, it is now no longer an employee's market. The world is changing very fast so both recruiters and job-seekers should recognise the need to switch their mindsets according to the fast-changing market conditions that prevail.

5. **Don't Be Picky:** One of the most common complaints employers have is that Singaporeans are too choosy when it comes to their jobs. There are currently plenty of job openings in the market but many are roles that locals shun due to various reasons such as the work conditions. Job-seekers shouldn't be too picky if they are serious about securing a job.



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CARE OF ALL
YOUR HUMAN
RESOURCE NEEDS
SO YOU CAN
FOCUS ON WHAT
MATTERS MOST,
YOUR BUSINESS.**

ABOUT PRIMESTAFF MANAGEMENT SERVICES PTE LTD

Founded in 1994, PrimeStaff Management Services Pte Ltd is an award-winning human resource consultancy based in Singapore. It provides a comprehensive suite of recruitment services across a wide range of positions, functions and industries in the Asia Pacific region. Other services include payroll processing and outplacement. Building upon its passion for people, PrimeStaff has cultivated a reputation in its industry for service excellence, reliability and effectiveness in delivering value added services.

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