

# Employment Outlook Quarter 3, 2013

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## OVERALL VIEW OF EMPLOYMENT OUTLOOK FOR Q3 2013



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### ECONOMIC OVERVIEW

At this junction, many businesses in Singapore are in the process of recovering the financial losses caused by the haze that hit in June.

Other environmental hazards that need to be keenly watched include the dengue situation in Singapore and the rest of Southeast Asia, as well as the spread of the Middle East respiratory syndrome coronavirus.

We are also expecting some volatility in the Singapore market due to the effects of the fiscal policies and resulting economic situation in the United States and Japan.

Taking these factors into consideration, the Singapore economy may contract slightly in Q3.

### GENERAL EMPLOYMENT OUTLOOK

The abovementioned events, coupled with a weak economic outlook, may result in a marginal dip in employment. The Singapore market is slowing down especially within the foreign banks with some closing or streamlining their various offices across the region, resulting in job cuts.

Compared with Q2, we are seeing more cautious hiring amongst companies. If the economic outlook continues to be weak, employment will decrease and the hiring of new graduates might even slow down due to the lower hiring rate for permanent headcounts across different industries.

To maximise the productivity of their existing workforce, most organisations are currently looking to adopt aggressive business innovation capabilities in order to help create wider margins and faster turnaround in service delivery – at the same cost of doing business. As labour costs in Singapore form a large component of the total cost of running a business, employers will be hiring on a needs basis, and for critical competencies across the board.

Due to such market conditions, we also expect to see more merger and acquisition activities, which will translate to a loss of jobs.

### INDUSTRY OUTLOOK

These are the sectors that will be experiencing robust hiring activity in Q3: Food & Beverage (F&B), Retail, Hospitality & MICE (meetings, incentives, conferencing, exhibitions), Telecommunications & IT, Education, Healthcare, and Energy.

The F&B and Retail sectors are in expansion mode due to strong consumer demand.

The Education and Healthcare sectors will continue to thrive, as they provide key services required by the nation, and these industries are critical for human capital growth and the wellbeing of the population.

There will be active hiring amongst Hospitality and MICE players to replace the loss of foreign workers, arising from the legislative clampdown in the hiring of foreigners, and resulting call to build a workforce comprised of a strong Singapore core.

*“The industries that will be hiring in Q3 include **Food & Beverage, Retail, Hospitality & MICE, Telecommunications & IT, Education, Healthcare, and Energy.**”*

The Telecommunications & IT industry will see some expansion, especially in the area of cloud computing providers and their corresponding support industries, due to the higher take-up rates by organisations to get on the 'cloud' in order to manage the cost of doing business in the long-run. There will also more hiring for start-ups as the start-up scene continues to heat up in Singapore.

In the Energy sector, the hiring of engineers will increase as demand for sustainable and green energy ramps up.

Additionally, companies are looking into cheaper options to manage the cost of non-core business activities while seeking to reduce support functions. This will lead to more outsourcing to industry players that provide such support functions.

## RECRUITMENT & HUMAN RESOURCE TRENDS

- 1. Hiring of Economically Inactive Locals:** There will be a slight increase in the hiring of older PMEs as well as previously inactive housewives as the government continues to encourage economically inactive locals such as women and mature residents to return to the workforce through its programmes like WorkPro and Age Management that help to foster progressive workplaces through flexible work arrangements. Retraining to ensure a successful transition and employability will also be heavily emphasised.
- 2. Contract Hiring:** Due to the cautious hiring sentiment in the market, many companies will avoid increasing their permanent headcounts. They will thus prefer to hire on a contract basis in the interim.
- 3. Demand for Subject Matter Experts:** The demand for individuals with scarce skillsets is set to continue, as employers seek to take advantage of the upward U-curve of

Singapore's economic recovery.

- 4. Flexible Work Programmes:** More companies will be implementing flexible work programmes as the government continues to encourage work-life harmony.
- 5. Work Improvement Programmes:** More organisations will be developing business innovation capabilities in order to maximise the productivity of their existing workforce.
- 6. Employee Retention:** As the manpower crunch persists, companies will look to retention strategies in a bid to keep its employees.
- 7. Business Process Outsourcing (BPO):** Outsourcing business support functions such as human resource activities will continue to be a key trend this quarter.

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## RECOMMENDATIONS FOR RECRUITERS & JOB SEEKERS

As in Q2, it is neither an employees' nor employers' market as the employment outlook for Q3 will be industry and role-specific. In view of this, here are our recommendations for both recruiters and job seekers for Q3 2013:

### For Recruiters:

- 1. Revamp C&B Package:** In this market, it's the little things that will prompt the candidate to move. When devising compensation & benefits packages, look beyond the salary package and offer more family-focused benefits such as integrating flexi-work programmes.

2. **Employer Branding is Key:** For in-house recruiters, employer branding will be the key to attracting talent.
3. **Promote Inclusiveness, Collaboration and Co-Creation:** Take a person-centric approach in managing talent; have an age-friendly work culture to harness diversity in a cross-cultural and multi-generational setting. Creative talent engagement and retention strategies will need to be implemented as talent are highly mobile and with higher expectations. When crafting HR strategies, a one-size-fits-all approach will not work.

**For Job Seekers:**

1. **Upgrade Yourself:** Embrace the fact that change is the only constant and continuously upgrade your skills in order to stay relevant and current.
2. **Cultivate Career Management Skills:** Keep ahead of the employment curve by cultivating proactive career management skills. Learn to add value to your workplace by finding ways to achieve higher productivity gains. Wherever you are planted, do and give your best.
3. **Keep the Faith:** Expand your network and be willing to explore opportunities outside your own industry. Do not shortchange yourself; expect a destined opportunity to come your way.

# LET US TAKE 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 and leading human resource consultancy based in Singapore with a growing regional reach. 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, Outplacement and HR Consulting. Building upon its passion for people, PrimeStaff has cultivated a reputation in the industry for service excellence, reliability and effectiveness in delivering value added solutions.

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