

Employment Outlook Quarter 1, 2015

By Ronald Lee, Managing Director
PrimeStaff Management Services Pte Ltd

Published: 24 December 2014



Leading HR and Management Consultancy Services Provider Award
Singapore HR Awards 2012
Leading HR Entrepreneur Award
Singapore HR Awards 2012
Top Entrepreneur of the Year Award 2012
A Rotary-ASME Award
Best Small Recruitment Business Award 2012
The Global Recruiter Asia Pacific Industry Award
Winner, Singapore Prestige Brand Award – Established Brands 2012
An ASME-Lianhe Zaobao Award
Honouree of Spirit of Enterprise 2013
Spirit Of Enterprise Award

EMPLOYMENT OUTLOOK Q1 2015 FORECAST



By Ronald Lee
Managing Director
PrimeStaff Management Services
Pte Ltd

ECONOMIC OVERVIEW

Local economists are predicting slower growth for Singapore in 2015.

There is even a possibility that the local economy may contract as a number of world events may negatively impact Singapore's economy.

The Chinese economy has started slowing down and this is expected to continue into next year, moderating to 7% for 2015. Oil prices continue to slide while economic woes in the Eurozone persist. Meanwhile, the Ebola outbreak, if drastically worsened, may derail global recovery.

This is against the backdrop of Singapore's continued economic restructuring and tight control on foreign worker supply leading to higher labour costs.

However, given the usual quick and level-headed response of both the Singapore government and employers to such challenges, we expect the economy to remain status quo.

GENERAL EMPLOYMENT OUTLOOK

Companies will continue to hire to fill current vacancies, which remain unfilled due to various reasons including the following:

- 1) Job-seekers tend to be more selective and less willing to compromise on their interests;

- 2) Job-seekers in general are not facing dire financial challenges and can thus take their time to secure a job;

- 3) Employers are not prepared to pay the salaries job-seekers are expecting.

Due to this tight labour situation, we will see more employers willing to exercise workplace flexibility to attract retirees and women back to employment. This will help discourage the desire to retire.

We foresee the national unemployment rate of about 2% will remain whilst the unemployment rate among the younger workers (those in their late 20s) will hover around 6%. The participation rate for women and the older workers will continue to rise.

INDUSTRY OUTLOOK

In Q1 2015, strong hiring activity will again be seen in the **Finance, Insurance** and **IT** sectors for PMEs, and the **Service** and **Food & Beverage** industries for front-line workers. Additionally, there will continue to be a demand for Engineers and Traders.

RECRUITMENT & HUMAN RESOURCE TRENDS

1. **Increased hiring of older workers:**
Companies are currently more open and willing to hire mature workers and retirees, as the bias towards the hiring of the elderly has been broken. There is a greater adoption of flexible work arrangements supported by government incentives and the increased publicity of such practices will serve to encourage this trend.

2. **Greater employment of temporary / part-time workers:** The tight labour market will see more temporary and part-time employees being hired. This will also lead the younger ones to enter the labour market.
3. **Decline in hiring of foreign workers:** We anticipate a continued decline in the hiring of foreign workers due to the tighter foreign worker quotas. However, we foresee an increase in the employment of foreign PMETs.

RECOMMENDATIONS FOR RECRUITERS / EMPLOYERS & JOB SEEKERS

It is an employee's market where the younger workers are concerned as they can choose to stay away from the labour market until a later age, due to the support of doting parents. Additionally, the younger generation does not feel limited to working in Singapore alone; they are more open to exploring overseas employment opportunities.

However, it is an employer's market with regard to the group of workers comprising retirees and women wanting to return to the labour market.

In light of these market dynamics, these are PrimeStaff's professional recommendations for both recruiters/employers and job-seekers for Q1 2015:

For Recruiters / Employers:

1. **Institute sound HR practices:** Establish and put in place sound, contemporary human resource practices to create a stronger organisational framework. This will have a positive effect on employee engagement and enhance employer branding.
2. **Implement an onboarding programme:** Create a comprehensive training programme for new hires to better align them with the company's expectations and values – to set the right corporate culture.
3. **Offer higher wages:** As the cost of living in Singapore has risen and will continue to rise, starting wages have to be increased, at least commensurately.
4. **Don't simply "hire":** Expand your focus to create and implement effective programmes to attract and retain reliable employees.
5. **Partner the experts:** Work with recruitment firms to optimise time and effort searching for the best talent, allowing you to cast your net wider.

For Job-seekers:

1. **Be realistic:** In certain circumstances, job-seekers may have to lower their expectations to get the job. Once you land the job, prove yourself at work by the results you achieve and adopt the attitude that your self-actualisation can be achieved in the workplace in addition to drawing an income.
2. **Network, network, network:** Attend more networking sessions to expose yourself to a greater number of potential employers.
3. **Spruce up your resume:** Spend the time and effort to enhance the appeal of your resume to recruiters. Make it concise while highlighting your track record and achievements.

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 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.

Contingency Search / Executive Placements / Contract Staffing / Temporary Staffing / Outsourcing / HR Advisory / Training

PrimeStaff Management Services Pte Ltd

4 Battery Road #21-00
Bank of China Building
Singapore 049908

+ 65 6222 3310 tel

+ 65 6227 2310 fax

www.primestaff.com.sg

